FRANCHISE DISCLOSURE DOCUMENT

NGW, LLC
a Kansas limited liability company
6825 West Galveston Street, Suite 5
Chandler, Arizona 85226
Phone: (480) 247-8610
Fax: (480) 247-8633
E-Mail: DanChaon@Nativenewyorker.com
Website: www.nativegrillandwings.com

NGW, LLC offers franchises for the operation of a causal dining restaurant emphasizing a variety of quality food and spirits in a relaxed, sport-themed, family-friendly surrounding.

The total investment necessary to begin operating a Native Grill and Wings restaurant ranges from $998,000 to $2,620,500. This includes $35,000 that must be paid to NGW, LLC.

If you sign an area development agreement to open multiple Native Grill and Wings restaurants, the total investment necessary to begin operating your Native Grill and Wings franchise ranges from $998,000 to $2,620,500, plus an additional $15,000 for each additional restaurant you commit to open under your area development agreement (other than your first restaurant). This includes $35,000, plus an additional $15,000 for each additional restaurant you commit to open under your area development agreement, that must be paid to NGW, LLC.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the franchisor at 6825 West Galveston Street, Suite 5, Chandler, Arizona 85226 or by phone at (480) 247-8610.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission (the "FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit 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, 2018

State Cover Page

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit "A" for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS BE SETTLED BY MEDIATION OR LITIGATION IN ARIZONA. OUT-OF-STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR LITIGATE WITH US IN ARIZONA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. YOU ARE REQUIRED TO OBTAIN A LIQUOR LICENSE, WHICH MAY NOT BE AVAILABLE OR MAY BE IN LIMITED SUPPLY IN YOUR STATE. IF THERE IS A SHORTAGE OF LIQUOR LICENSES IN YOUR STATE, YOU MAY NOT BE ABLE TO OBTAIN A LICENSE OR YOU MAY BE REQUIRED TO PAY A HIGHLY INFLATED COST. YOU MAY WISH TO REVIEW THE AVAILABILITY AND COST TO OBTAIN A LIQUOR LICENSE IN YOUR STATE BEFORE BUYING THE FRANCHISE.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: _______________, 2018

Table of Contents

ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES 1
ITEM 2 BUSINESS EXPERIENCE 3
ITEM 3 LITIGATION 3
ITEM 4 BANKRUPTCY 3
ITEM 5 INITIAL FEES 3
ITEM 6 OTHER FEES 4
ITEM 7 ESTIMATED INITIAL INVESTMENT 7
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 9
ITEM 9 FRANCHISEE'S OBLIGATIONS 10
ITEM 10 FINANCING 12
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING 12
ITEM 12 TERRITORY 23
ITEM 13 TRADEMARKS 25
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION 27
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 28
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 28
ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION 29
ITEM 18 PUBLIC FIGURES 32
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS 33
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION 35
ITEM 21 FINANCIAL STATEMENTS 37
ITEM 22 CONTRACTS 38
ITEM 23 RECEIPT 38

EXHIBIT "A" STATE ADMINISTRATORS
EXHIBIT "B" AGENTS FOR SERVICE OF PROCESS
EXHIBIT "C" FRANCHISE AGREEMENT
EXHIBIT "D" AREA DEVELOPMENT AGREEMENT
EXHIBIT "E" GENERAL RELEASE
EXHIBIT "F" TABLE OF CONTENTS TO MANUALS
EXHIBIT "G" FRANCHISEE LIST
EXHIBIT "H" FINANCIAL STATEMENTS
EXHIBIT "I" FRANCHISEE QUESTIONNAIRE
EXHIBIT "J" STATE ADDENDUM
EXHIBIT "K" FRANCHISEE ORGANIZATIONS
EXHIBIT "L" RECEIPT

ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "we", "us" and the "Company" mean NGW, LLC - the franchisor. "You" means the person who buys a Native Grill and Wings franchise - the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation, and your members if you are a limited liability company.

Corporate Information

NGW, LLC is a Kansas limited liability company that was incorporated in May 2015. Originally, the franchising entity was a corporation operating under the name Native New Yorker Franchising, Inc. In 2013, the franchising entity was converted from a corporation to a limited liability company for tax and liability protection purposes. At that time, the company also changed its name from Native New Yorker Franchising, Inc. to Native New York Franchising, LLC. Our principal business address is 6825 West Galveston Street, Suite 5, Chandler, Arizona 85226 and our telephone number is (480) 247-8610. Our agent for service of process is disclosed in Exhibit "B" to this Disclosure Document. We do not do business under any names other than "NGW, LLC".

Business History

We began offering Native Grill and Wings franchises in September of 2015. We do not offer franchises in any other line of business. We are not engaged in any business other than offering Native Grill and Wings franchises and administering the franchise system. We have not directly operated a Native Grill and Wings restaurant.

Parents, Affiliates and Predecessors

Our predecessor is Native New Yorker Franchising, LLC. Our predecessor offered franchises for Native Grill and Wings restaurants (formerly operated under the name Native New Yorker) from 1993 through September 2015. Our predecessor commenced a rebranding initiative in 2013, which included a name change from "Native New Yorker" to "Native Grill and Wings."

Our predecessor also offered area representative franchises from August 2014 through September 2015. Area representative franchisees solicit and recruit franchisees in a defined geographic development area and provide certain initial and ongoing support to those franchisees. In exchange, area representatives were paid commissions based on the initial and ongoing fees received from the franchisees in the development area. Our predecessor sold a total of 1 area representative franchise. Our predecessor never directly owned or operated a Native Grill and Wings restaurant.

At the time NGW, LLC was formed, another company called Native Grill and Wings Franchising, LLC ("NGWF") was also established. All existing Franchise Agreements for Native Grill and Wings restaurants were assigned to NGWF to hold as franchisor. We anticipate that we will provide certain support to these franchisees on behalf of NGWF. NGWF will not enter into new franchise agreements but will merely hold the existing franchise agreements previously assigned. NGWF is an affiliate of ours and has a principal place of business located at 6825 West Galveston Street, Suite 5, Chandler, Arizona 85226. NGWF has never owned or operated a Native Grill and Wings restaurants and does not conduct any other business activities beyond serving as franchisor under the assigned franchise agreements.

Our parent company is Wingtime, LLC, a Kansas limited liability company, which has a principal business address of 6825 West Galveston Street, Suite 5, Chandler, Arizona 85226.

We do not have any affiliates that offer franchises in this or any other line of business (although our affiliate NGWF does act as the franchisor under existing franchise agreements as discussed above). We do not have any affiliates that provide goods or services to our franchisees.

Description of Franchised Business

A Native Grill and Wings restaurant is a casual dining, family-oriented, American menu restaurant, with both dine-in, full-service bar, and take-out services. The featured menu item is fried chicken wings served with several different sauces. The restaurants also serve high quality, reasonably-priced hamburgers and other hot and cold sandwiches, a variety of pastas, pizza, chicken, appetizers, soups, salads, and desserts, as well as other items.

As a franchisee, you will establish and operate a casual dining restaurant emphasizing a variety of quality food and spirits in a relaxed, sport-themed, family-friendly surrounding (your "Restaurant"). We will grant you a license to use certain logos, service marks, and trademarks, including "Native Grill and Wings" and the associated logo (collectively, the "Marks"). The "Marks" also include our distinctive trade dress used to identify a Native Grill and Wings restaurant. The Marks are owned by our aprent company, Wingtime, LLC. You must sign a Franchise Agreement (the "Franchise Agreement") and operate your Restaurant in accordance with the terms of the Franchise Agreement. The form of Franchise Agreement is attached to this Disclosure Document as Exhibit "C".

Our parent company, Wingtime, LLC, is the owner of the trade secrets, recipes, concept, style, confidential information, format and operating system utilized by Native Grill and Wings restaurants (collectively, the "System"). The operational aspects of a Native Grill and Wings restaurant are contained within our confidential specifications and operational manuals (collectively, the "Manuals"). You will operate your Restaurant as an independent business using the Marks, the System, the Native Grill and Wings name, as well as the support, guidance and other methods and materials provided or developed by us.

Area Development Rights

We may in our sole discretion offer you the right to enter into an area development agreement (an "ADA") granting you the right and obligation to establish and operate multiple Native Grill and Wings restaurants in the geographic area and within the time frames described in the ADA. A copy of our form of ADA is attached to this Disclosure Document as Exhibit "D". You must sign our then current form of Franchise Agreement for each Native Grill and Wings restaurant that you establish under an ADA.

Market and Competition

A Native Grill and Wings restaurant competes with all other restaurants. These restaurants may include other Native Grill and Wings restaurants, other specialty restaurants and other food service establishments serving the same or similar menu items served at a Native Grill and Wings restaurant. Generally speaking, the restaurant industry is highly-competitive and many restaurants do not succeed. We generally require that our franchisees have prior restaurant management experience and prefer franchisees with prior business ownership experience.

Laws and Regulations

You must comply with all federal, state and local health and sanitation laws relating to the operation of your Restaurant. You are also required to obtain a liquor license and comply with all state and local laws regulating businesses that serve liquor. There may be other local, state and/or federal laws or regulations pertaining to your Restaurant with which you must comply, including immigration laws, laws regulating minimum wages and laws that prohibit smoking. We strongly suggest that you investigate these laws before purchasing a Native Grill and Wings franchise.

ITEM 2 BUSINESS EXPERIENCE

Dan Chaon – Chief Executive Officer

Mr. Chaon has served as our Chief Executive Officer since September 2015. From September 2010 to January 2012, he served as the Chief Operating Officer of our predecessor, Native New Yorker Franchising, LLC. In January 2012, he became President and Chief Operating Officer for our predecessor. From January 2013 to September 2015, he served as Chief Executive Officer for our predecessor.

Monty Madison – Director of Franchise Operations

Mr. Madison has served as our Director of Franchise Operations since September 2016. From September 2015 to September 2016, Mr. Madison was a Corrections Officer with the Corrections Corporations of America in Florence, Arizona. From September 2014 to September 2015, Mr. Madison was a Sales Associate with Auto National Chevrolet in Gilbert, Arizona. From March 2012 to September 2014, Mr. Madison was a Regional Director for Café Rio in Arizona, Idaho, Montana and Washington.

Brad Williams – Chairman of the Board

Mr. Williams has served as Chairman of the Board since September of 2015. From October of 2012 through the present, he has served as Chief Executive Officer of Joby Management, LLC in Surprise, Arizona. From January of 1979 through the present, he has worked as an Attorney for Williams & Williams PA in Kingman, Kansas.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item. California law requires additional disclosures related to the information contained in Item 3. These additional disclosures appear in the California Addendum that is attached to this Disclosure Document as EXHIBIT "J".

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

You will pay a $35,000 franchise fee for your franchise (the "Initial Franchise Fee"). The Initial Franchise Fee is payable in full at the time you sign the Franchise Agreement. We may terminate the Franchise Agreement and refund $5,000 of the Initial Franchise Fee if your Managing Owner or General Manager (each defined in Item 15) fails to successfully complete the initial training program to our satisfaction. The Initial Franchise Fee is not refundable under any other circumstances. All Initial Franchise Fees are fully earned. Except otherwise described below with respect to an ADA, the Initial Franchise Fee is uniformly imposed.

If you sign an ADA, the Initial Franchise Fee for your first restaurant will be $35,000 and the Initial Franchise Fee for each additional restaurant will be $25,000. At the time you sign the ADA, you must pay us the entire Initial Franchise Fee for your first restaurant plus $15,000 for each additional restaurant you commit to develop. For example, if you commit to establish 4 restaurants under an ADA, your initial fee will be $80,000 ($35,000 + $15,000 + $15,000 + $15,000). You must pay us the remaining balance of the Initial Franchise Fee for each additional restaurant (i.e., $10,000 per restaurant) at the time you sign the franchise agreement for that restaurant. If we terminate your ADA due to your default, you will not be entitled to a refund of any Initial Franchise Fees previously paid to us but you will not be required to pay the remaining balance of the Initial Franchise Fee for any restaurants for which a Franchise Agreement had not been signed.

Fee Deferral

All fees referenced in Item 5 of this Disclosure Document are subject to deferral pursuant to order of the State of California. Accordingly, you will pay no fees to us until we have completed all of our material pre-opening responsibilities to you and you commence operating the franchised business.

ITEM 6 OTHER FEES

TYPE OF FEE	AMOUNT [1]	DUE DATE	REMARKS
Royalty Fee	6% of weekly gross revenues	Payable on day of week we specify from time to time (currently Wednesday) for prior week's gross revenues	See Note 2
Marketing Fund Fee	1% of weekly gross revenues	Payable on day of week we specify from time to time (currently Wednesday) for prior week's gross revenues	See Note 3
Training Fee	$300 per person per day	10 days after invoice	See Note 4
On-Site Training Fee	Currently ranges from $175 to $250 per certified trainer per day (plus reimbursement of costs)	10 days after invoice	See Note 5
Technology Fee	Varies (none currently charged, but we estimate it could range from $750 to $1,500 per month)	10 days after invoice	See Note 6
Renewal Fee	$5,000	Prior to signing Successor Agreement	None
Transfer Fee	50% of the then current initial franchise fee applicable to purchase of first restaurant	Prior to or concurrently with transfer	Payable when you transfer or sell your franchise. No charge if franchise transferred to an entity that you control or if ownership interests are transferred between existing owners.

TYPE OF FEE	AMOUNT [1]	DUE DATE	REMARKS
Secret Shopper Reimbursement	Cost paid to company we hire	As incurred	We may hire a third party to conduct "secret shopper" inspections of your Restaurant. If we do so, you must reimburse us for all amounts that we pay the secret shopper to inspect your Restaurant.
Audit Fee	$2,500 plus our actual costs relating to the audit (e.g., attorneys' fees, accounting fees, travel and lodging expenses for audit team)	10 days after invoice	Payable only if the audit: (i) reveals that you understated any amount that you owe us by at least 2%; or (ii) is necessary because you fail to provide us with required information or reports in a timely manner.
Fines	Up to $500 per incident	10 days after invoice	Payable if you fail to comply with a mandatory standard or operating procedure and you do not cure the non-compliance within the time period we require.
Management Fee [1]	Commercially reasonable rate (not to exceed 20% of gross revenues)	10 days after invoice	If you default under the Franchise Agreement or the Managing Owner dies, we can designate a temporary manager to manage your Restaurant or supervise your managers until you cure the default or find a replacement Managing Owner, as applicable.
Late Fee	Greater of $150 or 10% of past due amount	Immediately upon demand	If there are sufficient funds in your designated checking account to cover all amounts due us as such amounts become due and you provide to us all reports in a timely manner, you will not be charged a late fee.
Default Interest	Lesser of 18% per annum (pro-rated on daily basis) or highest rate permitted by law	Immediately upon demand	If there are sufficient funds in your designated checking account to cover all amounts due us as such amounts become due and you provide to us all reports in a timely manner, you will not be charged default interest.
Indemnification	Will vary with circumstances	30 days after invoice	You must reimburse us if we are sued for claims relating to the operation of your Restaurant or for damages we incur due to your breach of the Franchise Agreement
Attorneys' Fees and Costs	Will vary with circumstances	Upon demand	You must reimburse us for all attorneys' fees and other costs we incur relating to your breach of any term of the Franchise Agreement or any other agreement with us or our affiliates.

TYPE OF FEE	AMOUNT [1]	DUE DATE	REMARKS
New Product or Supplier Testing	Cost of testing	Upon demand	This covers the costs of testing new products or inspecting new suppliers you propose
Insurance	Actual cost of premiums, plus our costs and expenses	As incurred	If you fail to obtain and maintain the insurance we require, and we elect to do so on your behalf, you must reimburse us

NOTES:

1. All fees are imposed by and are payable to us, except that you will pay our certified instructors directly for the On-Site Training Fee and related expenses. All fees are non-refundable and uniformly imposed on franchisees. You will be required to sign an Electronic Funds Transfer Agreement (attached to the Franchise Agreement as ATTACHMENT "E") permitting us to electronically debit your designated bank account for payment of all fees payable to us (other than the Initial Franchise Fee, the Transfer Fee and the Renewal Fee) as well as any amounts that you owe to us or our affiliates for the purchase of goods or services. You must deposit all revenues that you collect from the operation of your Restaurant into your designated bank account and ensure that there are sufficient funds available for withdrawal before each due date.

2. "Gross Revenues" include all revenues derived from the operation of your Restaurant. Gross revenues do not include rebates, refunds, sales tax, use tax or revenues from the sale of merchandise purchased from us or an affiliate of ours. However, any rebates or refunds that you give that exceed 0.5% of your total revenues (excluding any rebates or refunds relating to a program instituted by us) will be considered part of your gross revenues and will be subject to the various fees. You must provide us with weekly reports of your gross revenues.

3. We maintain and administer a marketing fund (the "Marketing Fund"). You have no voting rights pertaining to the administration of the Marketing Fund, the creation and placement of the marketing materials of the amount of the Marketing Fund Fee. In addition to the Marketing Fund Fee, you are required to spend at least 1% of your gross revenues on local advertising.

4. At no additional charge, we will provide our initial training program for your owners, General Manager and Managers. However, you must pay us the Training Fee for any person that we must retrain due to his or her failure to successfully complete training on a prior attempt. You must also pay us the Training Fee if we train a new owner, General Manager or Manager after you open your Restaurant.

5. As part of our initial training program, we will send an opening unit training team to your Restaurant to provide on-site training (the on-site training period typically ranges from 7 to 14 days). You agree to pay the On-Site Training Fee for each certified trainer that we send to your Restaurant as part of our on-site training program. We may also charge you the On-Site Training Fee if we provide additional on-site training or assistance: (i) in response to your request; (ii) in response to our determination that you are not operating your Restaurant in accordance with our standards; or (iii) if your gross revenues are less than the average gross revenues generated by other similarly situated Native Grill and Wings Restaurants. In addition to the On-Site Training Fee, you must pay for all reasonable travel, meals, lodging and other expenses that we deem necessary in providing training at your Restaurant.

6. Currently, we require that you utilize software and technology provided by third party suppliers and you must directly pay the suppliers for the associated fees and costs, which are disclosed in

more detail in Item 11 (See section entitled "Computer and POS System"). We reserve the right to enter into a master license agreement with any software or technology supplier and sublicense the software or technology to you, in which case we may charge you for all amounts that we must pay to the licensor based on your use of the software or technology. We also reserve the right to create proprietary software that must be used by franchisees, in which case we may require that you enter into a license agreement with us and pay us reasonable initial and ongoing licensing, support and maintenance fees. We can change the software and technology that must be used by our franchisees at any time. Our current technology fee includes software upgrades and varies depending on location and state.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
TYPE OF EXPENDITURE	**AMOUNT**[1]	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Initial Franchise Fee[2]	$35,000	Lump Sum	At time you sign franchise agreement	Us
Travel and Training Expenses for Initial Training	$25,000 to $65,000	As Incurred	During training	Hotels, Restaurants and Certified Trainers
Pre-opening Payroll[3]	$25,000 to $40,000	As Incurred	Prior to opening	Cooks, managers and other employees
Rent & Security Deposit (3 months' rent plus 1 month security) [4]	$64,000 to $128,000	Lump Sum and then Monthly Installments	Monthly (pre-opening and then monthly)	Landlord
Leasehold Improvements [5]	$425,000 to $1,400,000	Lump Sum or Financed	Prior to opening	Suppliers, contractors
Furnishings, Fixture, Equipment	$175,000 to $425,000	Lump Sum or Financed	Prior to opening	Suppliers, contractors
TV/Audio Video/Security	$95,000 to $137,500	Lump Sum or Financed	Prior to opening	Suppliers
Signs	$15,000 to $35,000	Lump Sum or Financed	Prior to opening	Sign company, landlord (possibly)
Opening Inventory Food & Beverage	$17,000 to $25,000	Lump Sum	Prior to opening	Suppliers
Security Deposits[6]	$2,500 to $10,000	Lump Sum	Prior to opening	Landlord, utility companies, equipment lessors
Insurance – 3 months	$15,000 to $30,000	Terms may be available	Terms may be available	Insurance company
Grand Opening[7]	$5,000 to $10,000	As incurred	As incurred	Suppliers
Architect Fees	$35,000 to $85,000	Lump Sum and/or terms	Prior to opening	Architect

YOUR ESTIMATED INITIAL INVESTMENT				
TYPE OF EXPENDITURE	AMOUNT[1]	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Professional Fees	$2,000 to $5,000	Lump Sum and/or terms	Prior to opening and ongoing	Accountant, lawyer, real estate broker
Small Wares	$25,000 to $35,000	Lump Sum	Prior to opening	Suppliers
Liquor Licenses[8]	$2,500 to $50,000	Lump Sum	Prior to opening	State and city departments
Miscellaneous Costs[9]	$5,000 to $15,000	As incurred	As incurred	Suppliers, utilities, tradesmen
Additional Funds (3 months)[10]	$30,000 to $90,000	As incurred	As incurred	Suppliers and employees
Total Estimated Initial Investment[11]	**$998,000 to $2,620,500**			

NOTES:

1. We do not offer direct or indirect financing to franchisees for any of these items. None of the fees payable to us are refundable except that a portion of the Initial Franchise Fee may be refunded under the circumstances described in Item 5. We are unaware of any fees payable to third party suppliers that are refundable, although some landlords refund security deposits at the end of the lease if the tenant does not default.

2. This amount is for the purchase of a single franchise. See Item 5 for the Initial Franchise Fees associated with an ADA and for a discussion of the circumstances under which a portion of the Initial Franchise Fee is refundable.

3. You must hire certain employees before opening your Restaurant so that we can provide them with pre-opening training. This amount is an estimate of the pre-opening payroll costs for your employees who must be trained.

4. These figures presume that you will be leasing your premises for your Restaurant. A Native Grill and Wings restaurant typically ranges in size from 4,800 to 6,000 square feet, although in certain higher density urban areas as well as Captive Venues (as defined in Item 12) we may authorize an "express" Native Grill and Wings restaurant concept that ranges in size from 1,800 to 3,200 square feet. The expense of leasing will vary, depending upon the size of the premises, its location, and the requirements of individual landlords. Landlords typically require security deposits equal to 1 or 2 months' rent and may, in addition, require payment in advance of the first and/or last (or more) month's rent. We estimate the monthly rent will range from $16,000 to $32,000 per month. The total estimated initial investment shown in the chart above includes a security deposit and rent through your 3rd month of operation.

5. The cost of leasehold improvements and build out will vary widely depending upon the size and condition of the premises, whether or not there are any existing and comparable leasehold improvements on the premises, the extent and quality of improvements desired by you over and above our minimum requirements, landlord's cash contribution to the cost of the improvements, and the like. In Arizona, and depending on location, new build-outs can range from a low of approximately $40 per square foot per year to a high of approximately $190 per square foot.

6. In addition to the security deposits payable to the landlord of the restaurant premises, utility companies and equipment lessors will require security deposits. The amount of the deposits required by utility companies vary from approximately $2,500 to $10,000, but some utilities will accept the posting of a bond in lieu of the payment of a cash deposit. A typical cost for the premium for such a bond is approximately 10% of the amount of the bond being posted.

   The security deposits required by equipment lessors vary so widely (depending upon the amount and value of equipment leased) that we cannot reasonably estimate the cost. It has been our experience that relatively little equipment is leased except for some equipment leased from vendors (for example, beverage dispensing machines furnished by and leased from beverage suppliers). Security deposits are not normally required for this type of leased equipment and no amount is included under the estimated cost for security deposits shown in the table above.

7. You must spend this amount on local advertising during the month before opening and the 2 month period following the opening. After the grand opening period, you must spend at least 1% of your monthly gross revenues on local advertising throughout the term of your Franchise Agreement.

8. Some states or municipalities limit the number of available liquor licenses. If this occurs in the state or municipality in which you intend to operate your Restaurant, you may not be able to obtain a liquor license or you may be required to pay a grossly inflated amount to acquire a liquor license. The estimate in this Item 7 presumes that there is an adequate supply of liquor licenses available in your state and municipality.

9. This includes utility costs and business licenses and non-re-occurring expenses.

10. This estimates your expenses during the first three months of operation. These expenses include payroll costs (excluding any wage or salary paid to you), other miscellaneous expenses, and working capital.

11. The lower range total represents costs if you will be using an already established restaurant facility and you undertake minor alterations to comply with our standards. The higher range total represents costs for those facilities that are built-to-suit/new. The estimates in this Table are for a single franchise only. If you sign an ADA, the estimated initial investment will increase by an amount equal to $15,000 for each additional restaurant that you agree to establish under the ADA. These figures are estimates only and you may have additional expenses starting your Restaurant. Your costs will depend on a variety of factors, including how closely you follow our methods and procedures, your management skills, experience and knowledge, the local real estate market, local economic conditions, the prevailing wage rate, the local competition for our goods, and the sales level achieved during the initial period. We strongly recommend that you have independent estimates on your anticipated cost to construct, develop, open and operate your Restaurant.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Currently, we require that you purchase or lease the following "source restricted" goods and services for the development (including site selection, construction and realtor services) and ongoing operation of your Restaurant: food items, equipment, fixtures, supplies, insurance policies, signs, real estate services, computer hardware and software, and payroll processing services. By "source restricted," we mean that the good or service must meet our specifications or must be purchased from one or more approved or designated suppliers. There are no approved or designated suppliers in which any of our officers owns an interest. We estimate that nearly 100% of the total purchases that will be required to establish and operate your Restaurant will consist of source restricted goods or services (reduced to 10% if food vendor specifications are excluded).

You must construct and equip your Restaurant according to the layout and design criteria, architectural renderings and décor package that we will give to you and/or the specifications contained in the Manuals. You also need to obtain our approval prior to signing a lease for the premises from which you will operate your Restaurant. As a condition to our approval, we require that the landlord agree to certain provisions relevant to subleasing, rental terms, signage, default notices, and our rights of entry and lease assumption. The terms are contained within the Lease Addendum is attached to the Franchise Agreement as ATTACHMENT "C".

You must utilize applicable third-party delivery vendors that conduct business in your area. Third-party delivery vendors will take food from your location directly to guests' residences or workplaces. As payment for their services, third-party delivery vendors take a percentage of each order as payment, which is estimated to be between 27% and 35%. Other start-up costs may apply and vary depending on the vendor.

The specifications for determining an approved supplier include standards for quality, consistency, delivery, performance, design, appearance and price of the product or service as well as the dependability, reputation and financial viability of the supplier. Upon your request, we will provide you with any objective specifications pertaining to our evaluation of a supplier, although certain important subjective criteria (e.g., product appearance, taste, design, functionality, etc.) are important to our evaluation but cannot be reduced to writing. At our option, we may revoke our approval of a supplier upon a supplier's failure to meet any of our then current minimum standards and specifications.

If you desire to purchase or lease any items from a non-approved supplier, you must submit to us a written request for approval and provide to us all specifications, drawings, and any other information that we request in order to enable us to determine whether the items would meet our current specifications. We may require that our representatives be allowed to inspect the facilities of the proposed supplier, and that samples from the proposed supplier be delivered, at no charge to us, either to us or to our designee for inspection. You must pay all of our out-of-pocket costs in reviewing a proposed supplier. We will notify you in writing within 30 days of your request of our approval or disapproval of the proposed supplier. We may, at our option, re-inspect the facilities and products of any approved supplier and revoke our approval upon the supplier's failure to meet any of our then current minimum standards and specifications.

We have negotiated relationships with suppliers that enable our franchisees to purchase certain items at discounted prices (less any rebates or other consideration paid to us). There are no purchasing cooperatives although we reserve the right to establish one or more purchasing cooperatives in the future. Except as described in this paragraph, you do not receive any material benefits for using designated or approved suppliers.

Although we are not currently an approved supplier for any items you must purchase relating to your Restaurant, we reserve the right to designate ourselves as an approved supplier in the future. We may receive rebates, payments or other material benefits from vendors based on franchisee purchases. In the past, our predecessor has passed on certain rebates to franchisees and company-owned restaurants based on the percentage of use. We are not required to continue this practice except for any preexisting franchisees to whom our predecessor has already promised to share the rebates. During the fiscal year ended December 31, 2017, we had total revenue of $3,732,637 of which $253,437 (6.78% of our total revenues) was based on franchisee purchases from designated or approved suppliers. During the fiscal year ended December 31, 2017, our affiliates did not generate any revenues based on franchisee purchases from us or from designated or approved suppliers. The basis by which we are paid rebates by our current suppliers is as follows:

1. US Food Service - Supplier pays us $36 per case purchased; and

2. Coca Cola Supplier pays us $0.82 per gallon purchased.

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 other items in this Disclosure Document.

OBLIGATION	SECTION IN FRANCHISE AGREEMENT ("FA") AND AREA DEVELOPMENT AGREEMENT ("ADA")	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	FA - Sections 7.1 & 7.2 ADA - Sections 4.2 & 4.3	Items 7 and 11
b. Pre-opening purchases/leases	FA - Sections 7.3, 11.4 & 14.1 ADA - Section 4.3	Items 7, 8 & 11
c. Site development and other pre-opening requirements	FA - Sections 7.3 & 7.4 ADA - Sections 4.2, 4.3 & 4.4	Items 6, 7 and 11
d. Initial and ongoing training	FA - Section 5, 6.3 & 15.3 ADA - None	Items 6 & 11
e. Opening	FA - Section 7.4 ADA - None	Item 11
f. Fees	FA - Section 12 ADA - Section 5	Items 5 and 6
g. Compliance with standards and policies/Manual	FA - Sections 6.1, 7.1, 7.3, 10.3 & 11 ADA - None	Item 11
h. Trademarks and proprietary information	FA - Sections 16 ADA - None	Items 13 and 14
i. Restrictions on products/services offered	FA - Sections 11.3 ADA - None	Item 16
j. Warranty and customer service requirements	FA - Section 11.2 ADA - None	Items 6 and 11
k. Territorial development and sales quotas	FA - None ADA - Section 4.1	Item 12
l. Ongoing product/service purchases	FA - Sections 11.4 ADA - None	Item 8
m. Maintenance, appearance and remodeling requirements	FA - Sections 11.5 & 11.7 ADA - None	Item 11

OBLIGATION	SECTION IN FRANCHISE AGREEMENT (“FA”) AND AREA DEVELOPMENT AGREEMENT (“ADA”)	DISCLOSURE DOCUMENT ITEM
n. Insurance	FA - Section 14.1 ADA - None	Items 6 and 7
o. Advertising	FA - Sections 10 ADA - None	Items 6, 7 and 11
p. Indemnification	FA - Section 17 ADA - None	Item 6
q. Owner’s participation/management/ staffing	FA - Sections 8 ADA - None	Items 11 and 15
r. Records/reports	FA - Section 14.2 & 14.3 ADA - None	Item 6
s. Inspections/audits	FA - Sections 15 ADA - None	Items 6 and 11
t. Transfer	FA - Section 18 ADA - Section 6	Item 17
u. Successor Agreement/Term	FA - Section 4 ADA - Sections 3, 4.5	Item 17
v. Post-termination obligations	FA - Section 20 ADA - None	Item 17
w. Non-competition covenants	FA - Section 13 & 20 ADA - None	Item 17
x. Dispute resolution	FA - Section 21 ADA - Section 9	Item 17
y. Franchise Owner Agreement (brand protection covenants, transfer restrictions and financial assurance for owners and spouses)	ATTACHMENT "D"	Item 15

ITEM 10 FINANCING

We do not offer any direct or indirect financing for any fee. We do not guarantee any of your notes, leases or other obligations. We are on the Small Business Administration approved franchise registry.

ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as disclosed below, we need not provide any assistance to you.

Before you open your Restaurant, we will:

1. License you the marks necessary to begin operating your Restaurant. (Section 2).

2. Grant you an exclusive territory. (Section 2)

3. Assist you in locating a site for your Restaurant by offering our guidance and recommendations and providing the name of our recommended real estate broker to assist you in finding a suitable site). (Section 6.2)

4. Provide you with (i) layout and design criteria and architectural renderings for the layout and design of your Restaurant and (ii) a décor package (either separately or in the Manual) that lists all items and specifications for the décor of your Restaurant. (Section 6.2 & 7.3)

5. Review and approve the location, build-out and design of your Restaurant. See Section below entitled "Restaurant Development" for additional information. (Sections 7.1, 7.3 & 7.4)

6. Review and approve the lease for your premises, if applicable. See Section below entitled "Restaurant Development" for additional information. (Section 7.2)

7. Provide you with written specifications for the goods and services you must purchase to develop, establish and operate your Restaurant, as well as a written list of approved and/or designated suppliers for purposes of acquiring these goods and services. We do not deliver or install any of these items. (Sections 11.2 & 11.4)

8. Provide you 1 working copy of all support Manuals, which will help you establish and operate your Restaurant. See Section below entitled "Manuals" for additional information. (Sections 6.1 & 11.2)

9. Provide an initial training program. See Section below entitled "Initial Training Program" for additional information. (Section 5.1)

10. Send an opening unit training team to your Restaurant to provide between 7 and 14 days of on-site assistance and training before and immediately after opening. See Section below entitled "Initial Training Program" for additional information. (Section 5.2)

<u>During the operation of your Restaurant, we will</u>:

1. Provide additional training either upon your request or if we determine that you or your staff requires additional training. See Section below entitled "Ongoing Training" for additional information. (Section 6.3 & 15.3)

2. Give you ongoing guidance and recommendations on ways to improve the marketing and operation of your Restaurant. (Section 6.4)

3. Maintain and administer the Marketing Fund. See Section below entitled "Marketing Fund" for additional information. (Section 10.1)

4. Maintain an Internet site that will list all of the franchised and company-owned Native Grill and Wings restaurants and provide other information regarding the Native Grill and Wings franchise system. We may modify the content of and/or discontinue the website at any time in our sole discretion. (Section 6.5)

<u>During the operation of the Restaurant, we may, but need not</u>:

1. Hold periodic conferences or seminars to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, and the like. These conferences and seminars are mandatory. We will not charge you a fee to attend but you must pay your own travel and living expenses. (Section 5.4)

2. Provide system-wide periodic advanced or refresher training programs. See Section below entitled "Ongoing Training" for additional information. (Section 5.3)

<u>Initial Training Program</u> (Section 5)

Overview

We will provide you with our initial training program, which includes our executive training program, manager-in-training program and on-site training program.

Trainees and Successful Completion of Training

All of your owners (other than passive owners) and General Managers must attend and successfully complete our entire initial training program to our satisfaction. Your Managers are only required to attend and successfully complete the manager-in-training program, although they may attend the entire initial training program if they wish to do so. You may send any of your other employees to all or any portion of the initial training program in your discretion. If either your Managing Owner or General Manager fails to successfully complete the training program to our satisfaction, we may terminate the Franchise Agreement and refund $5,000 of the Initial Franchise Fee.

Executive Training Program

The executive training program consists of our franchise and business management training. This portion of training takes place at a location that we designate in Arizona (generally our corporate office and one or more Native Grill and Wings restaurants owned by our franchisees or our affiliates). The executive training program lasts approximately 10 days. We anticipate providing the executive training program once during every 8 to 10 week period if there is sufficient demand. The training materials for the executive training program consist of the Manuals.

Manager-In-Training Program

The manager-in-training program is specifically designed to train restaurant managers. We may provide manager-in-training programs at your Restaurant or in Arizona, at our discretion. We anticipate providing the manager-in-training program once during every 8 to 10 week period if there is sufficient demand. The training materials for the executive training program consist of an Opening Unit Manual, Food and Beverage Manual and Manager-In-Training Manual. The manager-in-training program typically requires 10 to 12 weeks to complete.

On-Site Training Program

We will send an opening unit training team to your Restaurant to provide on-site training to your owners, General Manager, Managers and other employees for a period of time ranging from 7 to 14 days. The training team will consist of our certified trainers. Part of this training will occur before opening and the remainder will occur immediately after opening. We anticipate providing the on-site training on an as needed basis. The training materials for the on-site training program consist of the Pre-Opening 45 Day Operational Manual, Training Survival Guide, Food and Beverage Manual, Nutritional Manual and all Employee Job Function Manuals.

The initial training program consists of the following:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Orientation - Dan Chaon Meet and Greet Overview Training Schedule Job Positions Franchise Compliance Menu Knowledge Tour of a Native Grill and Wings Crunch Time Work Item	8	0	Corporate Office (Chandler, Arizona)
Advertising with Dan Chaon/Cynthia Velasco Before Opening Advertising Grand Opening Advertising During Operations Advertising Approval of Advertising Sample Ads Punch Training Opening Unit Manual with Evan Weckstein Forms that need to get completed	8	0	Corporate Office (Chandler, Arizona)
Tour Native Grill and Wings restaurants with Monty Madison/Dan Chaon Build Out Décor Requirements Contractors Tour several different locations Locations TBA	0	8	Corporate Office (Chandler, Arizona) A portion may take place at 1 or more Native Grill and Wings restaurants in Arizona
Vendor Day with Evan Weckstein and Monty Madison Meet different approved Vendors Presentations from Vendors on their Services Vendors TBA	0	8	Corporate Office (Chandler, Arizona)
US Food Services Tour with Monty Madison Food Vendor Presentations On line ordering demonstration – Steve McNerney Tour of the US Food Service Facility Food Vendors TBA	0	8	US Food Services Warehouse/Plant

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Part I Menu Specifications Cook Signature Items Wings Appetizers Kids Menu Discuss Dishwashing Position Discuss Bussing Position Discuss Expediting Position OTJ of the above Positions	0	8	Corporate Office (Chandler, Arizona)
Review and Test Dishwashing and Bussing Positions Part II Menu Specifications Cook the Following Menu Items Burgers Salads Introduce Aloha computer Systems Demonstrate Aloha from an employee standpoint	0	8	Corporate Office (Chandler, Arizona)
Part III Menu Specifications Cook the Following Menu Items Specialties Calzones and Pizzas Chicken and Beef Entrees Discuss Host Position Discuss TOGO Position OTJ of the above Positions	0	8	Corporate Office (Chandler, Arizona)
Part IV Menu Specifications Update: Cook the Following Menu Items House Specialties Sandwiches Desserts Discuss Server Position Discuss Bar Position Host Position TOGO Position OTJ on all the above positions	0	8	Corporate Office (Chandler, Arizona)
Test on Host and TOGO Positions Credit Card Process POS Configurator Manager Procedures Aloha Control Panel Auto Sequences and Reports Basic Functions	0	8	Corporate Office (Chandler, Arizona)
OTJ Bar and Server Positions	0	8	Corporate Office (Chandler, Arizona)
OTJ Bar and Server Positions	0	8	Corporate Office (Chandler, Arizona)
Test on Server and Bar Positions	3	0	Corporate Office (Chandler, Arizona)

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Cook Position Open Kitchen OTJ Cooking	0	8	Corporate Office (Chandler, Arizona)
Open Kitchen OTJ Cooking	0	8	Corporate Office (Chandler, Arizona)
OTJ Cook Position	0	8	Corporate Office (Chandler, Arizona)
OTJ Cook Position	0	8	Corporate Office (Chandler, Arizona)
OTJ Cook Position	0	8	Corporate Office (Chandler, Arizona)
OTJ Cook Position	0	8	Corporate Office (Chandler, Arizona)
OTJ Cook Position	0	8	Corporate Office (Chandler, Arizona)
OTJ Cook Position	0	8	Corporate Office (Chandler, Arizona)
OTJ Cook Position	0	8	Corporate Office (Chandler, Arizona)
Test on Cook Position	3	0	Corporate Office (Chandler, Arizona)
Manager Position Open Restaurant OTJ Manager Position	0	8	Corporate Office (Chandler, Arizona)
OTJ Manager Position	0	9	Corporate Office (Chandler, Arizona)
OTJ Manager Position	0	8	Corporate Office (Chandler, Arizona)
Test on Manager Position OTJ ALL Positions	3	5	Corporate Office (Chandler, Arizona)
OTJ ALL Positions Final Test at 6:00 pm	2	9	Corporate Office (Chandler, Arizona)

Instructors

Our instructors include Dan Chaon, Evan Weckstein, Monty Madison, Cynthia Velasco and Christy Russel. Dan Chaon is disclosed in Item 2. We also utilize the training services of the equipment vendors who are knowledgeable in the operations of their equipment.

Mr. Chaon has been with us since 2010 and he has a total of 29 years of restaurant industry experience.

Mr. Weckstein has been with us since January of 2015 but has worked in a Native Grill and Wings Restaurant since July of 2012. He teaches on topics related to the Opening Unit Manual, Daily Operations and Vendor Relations. Mr. Weckstein previously served as part of the Opening Unit Training Team for Darden Restaurants (Red Lobster). He has a total of 21 years of experience in the restaurant industry.

Ms. Velasco joined us in 2012 and serves as our marketing manager. She provides training on various marketing topics. She has prior marketing experience with Dex Communications and holds an international business degree and a marketing degree. She has a total of 6 years of experience in the industry.

Ms. Russell joined us in November 2007 and currently serves as our Executive Administrative Assistant. She holds degrees in travel and computer science and has a total of 18 years of experience in the industry.

Mr. Madison joined us in 2016 and serves as our Director of Franchise Operations. He provides training on various topics relating to franchise operations. He has prior restaurant industry experience and previously served in operations for Brinker, The Original Roadhouse Grill, BJ's Brew House and Café Rio. He has a total of 41 years of experience in the restaurant industry, including 28 years in multi-unit operations.

Ongoing Training

In order to maintain the uniformity and high standards of quality and services at Native Grill and Wings restaurants, we may provide system-wide periodic refresher or advanced training programs. Attendance at these programs is mandatory, but we will not charge you any fee to attend. We may also require remedial training if we determine you are not operating your Restaurant in accordance with our standards or your gross revenues are less than the average gross revenues for similarly situated Native Grill and Wings restaurants.

Training Fees and Costs

We will provide our initial training program for your owners, General Manager and Managers at no additional charge. However, you must pay us the Training Fee (which is $300 per person per day) for each person that we must retrain due to his or her failure to successfully complete training on a prior attempt. You must also pay us the Training Fee if you need to send a new owner, General Manager or Manager to training after you open your Restaurant.

You must pay each certified trainer the On-Site Training Fee (which ranges from $175 to $250 per certified trainer per day plus reimbursement of costs) for each certified trainer that we send to your Restaurant as part of our on-site training program. We may also charge you the On-Site Training Fee if we provide additional on-site training or assistance: (i) in response to your request; (ii) in response to our determination that you are not operating your Restaurant in accordance with our standards; or (iii) if your gross revenues are less than the average gross revenues generated by other similarly situated Native Grill and Wings Restaurants. In addition to the On-Site Training Fee, you must pay for all reasonable travel, meals, lodging and other expenses that we deem appropriate in providing training at your Restaurant.

You will not be charged an additional fee for any of the training materials.

Manuals (Sections 6.1 & 11.2)

We will provide all manuals for the term of your Franchise Agreement. The Manuals may include, among other things: (i) a description of the authorized goods and services that you may offer at your Restaurant; (ii) mandatory and suggested specifications, operating procedures, and quality standards for food, products, services and procedures that we prescribe from time to time for franchisees (including, without limitation, ingredients, methods of preparation and service, weight and dimensions of food served, packaging and similar matters); (iii) mandatory accounting, reporting, insurance and customer service requirements; (iv) mandatory and suggested specifications for your Restaurant ; and (v) a written list of goods and services (or specifications for goods and services) you must purchase for the construction of your Restaurant and the development and operation of your Restaurant and a list of any designated or approved suppliers for these goods or services.

All mandatory provisions contained in the Manuals are incorporated into and considered part of the Franchise Agreement. The Manuals are confidential and remain our property. We may modify the Manuals upon 30 day's prior notice, but the modification(s) will not alter your status or fundamental rights under the Franchise Agreement. The Manuals contains a total of 1,550 pages. A copy of the Table of Contents to the Manuals is attached to this Disclosure Document as Exhibit "F".

Marketing Fund (Section 10.1)

We will maintain and administer the Marketing Fund for regional or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, publicity, brand development, website development and any other programs that we deem necessary or appropriate. The Marketing Fund may also be used to pay for the creation of marketing materials that our franchisees may use for local marketing purposes. The Marketing Fund may be used to pay any and all costs of maintaining, administering, directing, and preparing advertising, including the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns and other public relations activities, employing advertising agencies to assist in such campaigns or other activities, and providing promotional brochures and other marketing materials to franchise owners. As part of our rebranding initiative, we may utilize the Marketing Fund to help pay for certain costs incurred by our franchisees to convert their restaurants to the Native Grill and Wings name.

Our administration of the Marketing Fund is intended to maximize general public recognition and patronage of the Native Grill and Wings system for the benefit of us and all franchisees and we will use our best efforts to apportion advertising to obtain the greatest benefit for all franchisees. We will direct and have complete control and discretion over all advertising programs, including the creative concepts, materials, endorsements and media used for the programs, and the placement and allocation of the programs. Advertisements generally will be in both print and broadcast media, initially with local coverage. We may use an outside advertising agency to create and place advertising. We assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Marketing Fund. The Marketing Fund will not be a trust and we will have no fiduciary obligations with respect to our administration of the Marketing Fund. An accounting of the operations of the Marketing Fund will be prepared annually and made available to you upon request.

You must pay us a Marketing Fund Fee equal to 1% of your Gross Revenues. We will deposit into the Marketing Fund all marketing fund fees paid by you and other franchisees. None of the Native Grill and Wings restaurants owned by us or our affiliates contribute to the Marketing Fund. We have no obligation to expend our own funds or resources for any marketing activities in your area.

Marketing Fund Fees are kept in a separate account and revenues received are accounted for separately from our other funds and are not used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs and overhead as we may incur in activities reasonably related to the administration or direction of the Marketing Fund and its local, regional or national advertising programs (which may include, without limitation: conducting market research, preparing and conducting television, radio, magazine, billboard, Internet, newspaper and other media programs and activities and employing advertising agencies to assist therewith, collecting and accounting for contributions to the Marketing Fund, and paying for the preparation and distribution of marketing materials and financial accountings of the Marketing Fund).

None of the Marketing Fund Fees are used for advertisements principally directed at selling additional franchises. All funds deposited into the Marketing Fund that are not used in the fiscal year in which they accrue will be utilized in the following fiscal year. Any surplus of funds in the Marketing Fund may be invested and we may lend money to the Marketing Fund if there is a deficit. During the fiscal year ended December 31, 2017, we spent the Marketing Fund Fees in the following manner: 2% for production; 45%

for media placement; 18% for administrative expenses; and 35% for other purposes (public relations, digital, mobile app, sponsorship and website).

Local Advertising (Sections 10.2 & 10.3)

You must spend at least $5,000 to promote the grand opening of your Restaurant. After the grand opening period, you must spend at least 1% of your monthly gross revenues on local advertising. You must participate at your own expense in all advertising, promotional and marketing programs that we require.

We may create and make available to you advertising and marketing materials that you may purchase from us at or below our cost. We may use the Marketing Fund to pay for the creation and distribution of these materials, in which case there will be no additional charge. We may make these materials available over the Internet (in which case you must arrange for printing the materials and paying all printing costs). Alternatively, we may enter into relationships with third party suppliers who will create the advertising or marketing materials for your purchase. We will provide reasonable marketing consulting, guidance and support throughout the Term on an as needed basis.

You will also have an opportunity to create advertising for your own use, provided that your advertising conforms to the standards and requirements in the Manuals and we approve it prior to use. You may not use any advertising materials that we have not approved (including materials we approve and later disapprove). You must submit to us any advertising materials that you prepare or modify and we will have 15 days to review and either approve or reject the materials. Our failure to approve any advertising materials within the 15 day period will constitute our disapproval of the materials.

At this time, we do not allow our franchisees to maintain their own websites or market their restaurants on the Internet. However, we currently allow our franchisees to engage in social media opportunities such as Facebook and Twitter as long as we approve the activities and postings in advance. We will carefully monitor our franchisees' use of social media sites to protect the integrity of the brand. At any time, we may prohibit you from using social network services and social media sites relating to your Restaurant. You must comply with any social media policy that we develop from time to time.

You are not required to participate in an advertising cooperative.

Restaurant Development (Sections 7.1, 7.2, 7.3, 11.7 & 19.2(ii))

A typical Native Grill and Wings restaurant occupies 4,800 to 6,000 square feet of space. However, in certain higher density urban areas as well as Captive Venues (as defined in Item 12) we may authorize an "express" Native Grill and Wings restaurant concept that ranges in size from 1,800 to 3,200 square feet. The audio / visual system, which is a critical component of the System, will vary in its use between 3 possible areas: (1) main restaurant dining area; (2) designated bar area; and (3) patio. All restaurants are constructed to our specifications as to size, layout, decor and the like. Your Restaurant may be either a free-standing building or an in-line retail plaza space. In either case, your Restaurant must have ample parking, good visibility and availability of prominent signage. The zoning and other use restrictions applicable to your Restaurant must permit the serving of alcoholic beverages. If the franchise is located in a retail plaza, you must be given the exclusive right within the plaza to serve chicken wings and you must not be restricted in your ability to serve other menu items. Because Native Grill and Wings restaurants are high-volume restaurants, they are generally located in heavily populated areas such as the commercial districts of residential communities or near college campuses.

You must locate and obtain our approval of the premises from which you will operate your Restaurant within 120 days after your sign the Franchise Agreement. The premises must be located within the geographic area identified in ATTACHMENT "B" to the Franchise Agreement and must conform to our minimum site selection criteria. You must send us a complete site report (containing the demographic, commercial and other information, photographs and video that we may reasonably require) for your proposed site. We will approve or disapprove a proposed site within 30 days after we receive all of the requisite materials. Your site is deemed disapproved if we fail to issue our written approval within the 30-day period. In reviewing a proposed site, we will consider factors such as traffic counts and patterns, parking, size, income per capita, population and demographics, the existence and location of competitive businesses, the general character of the neighborhood and any other factors that we consider relevant.

If you will lease the premises for your Restaurant, you must use your best efforts to ensure your landlord signs the Lease Addendum that is attached to the Franchise Agreement as ATTACHMENT "C". If your landlord refuses to sign the Lease Addendum in substantially the form attached to the Franchise Agreement, we may require that you find a new site for your Restaurant. We must also review and approve the terms of your lease before you sign it. You must sign an approved lease or purchase agreement for your facility within 120 days after you sign your Franchise Agreement. If you fail to locate an approved site within 120 days after signing the Franchise Agreement, or you fail to sign an approved lease or purchase agreement for your facility within 120 days after signing the Franchise Agreement, we may terminate the Franchise Agreement.

After you purchase or lease your approved site, you must construct and equip the premises to the specifications contained in the Manuals. You must also install the equipment, fixtures, signs and other items that we require. Before you open, we must approve the build-out and layout of your Restaurant. You must remodel and make all improvements and alterations to your Restaurant that we reasonably require from time to time to reflect our then-current image, appearance and facility specifications. We will not require that you spend more than $300,000 on remodeling your Restaurant during any 5 year period. You may not remodel or significantly alter your premises without our prior approval.

Computer and POS System (Sections 11.4, 11.5, 11.6, 14.3 & 15.1)

You must purchase and use an Aloha POS System in the operation of your Restaurant. The hardware components of the Aloha POS System include: 1 File Server; 1 Monitor; 1 Keyboard, 1 Mouse, 5 Terminals; 5 Thermal Receipt Printers; 1 Kitchen Impact Printer; 2 Cash Drawers; 1 Modem; 1 Switch; and 1 Firewall. The software components include: 5 Aloha Table Service POS Licenses; 5 Aloha OS Patchings; 5 LanDesk Antivirus; 5 Credit Card Licenses; 1 Video MX; 1 Aloha Connect; and 1 Aloha third-party gift card interface. You will be required to use the Aloha POS System for: (i) producing sales reports; (ii) posting sales tax, refunds and credits (including the reasons for the refunds and credits); and (iii) submitting all such information to us immediately upon our request. The Aloha POS System will be configured so that we will have independent unlimited access to the information and data stored in it. This access allows us to provide immediate on-line help to you or to monitor your business. At all times and without prior notice, we have the right to electronically poll the Aloha POS System to retrieve and compile information concerning your sales transactions. Any such polling would be conducted in a non-invasive procedure. You must ensure that you update the information in your Aloha POS System so that it is current within 3 days of the close of business.

You must maintain the Aloha POS System in good working order, at your cost. During the term of your franchise, you may be required to upgrade or update the Aloha POS System or switch to an alternate system to conform to our then-current specifications. There are no contractual limitations on the frequency or cost of these updates or upgrades. You may also be required to enter into maintenance or support contracts pertaining to your Aloha POS System with approved or designated suppliers.

We estimate that the total cost to purchase your Aloha POS System will be approximately $32,000. If you lease your Aloha POS System, we estimate the monthly lease payments to range from $700 to $1,100. Neither we nor any third party is required to provide ongoing maintenance, repairs, upgrades or updates to your Aloha POS System. However, you may enter into an optional service contract with Radiant Business Systems, which we highly recommend. The annual fees under this service contract range from $1,190 to $3,239 depending on the specific service package that you purchase. Service contracts may be included with the lease.

You must utilize Work Item, which is our designated software for managing management processes pertaining to the overall operation of your Restaurant. You will utilize Work Item for a variety of purposes, including Best Practices, Sales Reporting, Customer Relations, New Store Boarding Process, Management Training, Vendor Management, Marketing and Global Calendar. Work Item will collect and store substantially all operational data relating to your Restaurant. We will have independent unlimited access to Work Item and all data entered into Work Item. You must pay the licensor a $145 monthly fee ($1,740 per year) for the use of the software. There may be one time implementation fees of $2,500. The licensor and franchisor will provide all necessary support, updates and ongoing training, but there are no separate optional or required contracts for this support.

You must utilize Crunch Time/CTUIT, which are our designated software for managing food costs and maintaining optimal inventory levels. You must pay the licensor a monthly fee for use of the software. The monthly fee will vary based upon the modules selected and is estimated to be $275 per month ($3,300 per year). As a minimum with CTUIT you will utilize the following modules: RADAR, Inventory, Recipes, Prep Sheets, Accounts Payable and GL Sales. There are also start-up expenses with CTUIT that vary based upon the modules selected. Start-up expenses for the CTUIT database are approximately $8,500 per franchisee. An additional start-up fee of $150 per location also applies. The licensor will provide all necessary support, maintenance, updates and upgrades in exchange for the monthly fee.

You must utilize Mirus, which is our business reporting and Enterprise software. Mirus will poll and compile data from multiple sources, including the POS, loyalty and online ordering vendors. You will use Mirus to follow daily business operations and see reports of live data. You must pay the licensor a $75 monthly fee for use of the software ($900 per year). The licensor will provide all necessary support, maintenance, updates and upgrades in exchange for the monthly fee.

We reserve the right to change the software or technology that you must use or add new software or technology at any time. We may charge you for any software or technology that we license or sublicense to you. If we sublicense the software from a third party, we will collect from you all amounts that we must pay the licensor based upon your use. If we license you software that we develop or own, we may charge commercially reasonable initial and ongoing licensing and support fees.

Opening Requirements (Section 7.4)

You may not open your Restaurant before: (i) successful completion of the initial training program; (ii) you purchase all required insurance; (iii) you obtain all required licenses, permits and other governmental approvals (including a liquor license); and (iv) we provide our written approval of the construction, build-out and layout of your Restaurant. During the 60 day period preceding your scheduled opening date, we will inspect your Restaurant to ensure compliance with our specifications (including décor, small wares, audio/visual, furniture, lighting and artwork). Before opening, you must fix any problems that we identify.

We anticipate that a typical franchisee will open his or her Native Grill and Wings restaurant between 2 and 9 months after signing the Franchise Agreement. Some of the factors that may affect this time are: (i) the ability to obtain a lease, financing or building permits; (ii) zoning and local ordinances; (iii) delayed installation of equipment, fixtures and signs; and (iv) the ability to obtain the necessary liquor license(s). Unless we agree to the contrary, your Restaurant must be opened within 270 days after you sign the Franchise Agreement. Your failure to open within the 270-day period constitutes an event of default under your Franchise Agreement.

ITEM 12 TERRITORY

Location of Your Restaurant

Each Franchise Agreement grants you the right to operate a single restaurant at a single location that must be approved by us in advance. You must identify a location for your Restaurant within the Site Selection Area described in ATTACHMENT "B" to your Franchise Agreement.

You may relocate your Restaurant with our prior written approval, which we will not unreasonably withhold. If we allow you to relocate, you must: (i) locate your new Restaurant within the Site Selection Area described in ATTACHMENT "B" to your Franchise Agreement; (ii) comply with all of our then current site selection and development requirements; and (iii) open your new Restaurant and resume operations within 270 days after closing your prior Restaurant.

Territorial Rights and Protections

You will be granted an exclusive territory under your Franchise Agreement, subject to the limitations described in the section below entitled "Limitations on Territorial Rights." You are not granted an exclusive territory under an ADA.

A. Franchise Agreement

Once you have identified a site that we have approved, you will receive a territory that will extend for a 5 mile radius (as determined by street miles, not point-to-point mileage) from the location of your Restaurant (your "Territory"). Your Territory will be exclusive, subject to the limitations described below with respect to Alternative Channels of Distribution and Captive Venues. By "exclusive," we mean that we will not establish or authorize a third party to establish a Native Grill and Wings restaurant operating under the Marks that is located within your Territory. Other Native Grill and Wings franchisees may advertise within your Territory.

We do not require that you meet any sales quota as a condition to maintaining your exclusive Territory.

B. Area Development Agreement

If you sign an ADA, we will determine a specific geographic area within which you are permitted to establish your Native Grill and Wings restaurants (the "Development Area"). We will identify a maximum number of Native Grill and Wings restaurants that we may operate (either through ourselves or our affiliates) or that we may license others (including you) to operate within the Development Area. The Development Area may be determined by zip codes, municipal boundaries or in any other manner that we decide. There is no specific minimum or maximum area that we must include in your Development Area. In determining the size of your Development Area, we primarily consider the number of Native Grill and Wings restaurants we believe the Development Area can sustain (including restaurants operated by us, our affiliates or other franchisees).

You will sign a separate Franchise Agreement for each franchise that you establish under the ADA and you may only operate from the locations approved by us under the Franchise Agreements. We identify your Development Area, the development fee and the development schedule in the ADA before you sign it. If you fail to satisfy the development schedule under the ADA, we may terminate the ADA, in which case you will only be permitted to continue to operate any Native Grill and Wings restaurants for which you had already signed a Franchise Agreement.

Your Development Area will not be exclusive (other than the exclusive Territories granted by Franchise Agreements you sign pursuant to the ADA). You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control within your Development Area.

Limitations on Territorial Rights

We reserve the right to sell or license others to sell competitive or identical goods or services (whether under the Marks or under different trademarks) through any channel of distribution that is not a "sit-down" restaurant establishment operating under the Marks (an "Alternative Channel of Distribution"). Examples of Alternative Channels of Distribution include sales over the Internet, through grocery stores, mobile trailers, etc. Sales through Alternative Channels of Distribution are excluded from your exclusive territorial rights granted under the Franchise Agreement. This means that we may sell or license a third party to sell competitive or identical goods or services through Alternative Channels of Distribution (whether under the Marks or different trademarks) anywhere within your Territory and your Development Area, if applicable. You are not entitled to any compensation for sales that take place through Alternative Channels of Distribution within your Territory or Development Area, if applicable. Currently, we sell a variety of items over the Internet, including gift cards, bottled sauces, t-shirts, hats and other merchandise.

We also reserve the right to operate Native Grill and Wings restaurants, or license others to operate Native Grill and Wings restaurants, in Captive Venues. A "Captive Venue" means a non-traditional outlet for the sale of Native Grill and Wings food, products or services that is located within, or is a part of, another establishment or facility that consumers may visit for a purpose other than purchasing Native Grill and Wings food, products or services. Examples of Captive Venues include outlets for Native Grill and Wings food, products or services that are located in hotels, college campuses or universities, casinos, airports, train stations, stadiums or sporting arenas, bus stations, shopping malls, or within other similar types of establishments. Captive Venues are excluded from your territorial protections. This means that we may operate or license a third party to operate a Native Grill and Wings restaurant in a Captive Venue located anywhere within your Territory or Development Area, if applicable. You are not entitled to any compensation for sales that take place from Captive Venues within your Territory or Development Area, if applicable.

Before we grant a franchise to a third party to operate a Native Grill and Wings restaurant within a Captive Venue that is located in your Territory, we will offer you a right of first consideration to establish and operate the restaurant yourself. However, we need not offer you this right unless: (i) you meet all of our minimum qualifications to operate within a Captive Venue; and (ii) you meet all qualifications and requirements imposed by the owner or manager of the Captive Venue.

Rights to Additional Franchises and Territories

You are not granted any options, rights of first refusal or similar rights to acquire additional territories or franchises other than: (i) your right and obligation to develop multiple franchised restaurants if you sign an ADA; and (ii) your right of first consideration to develop a restaurant within a Captive Venue located in your Territory that we propose to award to another franchisee.

Restrictions on Your Sales and Marketing Activities

You are not permitted to sell through Alternative Channels of Distribution. There are no restrictions on your right to solicit customers outside your Territory except that the distribution of any local advertising that you prepare should be limited to your Territory to the extent possible. Your marketing activities are also subject to the additional restrictions described in Item 11 under "Local Advertising." There are no other restrictions on your right to solicit customers, whether from inside or outside your Territory or Development Area, if applicable.

Competitive Businesses Under Different Marks

Currently, neither we nor any affiliate of ours intends to operate or franchise another business under a different trademark that sells products or services similar to the products or services offered at a Native Grill and Wings restaurant. However, we reserve the right to do so in the future.

ITEM 13 TRADEMARKS

We grant you the right to operate a restaurant under the name "Native Grill and Wings" and the logo shown on the cover page to this Disclosure Document. You may also use certain current and future trademarks to identify your Restaurant. By trademark, we mean trade names, trademarks, service marks, and logotypes used to identify your Restaurant or the products or services sold at your Restaurant. The following trademarks have been registered on the principal register at the United States Patent and Trademark Office and are owned by NGWF:

REGISTERED MARKS		
SERVICE MARK	REGISTRATION NUMBER	REGISTRATION DATE (RENEWAL DATE)
NATIVE NEW YORKER	1755963	March 2, 1993 (Sept. 11, 2012}
	2615018	Sep 3, 2002 (July 31, 2012)
THE COOLEST PLACE FOR THE HOTTEST WINGS (Word Mark)	2853238	June 15, 2004 (June 5, 2014)
	3467764	July 15, 2008
	3493367	Aug 26, 2008
NATIVE TO GO (Word Mark)	3537699	Nov 25, 2008
	3558236	January 6, 2009

REGISTERED MARKS		
SERVICE MARK	REGISTRATION NUMBER	REGISTRATION DATE (RENEWAL DATE)
	3938999	March 29, 2011
NATIVE STYLE STRIPPERS (Word Mark)	4140627	May 15, 2012
MORE THAN JUST GREAT WINGS… (Word Mark)	4155481	June 5, 2012
Native New Yorker More Than Just Great Wings	4432892	Nov. 12 2013
NATIVE TRIPLE (Word Mark)	4447991	Dec. 10, 2013
NATIVE NEW YORKER	4454160	Dec 24, 2013
native grill est. 1979 wings	4498131	March 18, 2014
native new yorker grill est. 1979 wings	4498132	March 18 2014
NATIVE STRIPPER PLATTER (Word Mark)	4504921	April 1 2014
NATIVE APPETIZER (Word Mark)	4509972	April 8, 2014
NATIVE ENTREES (Word Mark)	4550535	June 17, 2014
NATIVE NEW YORKER	4708882	March 24, 2015
NATIVE GRILL AND WINGS	4744305	May 26, 2015
GO NATIVE (Word Mark)	4871136	December 15, 2015

All required affidavits for the registered Marks have been filed.

We and NGWF entered into a written License Agreement (the "License Agreement") that became effective as of January 6, 2016. Under the terms of the License Agreement, NGWF granted us the right to use the Marks in the Native Grill and Wings System and to sublicense the Marks to our franchisees. The term of the License Agreement automatically renews annually, unless it is terminated in accordance with its terms. NGWF is permitted to terminate the License Agreement only if we declare bankruptcy or become insolvent, if we and NGWF mutually agree to terminate the License Agreement or if we breach the quality standards and fail to cure the breach within a 60 day cure period. If the License Agreement is terminated, the agreement states that all sublicenses granted by us to our franchisees will continue in full force and effect until the expiration or termination of the applicable franchise agreement. Except as discussed above, no agreements limit our right to use or sublicense the use of the Marks.

We or our affiliates may apply for or adopt additional trademarks and those may be licensed to you during the term of the franchise relationship. You may also be licensed trademarks as created by us or our affiliates, whether registered or unregistered. You must follow our rules when using the Marks. You cannot use a name or mark as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You may not use the Native Grill and Wings name in connection with the sale of any product or service that is not previously authorized by us in writing.

You must notify us immediately when you learn about an infringing or challenging use of the Marks. We will take the action we think appropriate. We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our Marks. You must modify or discontinue the use of any Mark licensed to you if we are required to modify or discontinue use of the Mark as a result of litigation. If this happens, we will reimburse you for your tangible costs of compliance (e.g., changing brochures, business cards, etc.). You must not directly or indirectly contest our or NGWF's right to the Marks.

Except as disclosed above, we are not required under the Franchise Agreement to: (i) protect your right to use the Marks or protect you against claims of infringement or unfair competition arising out of your use of the Marks; or (ii) participate in your defense or indemnify you for expenses or damages you incur if you are a party to an administrative or judicial proceeding involving our marks or if the proceeding is resolved in a manner that is unfavorable to you.

There are no currently effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; no pending infringements, oppositions or cancellations; and no pending material litigation involving any of the Marks. We do not know of any infringing uses that could materially affect your use of the Marks.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise. During the operation of your Restaurant, you may use our proprietary information contained within the Manuals. Although we have not filed an application for copyright registration for the Manuals, we do claim a copyright to the Manuals and further claim that the information contained in the Manuals is proprietary. The Manuals are described more fully in Item 11. We also own proprietary know-how in the form of trade secrets, operating methods, specifications, techniques, and information pertaining to the design, operation and marketing of a full-service restaurant and lounge/bar, such as a Native Grill and Wings restaurant, and in any private label products or merchandise that we have or may develop. All ideas, improvements, inventions, marketing materials, and other concepts you develop relating to the operation of your Business will be owned by us.

You are required to maintain the confidentiality of all of our proprietary materials and use them only in strict accordance with the terms of the Franchise Agreement and Manuals. You must promptly tell us when you learn about unauthorized use of our copyrights or proprietary information. We are not obligated to take act, but will respond to this information as we deem appropriate. You are not permitted to control any proceeding or litigation alleging the unauthorized use of any of our copyrights or proprietary information. We have no obligation to indemnify you for any expenses or damages arising from any proceeding or litigation involving our copyrights or proprietary information. There are no infringements that are known by us at this time.

ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must hire at least one general manager who will be primarily responsible for the daily supervision and operation of your Restaurant. This person is referred to as your "General Manager." Each General Manager must: (i) successfully complete our manager-in-training program; (ii) be present at your Restaurant for not less than 40 hours per week with at least half of these hours being during normal operating hours; and (iii) sign a Brand Protection Agreement, the form of which is attached to the Franchise Agreement as ATTACHMENT "F" (a "Brand Protection Agreement"). We do not require that your General Manager maintain any equity interest in the franchise.

You may hire additional managers (each a "Manager") to assist the Managing Owner and General Manager. All Managers must: (i) successfully complete our manager-in-training program; and (ii) sign a Brand Protection Agreement. We do not require that your Managers maintain any equity interest in the franchise.

Your other employees do not need to complete our training program or sign Brand Protection Agreements. However, you must ensure that each employee who will have access to our confidential information sign a confidentiality agreement, the form of which is attached to the Franchise Agreement as ATTACHMENT "G" (other than your General Manager and Managers who must sign Brand Protection Agreements).

We do not require that any of your owners be actively involved with the on-site management of your Restaurant. However, an owner may serve in the capacity of a General Manager or Manager. You must designate at least one owner of the franchise to serve as your "Managing Owner." We must approve the owner who will serve as the Managing Owner. The Managing Owner must actively supervise and manage your General Manager and other Managers. The Managing Owner must also assume responsibility for the on-site supervision and operation of your Restaurant if your General Manager is unable to perform his or her duties for any reason. Your Managing Owner must successfully complete our training program.

Each person holding an ownership interest in you (if you are an entity), and the spouses of each of the foregoing individuals, must sign a Franchise Owner Agreement, the form of which is attached to the Franchise Agreement as ATTACHMENT "D".

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require that your menu, and all goods and services sold in connection with your Restaurant, be approved by us in advance. You must offer all goods and services that we require. We have the unrestricted right to change the goods and/or services that you are required to sell at your Restaurant at any time in our sole discretion, and you must comply with any such change. You will have the sole right to determine the prices charged for goods and services sold at your Restaurant. Suggested prices will be made available for your consideration.

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTION IN FRANCHISE AGREEMENT ("FA") AND AREA DEVELOPMENT AGREEMENT ("ADA")**	**SUMMARY**
a. Length of franchise term	FA - Section 4.1	Term is equal to 10 years.
	ADA - Section 3	To be agreed upon at time ADA signed
b. Renewal or extension of the term	FA - Section 4.2	If you are in good standing, you can enter into up to 2 successor agreements, each consisting of a 5 year successor term
	ADA - None	No renewal rights
c. Requirements for you to renew or extend	FA - Section 4.2	You must: (i) not be in default; (ii) give us notice in the manner required by Franchise Agreement; (iii) sign then current form of franchise agreement and related documents (e.g., Franchise Owner Agreement, etc.); (iv) sign general release; (v) pay Renewal Fee; and (vi) remodel or upgrade your Restaurant to comply with then-current standards and specifications.
	ADA - None	Not Applicable
d. Termination by you	FA - Section 19.1 & 19.4	You can terminate only if we fail to cure a material default or if you and we mutually agree to terminate.
	ADA - None	Not Applicable
e. Termination by us without cause	FA - None	Not Applicable
	ADA - None	Not Applicable
f. Termination by us with cause	FA - Sections 19.2, 19.3 & 19.4	We can terminate only if you default or if you and we mutually agree to terminate.
	ADA - Sections 8.2 & 8.3	We can terminate only if you default.
g. "Cause" defined - curable defaults	FA - Section 19.3	You have 30 days to cure any default, other than defaults described below under "non-curable defaults."
	ADA - Sections 8.2	You have 30 days to cure any default under the ADA (except for the termination of a franchise agreement due to your default)

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTION IN FRANCHISE AGREEMENT ("FA") AND AREA DEVELOPMENT AGREEMENT ("ADA")**	**SUMMARY**
h. "Cause" defined - non-curable defaults	FA - Sections 19.2	The following defaults cannot be cured: (i) failure to successfully complete training; (ii) failure to find approved site, secure lease or open in timely manner; (iii) insolvency, bankruptcy or seizure of assets; (iv) abandonment of franchise; (v) failure to maintain required license or permit; (vi) conviction of certain types of crimes or subject of certain administrative actions; (vii) failure to comply with material law; (viii) commission of act that may adversely affect reputation of System or Marks; (ix) health or safety hazards; (x) material misrepresentations; (xi) failure to pay us or affiliate or supplier within 5 days after demand; (xii) 2nd underreporting of any amount due by at least 2%; (xiii) unauthorized transfers; (xiv) unauthorized use of our intellectual property; (xv) violation of brand protection covenant; breach of Franchise Owner Agreement by owner or spouse; or (xvii) termination of any other agreement with us based on your default (other than an ADA - termination of ADA is not a default under a Franchise Agreement).
	ADA - Section 8.3	The termination of a franchise agreement is a default under the ADA that cannot be cured.
i. Your obligations on termination/non-renewal	FA - Section 20.1	Obligations include complete deidentification, cease use of intellectual property, return of Manuals and branded material, assignment of telephone numbers and domain names, cancellation of fictitious names, and payment of amounts due (also see r, below).
	ADA - None	Not Applicable
j. Assignment of contract by us	FA - Section 18.1	No restriction on our right to assign.
	ADA - Section 6.1	No restriction on our right to assign.
k. "Transfer" by you – definition	FA - Section 18.2 and definition of "Transfer" in ATTACHMENT "A"	Includes transfer of contract or assets, or ownership change.
	ADA - Section 6	Includes transfer of contract or assets, or ownership change.
l. Our approval of transfer by you	FA - Section 18.2 & 18.3 and definition of "Permitted Transfer" in ATTACHMENT "A"	If certain conditions are met, you may transfer to a newly-formed entity owned by you without our approval and your existing owners can transfer interests among themselves without our approval. We have the right to approve all other transfers but will not unreasonably withhold approval.
	ADA - Section 6	If certain conditions are met, you may transfer to a newly-formed entity owned by you without our approval and your existing owners can transfer interests among themselves without our approval. We have the right to approve all other transfers but will not unreasonably withhold approval.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTION IN FRANCHISE AGREEMENT ("FA") AND AREA DEVELOPMENT AGREEMENT ("ADA")**	**SUMMARY**
m. Conditions for our approval of transfer	FA - Section 18.2	Transferee must meet our qualifications, successfully complete or arrange for training, obtain all required licenses and permits, and sign a new franchise agreement. You must be in compliance with Franchise Agreement, assign your lease, if applicable, pay us the Transfer Fee, remodel Restaurant to current standards (or we get commitment from transferee to undertake the remodeling) and sign a general release and subordination agreement. We must notify you that we do not intent to exercise our right of first refusal.
	ADA - Section 6	Transferee must meet our qualifications, successfully complete or arrange for training, obtain all required licenses and permits, and sign a new ADA. You must be current on all your payments and in good standing under your franchise agreement(s), sign a general release and subordination agreement. We must approve the terms of the transfer. If transfer ADA, must transfer all remaining development rights to single transferee.
n. Our right of first refusal to acquire your business	FA - Section 18.5	We can match any offer for sale of your business.
	ADA - None	Not Applicable
o. Our option to purchase your business	FA - Section 18.5	We have the option to purchase your Restaurant and/or its assets on the expiration or termination of the Franchise Agreement.
	ADA - None	Not Applicable
p. Your death or disability	FA - Section 18.4	Franchise must be assigned by estate to an approved buyer within 12 months. We have right to designate manager to operate Restaurant prior to transfer, in which case you must pay commercially reasonable compensation to the manager at a rate of up to 20% of gross revenues.
	ADA - Section 6	Franchise must be assigned by estate to an approved buyer within 6 months.
q. Non-competition covenants during the term of the franchise	FA - Section 13.2 & 13.3	No involvement in competing business; comply with non-solicitation and non-disclosure covenants.
	ADA - None	Not Applicable
r. Non-competition covenants after the franchise is terminated or expires	FA - Section 13.2 & 13.4	No involvement for 2 years in competing business within 10 mile radius of any Native Grill and Wings restaurant (including your former Restaurant); comply with non-solicitation and non-disclosure covenants.
	ADA - None	Not Applicable

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTION IN FRANCHISE AGREEMENT ("FA") AND AREA DEVELOPMENT AGREEMENT ("ADA")**	**SUMMARY**
s. Modification of the agreement	FA - Section 22.8	Requires writing signed by both parties (except for unilateral changes to Manuals or unilateral reduction of scope of restrictive covenants by us). Other modifications primarily to comply with various state laws.
	ADA - Section 10.7	Requires writing signed by both parties. Other modifications primarily to comply with various states laws.
t. Integration/merger clause	FA - Section 22.8	Only the terms of the Franchise Agreement and attachments to Franchise Agreement are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreements is intended to disclaim any of the representations we made in this Disclosure Document.
	ADA - Sections 10.7	Only the terms of the ADA and attachments to ADA are binding (subject to state law). Any representations or promises made outside the Disclosure Document and ADA may not be enforceable. Nothing in the ADA or any related agreements is intended to disclaim any of the representations we made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	FA - Section 211	Except for certain claims, all disputes must be mediated before litigation (except as otherwise disclosed in Exhibit "J" to this Disclosure Document).
	ADA - Section 9	Except for certain claims, all disputes must be mediated before litigation (except as otherwise disclosed in Exhibit "J" to this Disclosure Document).
v. Choice of forum	FA - Sections 21	All disputes must be litigated or mediated in Phoenix, Arizona (except as otherwise disclosed in Exhibit "J" to this Disclosure Document).
	ADA - Section 9	All disputes must be litigated or mediated in Phoenix, Arizona (except as otherwise disclosed in Exhibit "J" to this Disclosure Document).
w. Choice of law	FA - Section 22.1	Arizona law (except as otherwise disclosed in Exhibit "J" to this Disclosure Document).
	ADA - Section 22.1	Arizona law (except as otherwise disclosed in Exhibit "J" to this Disclosure Document).

California law requires additional disclosures related to the information contained in this Item 17. These additional disclosures appear in EXHIBIT "J" to this Disclosure Document.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in the Disclosure Document 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 following presents certain financial performance information for the 2017 calendar year for the 25 franchised Native Grill and Wings restaurants that meet each of the following criteria:

- The restaurant has been open a full 18 months as of December 31, 2017; and
- The size of the restaurant is between 3,200 and 6,200 square feet.

Of the 33 total Native Grill and Wings restaurants in operation as of December 31, 2017, 25 Native Grill and Wings restaurants met the criteria above and were included in the financial performance representation. All of these franchised restaurants were sold by our predecessor.

The financial information presented below is for the 2017 calendar year.

Item	Amount	Percentage of Restaurants Attaining or Surpassing Stated Results
Annual Gross Revenues	$2,178,659	56%
Median Gross Revenues	$1,661,583	51%
COGS (as percentage of Annual Gross Revenues)	30.31%	56%
Labor Costs (as percentage of Annual Gross Revenues)	21.09%	60%

Notes:

1. In making the above financial performance representation, we have relied upon financial statements prepared and sent to us by our franchisees. Neither we nor any independent certified public accountant has independently audited or verified the information. This information may not be representative of the revenue information of these restaurants in any other years or time periods.

2. For purposes of the information above, the term "Gross Revenues" has the same meaning given to that term in the Franchise Agreement.

3. The financial performance representation only includes certain expense information. Not all expenses are reflected in the above financial performance representation. For example, the expenses do not include fees payable under the Franchise Agreement, such as royalty fees and marketing fund fees.

The revenue figures are based on the historical results from the Native Grill and Wings restaurants described above. They should not be considered as the actual or potential sales that other Native Grill and Wings restaurants may achieve.

Some Native Grill and Wings restaurants have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

Substantially all of the Native Grill and Wings restaurants whose data has been utilized are located in Arizona (one is located in South Dakota). Because substantially all of the Native Grill and Wings restaurants are located in Arizona, these restaurants may benefit from greater name recognition than Native Grill and Wings restaurants located in other states.

Different operational results may be caused by a number of factors, including:

- the size of your restaurant;
- regional market variations;
- the demographics of your market;
- the level of brand awareness and acceptance in your market;
- the presence of other competing restaurants in your market;
- weather conditions;
- the effectiveness of your marketing efforts; and
- the overall quality of your management and their ability to manage a full service casual dining restaurant.

You should consult with your advisors to develop your own estimates of revenues for your Restaurant.

Written substantiation for this financial performance representation will be made available to you upon your reasonable written request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Chief Executive Officer, Dan Chaon, at 480-247-8610, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2015 TO 2017				
Outlet Type	**Year**	**Outlets at the Start of the Year**	**Outlets at the End of the Year**	**Net Change**
Franchised	2015	29	28	-1
	2016	28	31	+3
	2017	31	32	+1
Company-Owned	2015	3	0	-3
	2016	0	1	+1
	2017	1	3	+2
Total Outlets	2015	32	28	-4
	2016	28	32	+4
	2017	32	35	+3

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2015 TO 2017		
State	**Year**	**Number of Transfers**
Total	2015	0
	2016	0
	2017	0

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2015 TO 2017								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin-ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations - Other Reasons**	**Outlets at End of Year**
Arizona	2015	28	2	0	0	0	4	26
	2016	26	3	0	0	0	2	27
	2017	27	3	0	0	0	2	28
Idaho	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	1	0	0	0	1	1
Mass-achusetts	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Montana	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	1	0
Oklahoma	2015	0	0	0	0	0	0	0

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2015 TO 2017								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin-ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations - Other Reasons**	**Outlets at End of Year**
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	1	0
South Dakota	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Texas	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Totals	2015	29	3	0	0	0	4	28
	2016	28	5	0	0	0	2	31
	2017	31	6	0	0	0	5	32

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2015 TO 2017							
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired From Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of Year**
Arizona	2015	2	0	0	1	1	0
	2016	0	1	0	0	0	1
	2017	1	2	0	0	0	3
Colorado	2015	1	0	0	1	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
Totals	2015	3	0	0	2	1	0
	2016	0	1	0	0	0	1
	2017	1	2	0	0	0	3

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2017			
State	**Franchise Agreements Signed But Outlet Not Opened**	**Projected New Franchised Outlets in the Next Fiscal Year**	**Projected New Company-Owned Outlets in the Next Fiscal Year**
Illinois	1	1	0
Missouri	1	1	0
Total	2	2	0

NOTES:

1. Our fiscal year ends on December 31st. All references to years in these tables refer to December 31st of that year.
2. The outlets listed in Table 1through Table 4 only refer to restaurants that are open on the relevant date. All franchises sold prior to the issuance date of this Disclosure Document were sold by our predecessor and the associated franchise agreements are currently being held by our affiliate, NGWF as franchisor.
3. The transfers listed in Table 2 only refer to franchises that were transferred after opening. We did not have any franchisees transfer their franchise agreements for unopened restaurants in 2015, 2016 or 2017.
4. The transactions listed in Table 3 only refer to franchisees that left the system after opening their restaurant. No franchisees left the system prior to opening in 2015 and 2017. In 2016, two franchisees left the system prior to opening. These two franchisees were expected to open outlets in Idaho and Texas.
5. The outlets listed in the 2nd column in Table 5 ("Franchise Agreements Signed But Outlet Not Opened") include all franchise agreements that were signed for unopened restaurants as of December 31, 2017 The outlets listed in the 3rd column in Table 5 ("Projected New Franchised Outlets in the Next Fiscal Year") include all restaurants that we expect to open during the current fiscal year, including any franchises listed in the 2nd column that we expect to open this fiscal year.

A list of all current Native Grill and Wings franchisees is attached to this Disclosure Document as Exhibit "G" (Part A), including their names and the addresses and telephone numbers of their outlets as of December 31, 2017. In addition, Exhibit "G" (Part B) lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

Exhibit "K" (Part A) to this Disclosure Document lists, to the extent known, the names, addresses, telephone numbers, e-mail address and Web address of each trademark-specific franchisee organization associated with the franchise system being offered that we have created, sponsored or endorsed. Exhibit "K" (Part B) to this Disclosure Document lists the independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Attached as Exhibit "H" to this Disclosure Document are audited financial statements for the fiscal years ended December 31, 2017, December 31, 2016 and December 31, 2015.

ITEM 22 CONTRACTS

Attached to this Disclosure Document as exhibits or attached to the Franchise Agreement or ADA as attachments are copies of the franchise and other contracts or agreements proposed for use or in use in this state:

Exhibits to Disclosure Document

Exhibit "C"	Franchise Agreement
Exhibit "D	Area Development Agreement
Exhibit "E"	General Release
Exhibit "I"	Franchise Questionnaire

Attachments to Franchise Agreement

ATTACHMENT "C"	Lease Addendum
ATTACHMENT "C"	Franchise Owner Agreement
ATTACHMENT "D"	Form of Franchise Owner Agreement
ATTACHMENT "E"	Form of Electronic Funds Transfer Agreement
ATTACHMENT "F"	Form of Brand Protection Agreement
ATTACHMENT "G"	Form of Confidentiality Agreement

ITEM 23 RECEIPT

Exhibit "L" to this Disclosure Document contains 2 detachable receipts. You are to sign both, and keep one copy and return the other copy to us.

EXHIBIT "A"

TO DISCLOSURE DOCUMENT

<u>STATE ADMINISTRATORS</u>

CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 320 West 4th Street, #750 Los Angeles, CA 90013 (213) 576-7500 1-866-275-2677 **HAWAII** Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 Agents for Service of Process: Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 **ILLINOIS** Illinois Attorney General Chief, Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465 **INDIANA** Secretary of State Securities Division Room E-018 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	**MARYLAND** Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-6360 **MICHIGAN** Franchise Administrator Consumer Protection Division 670 Law Building Lansing, MI 48913 (517) 373-7117 **MINNESOTA** Department of Commerce Commissioner of Commerce 85 Seventh Place East, #500 St. Paul, MN 55101-3165 (651) 296-4026 **NEW YORK** New York Attorney General Investor Protection & Securities Bureau Franchise Section 120 Broadway, 23rd Floor New York, NY 10271 (212) 416-8236 **NORTH DAKOTA** North Dakota Securities Department State Capitol, Fifth Floor, Dept 414 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510 (701) 328-4712	**RHODE ISLAND** Department of Franchise Regulation 1511 Pontiac Avenue John O. Pastore Complex Bldg 69-1 Cranston, Rhode Island 02920 (401) 462-9527 **SOUTH DAKOTA** Department of Labor and Regulation Division of Securities 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823 **VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1st Floor (service of process) 9th Floor (administrator) 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051 **WASHINGTON** Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760 **WISCONSIN** Department of Financial Institutions Division of Securities 201 West Washington Avenue Madison, Wisconsin 53703 (608) 261-9555

EXHIBIT "B"

TO DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS

Commissioner of Business Oversight, Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013

EXHIBIT "C"

TO DISCLOSURE DOCUMENT

Franchise Agreement

[See Attached]

NATIVE GRILL AND WINGS
FRANCHISE AGREEMENT

Franchisee: ______________________
Effective Date: ______________________
Restaurant Location: ______________________

Table of Contents

1. **DEFINITIONS** **1**
2. **GRANT OF FRANCHISE AND TERRITORY** **1**
3. **CAPTIVE VENUES** **1**
4. **TERM AND RENEWAL** **1**
5. **TRAINING AND CONFERENCES** **2**
6. **OTHER FRANCHISOR ASSISTANCE.** **2**
7. **ESTABLISHING YOUR RESTAURANT** **3**
8. **MANAGEMENT OF BUSINESS.** **4**
9. **FRANCHISEE AS ENTITY** **5**
10. **ADVERTISING & MARKETING.** **5**
11. **OPERATING STANDARDS.** **7**
12. **FEES.** **8**
13. **BRAND PROTECTION COVENANTS.** **9**
14. **YOUR OTHER RESPONSIBILITIES** **11**
15. **INSPECTION AND AUDIT** **14**
16. **INTELLECTUAL PROPERTY** **15**
17. **INDEMNITY** **16**
18. **TRANSFERS** **16**
19. **TERMINATION** **18**
20. **POST-TERM OBLIGATIONS.** **20**
21. **DISPUTE RESOLUTION** **22**
22. **GENERAL PROVISIONS** **22**

ATTACHMENT "A"	Definitions
ATTACHMENT "B"	Site Selection and Territory
ATTACHMENT "C"	Lease Addendum
ATTACHMENT "D"	Form of Franchise Owner Agreement
ATTACHMENT "E"	Form of Electronic Funds Transfer Agreement
ATTACHMENT "F"	Form of Brand Protection Agreement
ATTACHMENT "G"	Form of Confidentiality Agreement

NATIVE GRILL AND WINGS FRANCHISE AGREEMENT

This Native Grill and Wings Franchise Agreement (this "Agreement") is entered into this ___ day of ____________, 201__ (the "Effective Date") between NGW, LLC, a Kansas limited liability company ("we" or "us") and ___________________, a(n) ________________ ("you").

1. DEFINITIONS. Capitalized terms used in this Agreement are defined either in the body of this Agreement or in ATTACHMENT "A". For capitalized terms that are defined in the body of this Agreement, ATTACHMENT "A" lists the Sections of this Agreement in which such terms are defined.

2. GRANT OF FRANCHISE AND TERRITORY. We hereby grant you the right and license to own and operate a Native Grill and Wings restaurant (your "Restaurant") using our Intellectual Property from a single location that we approve. You will receive an exclusive territory consisting of the geographic area within a five (5) mile radius (as determined by street miles, not point-to-point mileage) from the approved location of your Restaurant (your "Territory"). By "exclusive," we mean we will not operate or license another franchisee to operate a Native Grill and Wings restaurant that is physically located in your Territory, except as otherwise permitted by Section 3. We reserve all rights not expressly granted to you, including the right to sell merchandise, food and other goods and services under our Marks within your Territory as long as these items are not sold from a Native Grill and Wings restaurant that is physically located in your Territory (unless otherwise permitted by Section 3).

3. CAPTIVE VENUES. We reserve the right to operate or grant franchises to third parties to operate Native Grill and Wings restaurants in Captive Venues that are located in your Territory. Before we grant a franchise to a third party to operate a Native Grill and Wings restaurant within a Captive Venue located in your Territory, we will send you a written notice granting you a right of first consideration to establish and operate the restaurant yourself. However, we need not offer you this right unless: (i) you meet all of our minimum qualifications to operate within a Captive Venue; and (ii) you meet all qualifications and requirements imposed by the owner or manager of the Captive Venue. In order to exercise the option, you must send us each of the following within 30 days after receipt of our notice: (i) a written notice of your intention to establish the restaurant within the Captive Venue; (ii) a fully executed copy of our then current form of franchise agreement for the Captive Venue, subject to any modifications we determine are appropriate based upon the unique nature of the Captive Venue (we will send you the form of franchise agreement at the time we notify you of your option to acquire the franchise); and (iii) a check or wire transfer for the full amount of the initial franchise fee required by the franchise agreement. You will be deemed to have declined your option to acquire the franchise if: (i) you fail to satisfy any of the foregoing conditions within the 30 day period; or (ii) you notify us that you do not wish to exercise the option to acquire the franchise. In that case, we will have the unrestricted right to grant a franchise to a third party to operate a Native Grill and Wings restaurant within the Captive Venue.

4. TERM AND RENEWAL.

4.1 Generally. The term of this Agreement will begin on the Effective Date and expire ten (10) years thereafter (the "Term"). If this Agreement is the initial franchise agreement for your Restaurant, you may enter into a maximum of two (2) successor franchise agreements (each, a "Successor Agreement") as long as you meet the conditions for renewal specified below. The Successor Agreement shall be the current form of franchise agreement that we use in granting Native Grill and Wings franchises as of the expiration of the Term or renewal term, as applicable. The terms and conditions of the Successor Agreement may vary materially and substantially from the terms and conditions of this Agreement. Each renewal term will be five (5) years, for a maximum total term of 20 years. You will have no further right to operate your Restaurant following the expiration of the final renewal term unless we grant you another franchise in our sole discretion. If this Agreement is a Successor Agreement, the renewal provisions in your original franchise agreement will govern your remaining renewal rights, if any.

4.2 Renewal Requirements. In order to enter into a Successor Agreement, you and the Owners (as applicable) must: (i) notify us in writing of your desire to enter into a Successor Agreement not less than 180 days nor more than 360 days before the expiration of the Term or renewal term, as applicable; (ii) not be in default under this Agreement or any other agreement with us or any affiliate of ours at the time you send the renewal notice or the time you sign the Successor Agreement; (iii) sign the Successor Agreement and all ancillary documents that we require franchisees to sign; (iv) sign a General Release; (v) pay us a $5,000 renewal fee; (vi) remodel your Restaurant to comply with our then current standards and specifications; provided, however, that you will not be required to spend more than $300,000 for any such remodeling; and (vii) take any additional action that we reasonably require.

5. TRAINING AND CONFERENCES

5.1 Executive Training Program. Each Owner (other than a Passive Owner), General Manager and Manager must successfully complete our executive training program before you open your Restaurant. The executive training program includes the manager-in-training program ("MIT Program") for your General Manager and Managers. We will train all of these individuals at no additional charge. However, you must pay us a training fee of $300 per trainee per day (the "Training Fee") if we must retrain any of these individuals due to their failure to successfully complete training on a prior attempt. The Training Fee is due ten (10) days after invoicing.

5.2 On-Site Training. We will send an opening unit training team to your Restaurant to provide on-site training for a period of time ranging from seven (7) to 14 days. The training team will consist of our certified trainers. Part of this training will occur before opening and the remainder will occur immediately after opening. You agree to pay a per diem fee for each certified trainer we send to your Restaurant (the "On-Site Training Fee"). The On-Site Training Fee currently ranges from $175 to $250 per certified trainer per day. The On-site Training Fee is due ten (10) days after invoicing. You may be required to pay each certified trainer directly for the On-Site Training Fee and related expenses.

5.3 Periodic Training. From time to time, we may conduct system-wide refresher or advanced training courses. Attendance at these training programs is mandatory, but we will not charge you a fee to attend.

5.4 Conferences. We may hold periodic conferences or seminars to discuss various business issues and operational and general business concerns affecting Native Grill and Wings franchisees. Attendance at these conferences is mandatory, but we will not charge you a fee to attend.

5.5 Expenses. You are responsible for all food, lodging and travel costs that your Owners and employees incur while attending any training program or conference. You agree to pay for all reasonable travel, meals, lodging and other expenses that we deem necessary in providing training at your Restaurant, including the initial on-site training provided pursuant to Section 5.2. You must pay these amounts within ten (10) days after invoicing.

6. OTHER FRANCHISOR ASSISTANCE.

6.1 Manuals. During the Term, we will provide you with our confidential specifications and operational manuals (collectively, the "Manuals") in text or electronic form. The Manuals will help you establish and operate your Restaurant.

6.2 **Site Selection and Development**. We will provide the name of our recommended real estate broker who can assist you in finding a suitable site. Upon your request, we will offer our guidance and recommendations regarding your proposed site. Our recommendation of a site does not in any way guaranty that the site will be successful and we have no liability to you if site does not meet your expectations. Once you have found an approved site, we will provide you with: (i) layout and design criteria and architectural renderings for the layout and design of your Restaurant; and (ii) a décor package that lists all items and specifications for the décor of your Restaurant.

6.3 **Additional Assistance Upon Request**. Upon your written request, we may provide you with additional assistance or training at a mutually convenient time. If we agree to provide the additional assistance or training at our headquarters or another location we specify, we may charge you the Training Fee. If we provide additional assistance or training at your Restaurant, we may charge you the On-Site Training Fee and you must reimburse us for all costs that we incur for food, lodging and travel. The Training Fee or On-Site Training Fee, as applicable, and any expense reimbursements, if applicable, are due ten (10) days after invoicing.

6.4 **General Guidance**. Based upon our periodic inspections of your Restaurant or reports that you submit to us, we will provide our guidance and recommendations on ways to improve the marketing and/or operation of your Restaurant.

6.5 **Website**. We will maintain an Internet Website for Native Grill and Wings franchisees that will include the information about your Restaurant that we deem appropriate. We may modify the content of and/or discontinue the Website and intranet at any time in our sole discretion.

6.6 **Purchase Agreements**. We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for us and Native Grill and Wings franchisees. If we succeed in negotiating a purchase agreement, we will arrange for you to be able to purchase the goods directly from the supplier at the discounted price that we negotiate (subject to any rebates the supplier pays to us).

7. ESTABLISHING YOUR RESTAURANT

7.1 **Site Selection**. You agree to locate and obtain our approval of the premises from which you will operate your Restaurant within 120 days after the Effective Date. The premises must be located within the Site Selection Area identified in ATTACHMENT "B" (the "Site Selection Area") and must conform to our minimum site selection criteria. You must send us a complete site report (containing the demographic, commercial and other information, photographs and video that we may reasonably require) for your proposed site. We will approve or disapprove a proposed site in our commercially reasonable judgment within 30 days after we receive all of the requisite materials. Your site is deemed disapproved if we fail to issue our written approval within the 30-day period. You understand that our approval of a site does not constitute a representation or warranty of any kind, express or implied, of the suitability of the site for a Native Grill and Wings restaurant. Our approval indicates only that we believe the site meets our minimum criteria. The address of your approved location will be listed in Section B of ATTACHMENT "B" at the time of approval.

7.2 **Lease / Purchase**. You agree to sign the lease or purchase agreement for your premises, as applicable, within 120 days after the Effective Date. If you will lease the premises, you must use your best efforts to ensure your landlord signs the Lease Addendum that is attached to this Agreement as ATTACHMENT "C". You must send us all material information regarding your lease arrangement that we require (including proforma copies of the lease and any modifications to the Lease Addendum) at least ten (10) days before you sign the lease and Lease Addendum. You may not sign the lease or Lease Addendum before we approve their terms. We will approve or disapprove your lease and Lease

Addendum within ten (10) days after we receive them together with all other information we request. You must also obtain our approval before you renew, extend, modify or amend your lease. You acknowledge that our approval of your lease: (i) will not be construed as or imply any representation by us that your Restaurant will be successful; and (ii) does not constitute a legal review and only signifies that it meets our minimum requirements for our protection.

7.3 **Construction**. After you purchase or sign the lease for your premises, you must, at your sole expense, construct and equip the premises according to the layout and design criteria, architectural renderings and décor package and the specifications contained in the Manuals. You must also purchase (or lease) and install the equipment, fixtures, signs and other items that we require. We must approve the architects, contractors and other suppliers you use to construct your Restaurant. You acknowledge these requirements are necessary and reasonable to preserve the identity, reputation and goodwill we developed and the value of the franchise. Before you open, we must approve the layout of your Restaurant.

7.4 **Opening**. You must send us a written notice identifying your proposed opening date at least 60 days before opening. We may conduct a pre-opening inspection of your Restaurant to ensure that it complies with all of our specifications (including, but not limited to, specifications for décor, small wares, audio/visual, furniture, lighting and artwork) and you agree to make any changes we require before opening. You must open your Restaurant to the public within 270 days after the Effective Date. You may not open your Restaurant before: (i) you and your staff successfully complete the initial training program; (ii) you purchase all required insurance; (iii) you obtain all required licenses, permits and other governmental approvals; and (iv) we provide our written approval of the construction and layout of your Restaurant. BY VIRTUE OF OPENING YOUR RESTAURANT, YOU ACKNOWLEDGE THAT WE HAVE FULFILLED ALL OF OUR PRE-OPENING OBLIGATIONS TO YOU.

7.5 **Relocation**. You may relocate your Restaurant with our prior written approval, which we will not unreasonably withhold. If we allow you to relocate, you must: (i) locate your new restaurant within the Site Selection Area; (ii) comply with Sections 7.1 through Section 7.4 of this Agreement with respect to your new restaurant; and (iii) open your new restaurant and resume operations within 270 days after closing your prior restaurant.

8. MANAGEMENT OF BUSINESS.

8.1 **Owner Participation**. You must designate an Owner that we approve to serve as your Managing Owner. The Managing Owner must actively supervise and manage your General Manager and other Managers. Any new Managing Owner that we approve must successfully complete executive training pursuant to Section 5.1 and you must pay us the associated Training Fee.

8.2 **General Manager**. You must hire at least one general manager (a "General Manager") who will be primarily responsible for the daily supervision and operation of your Restaurant. Your Managing Owner may but need not serve as a General Manager. Each General Manager must: (i) successfully complete the MIT Program (and you must pay us the Training Fee for each General Manager we train, except as otherwise provided in Section 5.1); (ii) be present at your Restaurant for not less than 40 hours per week with at least half of these hours being during normal operating hours; and (iii) sign a Brand Protection Agreement. The Managing Owner must maintain ultimate control over the management and supervision of your Restaurant. The Managing Owner must also assume responsibility for the on-site supervision and operation of your Restaurant if the General Manager is unable to perform his or her duties due to death, disability, termination of employment, or for any other reason, until such time that you obtain a suitable replacement General Manager.

8.3 **Managers**. You may hire additional managers (each, a "Manager") to assist the Managing Owner and General Manager. All Managers must: (i) successfully complete the MIT Program (and you must pay us the Training Fee for each Manager we train, except as otherwise provided in Section 5.1); and (ii) sign a Brand Protection Agreement. You have sole responsibility and authority for all employment related decisions, including employee selection and promotion, hours worked, rates of pay and other benefits, work assignments, training and working conditions. You must require that your employees review and sign any acknowledgment form we prescribe that explains the nature of the franchise relationship and notifies the employee that you are his or her sole employer.

8.4 **Employees Generally**. You must hire, train, and supervise honest, reliable, competent, sober and courteous employees for the operation of your Restaurant. You must hire all employees specified in the Opening Unit Manual within the required time periods, which shall require that you hire certain employees up to six (6) weeks before opening to ensure they receive the appropriate training. You must pay all wages, commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings required by law) due for your employees. These employees will be employees of yours and not of ours. You must ensure that a sufficient number of trained employees are available to meet the operational standards and requirements of your Restaurant at all times. You must ensure that your employees perform their duties in compliance with the terms of the Manuals and any other materials applicable to employees that we communicate to you. You may give your employees only the minimum amount of information and material from the Manuals that is necessary to enable them to perform their assigned tasks. You must ensure that your employees do not make or retain any copies of the Manuals or any portion of the Manuals. We do not control the day to day activities of your employees or the manner in which they perform their assigned tasks. We also do not control the hiring or firing of your employees.

9. **FRANCHISEE AS ENTITY**. If you are an Entity, you agree to provide us with a list of all of your Owners and all organizational documents that we require. You represent that the Entity is duly formed and validly existing under the laws of the state of its formation or incorporation. All Owners (whether direct or indirect) and their spouses must sign a Franchise Owner Agreement, the current form of which is attached to this Agreement as ATTACHMENT "D".

10. **ADVERTISING & MARKETING.**

10.1 **Marketing Fund**.

(a) Administration. We will administer a marketing fund (the "Marketing Fund") for marketing, advertising, sales promotion and promotional materials, public and consumer relations, publicity, brand development, website development, and any other programs that we deem necessary or appropriate ("Marketing Campaigns"). We have sole discretion in determining the content, concepts, materials, media, endorsements, frequency, placement, location and all other matters pertaining to any Marketing Campaign. We will not use marketing fund fees to defray any of our general operating expenses, except for such reasonable salaries, administrative costs and overhead as we may incur in activities reasonably related to the administration of the Marketing Fund and the Marketing Campaigns (which may include, without limitation: conducting market research, preparing and conducting television, radio, magazine, billboard, newspaper and other media programs and activities and employing advertising agencies, collecting and accounting for contributions to the Marketing Fund, and paying for the preparation and distribution of financial accountings and marketing materials). Any surplus of funds in the Marketing Fund may be invested and we may lend money to the Marketing Fund if there is a deficit. The Marketing Fund is not a trust and we have no fiduciary obligations to you with respect to our administration of the Marketing Fund. A financial accounting of the operations of the Marketing Fund, including deposits into and disbursements from the Marketing Fund, will be prepared annually and made available to you upon request.

(b) Contributions. On the day of each week that we specify from time to time (currently Wednesday), you must pay us a marketing fund fee equal to 1% of your Gross Revenues for the prior week's operations. We will deposit into the Marketing Fund all marketing fund fees paid by you and other franchisees. We have no obligation to expend our own funds or resources for any Marketing Campaign.

10.2 Marketing Assistance From Us. We may, but need not, create and make available to you advertising and other marketing materials that you may purchase at or below our cost. We may use the Marketing Fund to pay for the creation and distribution of these materials, in which case there will be no additional charge. We may make these materials available over the Internet (in which case you must arrange for printing the materials and paying all printing costs). Alternatively, we may enter into relationships with third party suppliers who will create the advertising or marketing materials for your purchase. We may require that you purchase these marketing materials from us and use them in the manner we prescribe. We will provide reasonable marketing consulting, guidance and support throughout the Term on an as needed basis.

10.3 Your Marketing Activities.

(a) Generally. In addition to your required contribution to the Marketing Fund, you must spend, on a monthly basis, at least 1% of your Gross Revenues on local advertising to promote your Restaurant after your grand opening period, including any mandatory marketing activities that we specify. We will review your total expenditures on local advertising on a quarterly basis to determine if, over the three month period, you spent at least 1% of your Gross Revenues on local advertising. You may, with our prior written consent, coordinate or consolidate advertising or promotional efforts with us or with other franchisees. You agree to participate at your own expense in all advertising, promotional and marketing programs that we require.

(b) Grand Opening. During the period beginning 30 days before opening and ending 60 days after opening, you must spend a total of at least $5,000 on advertising and other marketing activities to promote your Restaurant. We must approve all such advertising in accordance with Section 10.3(c).

(c) Approval of Advertising. Before you use them, we must approve all advertising and promotional materials that we did not prepare or previously approve (including materials that we prepared or approved and you modify). We will be deemed to have disapproved the materials if we fail to issue our approval within 15 days after receipt. You may not use any advertising or promotional materials that we have disapproved (including materials that we previously approved and later disapprove). You must ensure that your advertisements and promotional materials do not infringe upon the intellectual property rights of others.

(d) Internet and Websites. At this time, we do not allow our franchisees to maintain their own websites or market their restaurants on the Internet or on any social media site. Accordingly, you may not maintain a website, conduct e-commerce, or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with your Restaurant (including social network services and social media sites such as Facebook, Twitter and MySpace). If we change our policy at a later date to allow franchisees to maintain their own websites or market on the Internet, you may do so only if you comply with all of the Website and Internet requirements that we specify. In that case, we may require that you sign an amendment to this Agreement that will govern your ability to maintain a Website and/or market on the Internet. You must comply with any social media policy that we develop from time to time.

11. OPERATING STANDARDS.

11.1 Generally. You agree to operate your Restaurant: (i) in a manner that will promote the goodwill of the Marks; and (ii) in full compliance with our standards and all other terms of this Agreement and the Manuals. In addition to the standards specified in Section 11.2 below, our standards may relate to the following items, among others: (i) performance, quality and other relevant characteristics of services rendered and food and other products offered by your Restaurant; (ii) safety, maintenance, cleanliness, function and appearance of your Restaurant as well as the fixtures, equipment and signs; (iii) appearance and training of Restaurant employees (including a mandatory dress code that applies to both you and your employees during all business hours); (iv) use and protection of the Marks and trade secrets; (v) use and illumination of signs, posters, displays, standard formats and similar items; (vi) materials, products and supplies used in the operation of the Restaurant, including standardized menu format and appearance; (vii) display of advertising and promotional materials for your Restaurant; (viii) establishment of daily business hours; and (ix) use of an electronic cash register with availability of modem for us to obtain daily sales audits and electronic mail (e-mail) capability.

11.2 Manuals. You agree to establish and operate your Restaurant in accordance with the Manuals. The Manuals may contain, among other things: (i) a description of the authorized goods and services that you may offer at your Restaurant; (ii) mandatory and suggested specifications, operating procedures, and quality standards for food, products, services and procedures that we prescribe from time to time for Native Grill and Wings franchisees (including, without limitation, ingredients, methods of preparation and service, weight and dimensions of food served, packaging and similar matters); (iii) mandatory accounting, reporting, insurance and customer service requirements; (iv) mandatory and suggested specifications for your Restaurant; and (v) a written list of goods and services (or specifications for goods and services) you must purchase for the construction of your Restaurant and the development and operation of your Restaurant and a list of any designated or approved suppliers for these goods or services. We can modify the Manuals at any time. The modifications will become binding 30 days after we send you notice of the modification. All mandatory provisions contained in the Manuals (whether they are included now or in the future) become part of this Agreement as if fully set forth herein.

11.3 Authorized Goods and Services. You agree to offer all goods and services that we require from time to time in our commercially reasonable discretion. We may change these goods and services at any time. You may not offer any other goods or services at your Restaurant without our prior written permission (including by changing the recipes or formulas for approved menu items).

11.4 Suppliers and Purchasing. You agree to purchase or lease all products, supplies, equipment, services and other items that we specify in the Manuals from time to time. If required by the Manuals, you agree to purchase certain goods and services only from suppliers designated or approved by us (which may include us or our affiliates, in which case we may charge you for these goods or services). If we receive rebates or other financial consideration from these suppliers based upon franchisee purchases, we intend to utilize most of these monies to improve or market the System for the benefit of franchisees although we have no obligation to pass these amounts on to you or to use them for your benefit. If you want us to approve a supplier that you propose, you must send us a written notice specifying the supplier's name and qualifications and provide any additional information that we request. We will approve or reject your request within 15 days after we receive your notice and all additional information (and samples) that we require. We shall be deemed to have rejected your request if we fail to issue our approval within the 15-day period. You must reimburse us upon demand for all costs and expenses that we incur in reviewing a proposed supplier.

11.5 Equipment Maintenance and Changes. You agree to maintain all of your equipment in good condition and promptly replace or repair any equipment that is damaged, worn-out or obsolete. We may require that you change your equipment, which may require you to make additional investments. You acknowledge that our ability to require franchisees to make significant changes to their equipment is critical to our ability to administer and change the System and you agree to comply with any such required change within the time period that we reasonably prescribe.

11.6 Software and Technology. You must utilize all software and technology that we specify. We may change the software and/or technology you must use at any time. We may also develop proprietary software or technology that must be used by Native Grill and Wings franchisees. If this occurs, you agree to enter into a license agreement with us (or an affiliate of ours) and pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees. The terms of the license agreement will govern the terms pursuant to which you may utilize this software or technology. We also reserve the right to enter into a master software or technology license agreement with a third party licensor and then sublicense the software or technology to you, in which case we may charge you for all amounts that we must pay to the licensor based on your use of the software or technology. All fees referenced in this Section are due ten (10) days after invoicing.

11.7 Remodeling and Maintenance. You agree to remodel and make all improvements and alterations to your Restaurant that we reasonably require from time to time to reflect our then-current image, appearance and facility specifications. We will not require that you undertake significant remodeling more than once during any five (5) year period and we will not require that you spend more than $300,000 on any single remodel of your Restaurant. You may not remodel or significantly alter your premises without our prior written approval, which will not be unreasonably withheld. However we will not be required to approve any proposed remodeling or alteration if the same would not conform to our then-current specifications, standards or image requirements. You agree to maintain your Restaurant in good order and condition, reasonable wear and tear excepted, and make all necessary repairs, including replacements, renewals and alterations, at your sole expense, to comply with our standards and specifications.

11.8 Hours of Operation. Your Restaurant must be open for business during the minimum days and hours of operation specified in the Manuals from time to time. You must establish specific hours of operation and submit those hours to us for approval.

11.9 Failure to Comply with Standards. You acknowledge the importance of every one of our standards and operating procedures to the reputation and integrity of the System and the goodwill associated with the Marks. If we notify you of a failure to comply with our standards or operating procedures and you fail to correct the non-compliance within the period of time that we require, then, in addition to any other remedies available to us under this Agreement, we may impose a fine of up to $500 per incident.

12. FEES.

12.1 Initial Franchise Fee. You agree to pay us a $35,000 initial franchise fee in one lump sum at the time you sign this Agreement. The initial franchise fee is fully earned by us and non-refundable once this Agreement has been signed, except that we will refund $5,000 if you and your Owners sign a General Release after we terminate this Agreement pursuant to Section 19.2(i). If you sign an area development agreement and this Agreement is for a "Subsequent Restaurant" (as defined in the area development agreement), the terms of the area development agreement will govern the amount of the initial franchise fee that you pay under this Agreement and the manner in which you must pay it.

12.2 Royalty Fee. On the day of each week that we specify from time to time (currently Wednesday), you agree to pay us a royalty fee equal to 6% of your Gross Revenues from the prior week's operation (defined as Monday through Sunday).

12.3 Other Fees and Payments. You agree to pay all other fees, expense reimbursements and other amounts specified in this Agreement in a timely manner as if fully set forth in this Section 12. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based upon goods or services that you sell or based upon goods or services that we furnish to you (other than income taxes that we pay based on amounts that you pay us under this Agreement).

12.4 Late Fee. If any sums due under this Agreement have not been received by us when due (or there are insufficient funds in your Account to cover any sums owed to us when due) then, in addition to those sums, you must pay us: (i) a late fee equal to the greater of $150 or 10% of the amount past due; and (ii) if such amount is more than ten (10) days past due, interest on the amount past due at a rate equal to the lesser of 18% per annum (pro-rated on a daily basis) or the highest rate permitted by your State's law.

12.5 Method of Payment. You must complete and send us an Electronic Funds Transfer Agreement allowing us to electronically debit a banking account that you designate (your "Account") for: (i) all fees payable to us pursuant to this Agreement (other than the initial franchise fee); and (ii) any amounts that you owe to us or any of our affiliates for the purchase of goods or services. We will debit your Account for these payments on or after the due date. Our current form of Electronic Funds Transfer Agreement is attached to this Agreement as ATTACHMENT "E". You must sign and deliver to us any other documents that we or your bank may require to authorize us to debit your Account for these amounts. You must deposit into the Account all revenues that you generate from the operation of your Restaurant and you must keep records evidencing your compliance with this requirement (including statements, deposit slips, cancelled checks, etc.). You must make sufficient funds available for withdrawal by electronic transfer before each due date. If there are insufficient funds in your Account to cover all amounts that you owe, any excess amounts that you owe will be payable upon demand, together with any late charge imposed pursuant to Section 12.4.

12.6 Application of Payments. We have sole discretion to apply any payments from you to any past due indebtedness of yours or in any other manner we feel appropriate.

13. BRAND PROTECTION COVENANTS.

13.1 Reason for Covenants. You acknowledge that our Intellectual Property and the training and assistance that we provide would not be acquired except through implementation of this Agreement. You also acknowledge that competition by you, the Owners or persons associated with you or the Owners (including family members) could seriously jeopardize the entire franchise system because you and the Owners have received an advantage through knowledge of our day-to-day operations and Know-how related to the System. Accordingly, you and the Owners agree to comply with the covenants described in this Section to protect our Intellectual Property and our franchise system.

13.2 Our Know-how. You and the Owners agree: (i) neither you nor any Owner will use the Know-how in any business or capacity other than the operation of your Restaurant pursuant to this Agreement; (ii) you and the Owners will maintain the confidentiality of the Know-how at all times; (iii) neither you nor any Owner will make unauthorized copies of documents containing any Know-how; (iv) you and the Owners will take all reasonable steps that we require from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you and the Owners will stop using the Know-how immediately upon the expiration, termination or Transfer of this Agreement, and any Owner who ceases to be an Owner before the expiration, termination or Transfer of this Agreement will stop using the Know-how immediately at the time he or she ceases to be an Owner.

13.3 **Unfair Competition During Term**. You and your Owners agree not to unfairly compete with us during the Term by engaging in any of the following activities ("Prohibited Activities"): (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in any Competitive Business, other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business; (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); or (iii) inducing (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their position or (b) any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

13.4 **Unfair Competition After Term**. During the Post-Term Restricted Period, you and your Owners agree not to engage in any Prohibited Activities. Notwithstanding the foregoing, you and your Owners may have an interest in a Competitive Business during the Post-Term Restricted Period as long as the Competitive Business is not located within, and does not provide competitive goods or services to customers who are located within, the Restricted Territory. If you or an Owner engages in a Prohibited Activity during the Post-Term Restricted Period (other than having an interest in a Competitive Business that is permitted under this Section), then the Post-Term Restricted Period applicable to you or the non-compliant Owner, as applicable, shall be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity.

13.5 **Immediate Family Members**. The Owners acknowledge that they could circumvent the purpose of Section 13 by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). The Owners also acknowledge that it would be difficult for us to prove whether the Owners disclosed the Know-how to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 13 if any member of his or her immediate family engages in any Prohibited Activities during the Term or Post-Term Restricted Period or uses or discloses the Know-how. However, the Owner may rebut this presumption by furnishing evidence conclusively showing that the Owner did not disclose the Know-how to the family member.

13.6 **Employees and Others Associated with You**. You must ensure that all of your employees, officers, directors, partners, members, independent contractors and other persons associated with you or your Restaurant who may have access to our Know-how, and who are not required to sign a Brand Protection Agreement, sign and send us a Confidentiality Agreement before having access to our Know-how. You must use your best efforts to ensure that these individuals comply with the terms of the Confidentiality Agreements (or Brand Protection Agreements, if applicable) and you must immediately notify us of any breach that comes to your attention. You agree to reimburse us for all reasonable expenses that we incur in enforcing a Confidentiality Agreement or Brand Protection Agreement, including reasonable attorneys' fees and court costs.

13.7 **Covenants Reasonable.** You and the Owners acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; (ii) our use and enforcement of covenants similar to those described above with respect to other Native Grill and Wings franchisees benefits you and the Owners in that it prevents others from unfairly competing with your Restaurant; and (iii) you and the Owners have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU AND THE OWNERS HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS SECTION 13 AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

13.8 Breach of Covenants. You and the Owners agree that failure to comply with the terms of this Section 13 will cause substantial and irreparable damage to us and/or other Native Grill and Wings franchisees for which there is no adequate remedy at law. Therefore, you and the Owners agree that any violation of the terms of this Section 13 will entitle us to injunctive relief. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you or an Owner may have against us, regardless of cause or origin, cannot be used as a defense against our enforcement of this Section 13. If an immediate family member of an Owner engages in a Prohibited Activity during the Term or Post-Term Restricted Period or uses or discloses the Know-How in breach of Section 13.5, you agree that, at a minimum, we shall be entitled to liquidated damages in an amount equal to the initial franchise fee if actual damages cannot be reasonably determined. Moreover, you agree to pay us: (i) a $5,000 fine for each instance in which you solicit an employee of any Native Grill and Wings restaurant that is not owned by us or our affiliates; and (ii) a $10,000 fine for each instance in which you solicit an employee of any Native Grill and Wings restaurant owned by us or our affiliates.

14. YOUR OTHER RESPONSIBILITIES

14.1 Insurance.

(a) Generally. At your sole cost, you agree to procure and maintain in full force and effect at all times during the Term insurance policies in the minimum amounts required below. You agree to provide us with proof of coverage before taking occupancy and thereafter upon demand.

(i) "Replacement cost" property insurance coverage on all tenant improvements, contents (including inventory, furniture, fixtures, equipment and supplies), sign coverage and plate glass, with a $1,000 deductible, and which must (a) include coverage for fire, vandalism and malicious mischief, (b) have coverage limits of at least full replacement cost and (c) provide that in the event of a covered loss that any proceeds of the policy will be utilized to make any repairs or other necessary expenditures;

(ii) Business income coverage (including extra expense coverage in sufficient amounts to cover your net profit and continuing expenses including franchise fees, royalties, or other expenses due to us, for a period of not less than six (6) months);

(iii) Comprehensive general liability, including liquor liability, insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of your Restaurant, containing minimum liability protection of $1,000,000 combined single limit per occurrence and $2,000,000 in the aggregate, with limits of $1,000,000 for personal injury, $300,000 for fire damage legal liability, $5,000 for medical payments and $1,000,000 for "Non-Owned and Hired Auto" liability coverage if no vehicles are owned or leased by you (the insurance limits required in this Section 14.1(a)(iii) shall be accomplished by the purchase of a commercial umbrella policy with a $5,000,000 limit (including liquor liability), which will include the underlying for combined single limit $1,000,000 per occurrence and $2,000,000 aggregate, including $1,000,000 personal injury, $300,000 fire damage and $5,000 medical payments, and the limit of $1,000,000 non-owned and hired auto, if no vehicles are owned or leased by you);

(iv) Worker's compensation insurance and employer's liability insurance as required by law, containing minimum liability protection of $500,000 worker's compensation, $500,000 bodily injury by accident, disease or death;

(v) Automobile liability and property damage insurance covering all loss, liability, claim or expense of any kind whatsoever resulting from the use, operation, or maintenance of any automobiles or motor vehicles owned or leased by you, or your officers, directors, employees, partners or agents, in the operation of your Restaurant, containing minimum liability protection of $1,000,000 single limit of bodily injury and property damage;

(vi) Employee Benefits Liability coverage with minimum limits of $1,000,000 per claim, provided such coverage is readily available;

(vii) Employment practices liability coverage with minimum limits of $1,000,000, with a maximum deductible of $5,000 per claim, including claims arising from: discrimination; workplace harassment of any kind; sexual harassment; wrongful dismissal, discharge or termination of employment; employment related misrepresentation; wrongful failure to employ or promote; wrongful discipline; wrongful demotion or deprivation of career opportunities; failure to grant tenure; negligent evaluation; wrongful retaliation; employment slander, libel, defamation or invasion of privacy; punitive damage; terrorism; third party coverage; and all prior acts coverage;

(viii) Breakdown coverage (also known as Boiler & Machinery) with sufficient limits to cover all contents and business income exposures described in Section 14.1(a)(i) and Section 14.1(a)(ii);

(ix) Cyber Liability Coverage with minimum limits of $2,500 per claim.

(x) Any insurance required pursuant to other agreements between you and third parties that relate to your Restaurant, including but not limited to any lease agreement; and

(xi) Any other insurance that we specify in the Manuals or otherwise require from time to time.

(b) Insurance During Construction. If your premises are under construction, you must carry premises liability during construction, and you and we are to be included as additional insured. You must utilize the services of a general contractor (the "GC"). You must have a written contract with the GC that includes an indemnification and hold harmless provision in favor of you, and the GC must carry primary and non-contributory, and waiver of subrogation, which applies to injury to the GC's and subcontractors' employees. The GC is required to carry general liability and worker's compensation coverages, with general liability limits of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate and $1,000,000 products and completed operations aggregate, with no exclusions for explosion, collapse, or underground hazards. The GC must maintain business auto liability coverage for vehicles owned or leased by the GC, or if there are no owned or leases vehicles, Non-Owned and Hired Auto liability coverage. In either case, the minimum required limit shall be $1,000,000 combined single limit. You are required to carry "Course of Construction" (builder's risk) and will include plate glass under the Course of Construction, covering your improvements and betterments, equipment, and if applicable furniture and fixtures for replacement cost value during the course of construction. The GC must maintain a $5,000,000 umbrella policy. If appropriate, in our sole discretion, we will be included as loss payee as our interest may appear. This coverage may be carried by the GC, provided that the coverage includes the respective interests of you and us as appropriate. All construction coverage shall conform to the general insurance requirements described below.

(c) Additional Insurance Requirements. You agree to obtain all insurance policies from insurance carriers that are rated A or better by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Restaurant. All insurance policies must: (i) name us (and our members, officers, directors, and employees) as additional insureds; (ii) contain a waiver by the insurance carrier of all subrogation rights against us; and (iii) provide that we receive 30 days prior written notice of the termination, expiration, cancellation or modification of the policy. If any of your policies fail to meet these criteria, then we may disapprove the policy and you must immediately find additional coverage with an alternative carrier satisfactory to us. Upon ten (10) days' notice to you, we may increase the minimum protection requirement as of the renewal date of any policy, and require different or additional types of insurance at any time, including excess liability (umbrella) insurance, to reflect inflation, identification of special risks (such as earthquake, flood, windstorm, sinkhole collapse, etc.), changes in law or standards or liability, higher damage awards or other relevant changes in circumstances. On an annual basis, you agree to furnish to us signed Certificate(s) of Insurance, Evidence of Property Insurance, with a 30 day notice, or extensions of coverage specified by us or our designated risk manager, including copies of policies and/or endorsements, for all coverages required by this Section. If you fail to maintain any required insurance coverage, we have the right to obtain the coverage on your behalf (which right shall be at our option and in addition to our other rights and remedies in this Agreement), and you must promptly sign all applications and other forms and instruments required to obtain the insurance and pay to us, on demand, all costs and premiums that we incur.

(d) Disclaimer; Indemnification. We make no representations regarding the adequacy of coverage or limits of insurance that we require and if you believe that additional coverage is necessary or required by contractual agreement (e.g. your lease agreement), then you must purchase such additional coverage at your cost and expense.

14.2 Books and Records. You agree to prepare and maintain at your Restaurant for at least five (5) years after their preparation, complete and accurate books, records, accounts and tax returns pertaining to your Restaurant. Your books, records and accounts must be prepared using the double entry method of accounting, utilizing the standard chart of accounts that we provide to you. You must send us copies of your books and records within seven (7) days of our request.

14.3 Reports. You must prepare and provide to us weekly statements of your Gross Revenues for the prior week's operations and monthly statements of your expenditures on local advertising required by Section 10.3 that were incurred during the prior month (which shall be accompanied by copies of receipts for such expenditures). Your weekly reports are due on the day of each week that we specify from time to time and your monthly reports are due by the 10^{th} day of each month for expenditures incurred during the immediately preceding month. You also agree to prepare all other reports that we require in the form and manner that we require. You agree that we will have the right to electronically poll your computer and/or automated cash management system to retrieve and compile information regarding the operation of your Restaurant. You must ensure that you update the information in your computer and automated cash management system so that it is current within three (3) days of the close of business. You hereby represent that at any time we poll the system, the information will, at a minimum, be complete and accurate as of the close of business three (3) days prior.

14.4 Financial Statements. Within 60 days after the end of each calendar year, you must prepare a balance sheet for your Restaurant (as of the end of the calendar year) and an annual statement of profit and loss and source and application of funds. All financial statements must be: (i) verified and signed by you certifying to us that the information is true, complete, and accurate; and (ii) submitted in any format that we reasonably require. Currently, we require that all financial statements be prepared in accordance with Generally Accepted Accounting Principles. We have the right to require that your financial statements be audited by a certified public accountant. You agree to send us a copy of any financial statement required by this Section upon request. You authorize us to disclose the financial statements, reports, and operating data to prospective franchisees, regulatory agencies and others at our discretion, provided the disclosure is not prohibited by applicable law.

14.5 Financing. Before you finance the purchase or lease of any equipment or other items relating to your Restaurant or enter into a merchant cash advance arrangement, we must approve the terms of the financing or merchant cash advance arrangement, as applicable. We have no obligation to approve any financing or merchant cash advance arrangement that would either (i) be secured by a lien upon any of the assets associated with your Restaurant (other than a purchase money security interest) and/or the Franchise Agreement and/or any interest in the Entity (if you are an Entity) or (ii) require that any payments owed to us under this Agreement be subordinated to any amounts owed to a third party.

14.6 Legal Compliance. You must secure and maintain in force all required licenses, permits and regulatory approvals for the operation of your Restaurant and operate and manage your Restaurant in full compliance with all applicable laws, ordinances, rules and regulations. You must notify us in writing within two (2) business days of the beginning of any action, suit, investigation or proceeding, or of the issuance of any order, writ, injunction, disciplinary action, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation of your Restaurant or your financial condition. You must immediately deliver to us a copy of any inspection report, warning, certificate or rating by any governmental agency involving any health or safety law, rule or regulation that reflects your failure to fully comply with the law, rule or regulation.

15. INSPECTION AND AUDIT

15.1 Inspections. To ensure compliance with this Agreement, we or our representatives will have the right to enter your Restaurant, evaluate your operations and inspect or examine your books, records, accounts and tax returns. Our evaluation may include sampling and testing your food, watching food preparation and contacting your landlord, customers and/or employees. We may conduct our evaluation at any time and without prior notice. During the course of our inspections, we and our representatives will use reasonable efforts to minimize our interference with the operation of your Restaurant, and you and your employees will cooperate and not interfere with our inspection. You consent to us accessing your computer system and retrieving any information that we deem appropriate in conducting the inspection. We may also hire third parties to conduct secret shopper inspections of your Restaurant. You agree to reimburse us for any fees that we pay this company to inspect your Restaurant.

15.2 Audit. We have the right, at any time, to have an independent audit made of your books and financial records. You agree to fully cooperate with us and any third parties that we hire to conduct the audit. If an audit reveals an understatement of your Gross Revenues or any amount that you owe us, you agree to immediately pay to us any additional fees that you owe us together with any late fee payable pursuant to Section 12.4. Any audit will be performed at our cost and expense unless the audit: (i) is necessitated by your failure to provide the information requested or to preserve records or file reports as required by this Agreement; or (ii) reveals an understatement of any amount due to us by at least two percent (2%) over the period of the audit (which period shall not be less than three (3) months), in which case you agree to pay us $2,500 plus our cost of the audit or inspection, including without limitation, reasonable accounting and attorneys' fees and travel and lodging expenses that we or our representatives incur. The $2,500 fee and audit cost reimbursements will be due ten (10) days after invoicing. We shall not be deemed to have waived our right to terminate this Agreement by accepting the $2,500 fee and reimbursements of our audit costs.

15.3 Monitoring and Corrective Training. If we reasonably determine that: (i) your Restaurant is not being operated in compliance with this Agreement or the Manuals, (ii) your Gross Revenues are less than the average Gross Revenues generated by other similarly situated Native Grill and Wings restaurants, or (iii) your Restaurant is being operated in an inefficient or improper manner, then we may, at our option: (a) require that certain of your Owners and/or employees attend additional training, in which case we may charge you the Training Fee; and/or (b) send one or more of our representatives to your Restaurant for a reasonable period of time to observe or examine any of the phases of the operation of your Restaurant, in which case we may charge you the On-Site Training Fee. In addition to these fees, you must also reimburse us for all travel, meals and lodging expenses incurred by us or our representatives in conducting on-site training and/or monitoring. The fees and expense reimbursements imposed under this Section are due ten (10) days after invoicing.

16. INTELLECTUAL PROPERTY

16.1 Ownership and Use of Intellectual Property. You acknowledge that: (i) we are the sole and exclusive owner of the Intellectual Property and the goodwill associated with the Marks; (ii) your right to use the Intellectual Property is derived solely from this Agreement; and (iii) your right to use the Intellectual Property is limited to a license granted by us to operate your Restaurant during the Term pursuant to, and only in compliance with, this Agreement, the Manuals, and all applicable standards, specifications and operating procedures that we prescribe from time to time. You may not use any of the Intellectual Property in connection with the sale of any unauthorized food, product or service or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You agree to comply with all provisions of the Manuals governing your use of the Intellectual Property. This Agreement does not confer to you any goodwill, title or interest in any of the Intellectual Property.

16.2 Changes to Intellectual Property. We have the right to modify the Intellectual Property at any time in our sole discretion, including by changing the Marks, the System, the Copyrights or the Know-how. If we modify or discontinue use of any of the Intellectual Property, you must comply with any such instructions from us within 30 days. If we require you to change the Marks, our sole obligation will be to reimburse you for your reasonable documented expenses of compliance, including changing signage, brochures, stationary, etc. You waive all other claims arising from or relating to any change, modification, substitution or discontinuation of the Intellectual Property. Except for the reimbursement obligation listed in this Section, we will not be liable to you for any expenses, losses or damages that you incur (including the loss of any goodwill associated with a Mark) because of any addition, modification, substitution or discontinuation of the Intellectual Property.

16.3 Use of Marks. You agree to use the Marks as the sole identification of your Restaurant; provided, however that you must identify yourself as the independent owner of your Restaurant in the manner that we prescribe. You may not use any Marks in any modified form or as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed to you by this Agreement). You agree to: (i) prominently display the Marks on or in connection with any media advertising, promotional materials, posters and displays, receipts, stationery and forms that we designate and in the manner that we prescribe to give notice of trade and service mark registrations and copyrights; and (ii) obtain any fictitious or assumed name registrations required under applicable law.

16.4 Use of Know-how. We will disclose the Know-how to you by furnishing certain specifications and guidance with respect to your Restaurant in the initial training program, the Manuals, and in other guidance furnished to you during the Term. You agree that you will not acquire any interest in the Know-how other than the right to utilize it in strict accordance with the terms of this Agreement in the development and operation of your Restaurant. You acknowledge that the Know-how is proprietary and is disclosed to you solely for use in the development and operation of your Restaurant during the Term.

16.5 Improvements. If you conceive of or develop any improvements or additions to the services, food, or products offered by, or the method of operation of, a Native Grill and Wings business, or any advertising or promotional ideas related to such business (collectively, "Improvements"), you agree to promptly and fully disclose the Improvements to us without disclosing the Improvements to others. You must obtain our approval prior to using any such Improvements. Any such Improvement approved by us may be used by us and any third parties that we authorize to operate a Native Grill and Wings franchise, without any obligation to pay you royalties or other fees. You must assign to us or our designee, without charge, all rights to any such Improvement, including the right to grant sublicenses. In return, we will authorize you to use any Improvements that we or other franchisees develop that we authorize for general use in connection with the operation of a Native Grill and Wings business.

16.6 Notification of Infringements and Claims. You must immediately notify us of any: (i) apparent infringement of any of our Intellectual Property; (ii) challenge to your use of any of our Intellectual Property; or (iii) claim by any person of any rights in any of our Intellectual Property. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. We will have sole discretion to take such action as we deem appropriate. We have the right to exclusively control any litigation, Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge or claim. You agree to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interest in any such litigation, Patent and Trademark Office proceeding or other proceeding, or to otherwise protect and maintain our interest in the Intellectual Property.

17. INDEMNITY. You agree to indemnify the Indemnified Parties and hold them harmless for, from and against any and all Losses and Expenses incurred by any of them as a result of or in connection with any of the following Claims: (i) any Claim asserted against you and/or any of the Indemnified Parties arising from the marketing, use or operation of your Restaurant or your performance and/or breach of any of your obligations under this Agreement; (ii) any other Claim arising from alleged violations of your relationship with and responsibility to us; or (iii) any Claim relating to taxes or penalties assessed by any governmental entity against us that are directly related to your failure to pay or perform functions required of you under this Agreement. The Indemnified Parties shall have the sole right, in their sole discretion: (i) to retain their own counsel of their own choosing to represent them with respect to any Claim; and (ii) to control the response thereto and the defense thereof, including the right to enter into an agreement to settle such Claim. You may participate in such defense at your own expense. You agree to give your full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such Claim, and to reimburse the Indemnified Parties for all of their costs and expenses in defending any such Claim, including court costs and reasonable attorneys' fees, within 30 days of the date of each invoice delivered by such Indemnified Party to you enumerating such costs, expenses and attorneys' fees.

18. TRANSFERS

18.1 By Us. This Agreement and the franchise is fully assignable by us (without prior notice to you) and shall insure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for the performance of our obligations under this Agreement up to the effective date of the assignment. We may also delegate some or all of our obligations under this Agreement to one or more persons without assigning the Agreement.

18.2 By You. You understand that the rights and duties created by this Agreement are personal to you and the Owners and that we have granted the franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and your Owners. Therefore, neither you nor any Owner may engage in any Transfer other than a Permitted Transfer without our prior written approval. Any Transfer (other than a Permitted Transfer) without our approval shall be void and constitute a breach of this Agreement. We will not unreasonably withhold our approval of any proposed Transfer, provided that the following conditions are all satisfied:

(i) the proposed transferee is, in our opinion, an individual of good moral character, who has sufficient business experience, aptitude and financial resources to own and operate a Native Grill and Wings business and otherwise meets all of our then applicable standards for franchisees;

(ii) you and your Owners are in full compliance with the terms of this Agreement and all other agreements with us or our affiliate;

(iii) all of the owners of the transferee have successfully completed, or made arrangements to attend, the initial training program (and the transferee has paid us the Training Fee for each new person who must attend training);

(iv) your landlord consents to your assignment of the lease to the transferee, or the transferee is diligently pursuing an approved substitute location within the Site Selection Area;

(v) you have remodeled and made all improvements to your Restaurant that we require to comply with our then current standards and specifications or the transferee has committed to undertake such remodeling and improvements immediately following the Transfer (the cost of the remodeling obligations required under this provision shall not exceed $300,000);

(vi) the transferee and its owners, to the extent necessary, have obtained all licenses and permits required by applicable law in order to own and operate the Restaurant;

(vii) the transferee and its owners sign our then current form of franchise agreement, except that: (a) the Term and renewal term(s) shall be the Term and renewal term(s) remaining under this Agreement; and (b) the transferee need not pay a separate initial franchise fee;

(viii) you or the transferee pay us a transfer fee equal to 50% of our then current initial franchise fee to defray expenses that we incur in connection with the Transfer;

(ix) you and your Owners sign a General Release for all claims arising before or contemporaneously with the Transfer;

(x) you enter into an agreement with us to subordinate the transferee's obligations to you to the transferee's financial obligations owed to us pursuant to the franchise agreement;

(xi) we do not elect to exercise our right of first refusal described in Section 18.5; and

(xii) you or the transferring Owner, as applicable, and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer.

Our consent to a Transfer shall not constitute a waiver of any claims we may have against the transferor, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the franchise by the transferee.

18.3 Permitted Transfers. You may engage in a Permitted Transfer without our prior approval, but you must give us at least ten (10) days prior written notice. You and the Owners (and the transferee) agree to sign all documents that we reasonably request to effectuate and document the Permitted Transfer.

18.4 Death or Disability of an Owner. Upon the death or permanent disability of an Owner, the Owner's ownership interest in you or the franchise, as applicable, must be assigned to another Owner or to a third party approved by us within 12 months. Any assignment to a third party will be subject to all of the terms and conditions of Section 18.2. For purposes of this Section, an Owner is deemed to have a "permanent disability" only if the person has a medical or mental problem that prevents the person from substantially complying with his or her obligations under this Agreement or otherwise operating the Restaurant in the manner required by this Agreement and the Manuals for a continuous period of at least three (3) months. If an adequate replacement for a deceased or permanently disabled Managing Owner is not identified in 30 days after the occurrence of the death or permanent disability, we may designate an interim manager to perform the functions of the Managing Owner until such time that an adequate replacement is found. You agree to compensate the interim manager at a rate that we establish in our commercially reasonable discretion, which rate may be up to 20% of Gross Revenues generated during the time that the Restaurant is managed by the interim manager. The interim manager shall only have the duty to utilize his or her best efforts and neither we nor the interim manager will have any liability (i) to you for any debts, losses, or obligations incurred on behalf of the Restaurant or (ii) to your creditors for any products, materials, supplies or services purchased on behalf of the Restaurant.

18.5 Our Right of First Refusal. If you or an Owner desires to engage in a Transfer, you or the Owner, as applicable, must obtain a bona fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to us. We will have 30 days after receipt of the offer to decide whether we will purchase the interest in your Restaurant or the ownership interest in you for the same price and upon the same terms contained in the offer (however, we may substitute cash for any form of payment proposed in the offer). If we notify you that we intend to purchase the interest within the 30-day period, you or the Owner, as applicable, must sell the interest to us. We will have at least an additional 30 days to prepare for closing. We will be entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you as the seller of the assets or the Owner as the seller of the ownership interest or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to and on the terms of the offer, subject to the requirements of Section 18.2 (including our approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to us, or there is a material change in the terms of the sale, we will again have the right of first refusal specified in this Section. Our right of first refusal in this Section shall not apply to any Permitted Transfer.

19. Termination

19.1 By You. You may terminate this Agreement if we materially breach this Agreement and fail to cure the breach within 90 days after you send us a written notice specifying the nature of the breach. If you terminate this Agreement, you must still comply with your post-termination obligations described in Section 20 and all other obligations that survive the expiration or termination of this Agreement.

19.2 Termination By Us Without Cure Period. We may, in our sole discretion, terminate this Agreement upon five (5) days' written notice, without opportunity to cure, for any of the following reasons, all of which constitute material events of default under this Agreement:

(i) if the Managing Owner or General Manager fails to satisfactorily complete the executive training program in the manner required by Section 5.1;

(ii) if you fail to comply with any of the site approval, development or opening timelines specified in Section 7;

(iii) if you become insolvent by reason of your inability to pay your debts as they become due or you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any law, or are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978);

(iv) if your Restaurant, or a substantial portion of the assets associated with your Restaurant, are seized, taken over or foreclosed by a government official in the exercise of his or her duties, or seized, taken over or foreclosed by a creditor, lienholder or lessor; or a final judgment against you remains unsatisfied for 30 days (unless a supersedes or other appeal bond has been filed); or a levy of execution has been made upon the license granted by this Agreement or upon any property used in your Restaurant, and it is not discharged within five (5) days of the levy;

(v) if you abandon or fail to actively manage or operate your Restaurant for three (3) consecutive business days, unless the failure is due to an event of force majeure or another reason that we approve;

(vi) if a regulatory authority suspends or revokes a license or permit held by you or an Owner that is required to operate the Restaurant (including, but not limited to, a liquor license), even if you or the Owner still maintain appeal rights;

(vii) if you or an Owner (a) is convicted of or pleads no contest to a felony, a crime involving moral turpitude or any other material crime or (b) is subject to any material administrative disciplinary action or (c) fails to comply with any material federal, state or local law or regulation applicable to your Restaurant;

(viii) if you or an Owner commits an act that can be reasonable expected to adversely affect the reputation of the System or the goodwill associated with the Marks;

(ix) if you manage or operate your Restaurant in a manner that presents a health or safety hazard to your customers, employees or the public;

(x) if you or an Owner make any material misrepresentation to us, whether occurring before or after being granted the franchise;

(xi) if you fail to pay any amount owed to us or an affiliate of ours within five (5) days after receipt of a demand for payment;

(xii) if you fail to pay any approved or designated supplier (other than us or our affiliate) for goods or services purchased within five (5) days after receipt of a demand for payment, unless the demand for payment is disputed by you in good faith;

(xiii) if you underreport any amount owed to us by at least two percent (2%), after having already committed a similar breach that had been cured in accordance with Section 19.3;

(xiv) if you make an unauthorized Transfer;

(xv) if you make an unauthorized use of our Intellectual Property;

(xvi) if you breach any of the brand protection covenants described in Section 13;

(xvii) if any Owner, or the spouse of any Owner, breaches a Franchise Owner

Agreement; or

(xviii) if we terminate any other agreement between you and us due to your default, other than an area development agreement.

19.3 Additional Conditions of Termination. We may, in our sole discretion, terminate this Agreement upon 30 days' written notice if you or an Owner fail to comply with any other provision of this Agreement (other than the defaults listed in Section 19.2 above) or any other agreement with us, or any mandatory specification, standard or operating procedure prescribed by us, unless such default is cured, as determined by us in our sole discretion, within such 30-day notice period. If we deliver a notice of default to you pursuant to this Section 19.3, we may: (i) suspend performance of any of our obligations under this Agreement until such time that you have fully cured the breach; and/or (ii) designate an interim manager to manage your Restaurant until such time that you have fully cured the breach (in which case the provisions in Section 18.4 shall apply with respect to compensation and duties of the interim manager).

19.4 Mutual Agreement to Terminate. If you and we mutually agree in writing to terminate this Agreement, you and we will be deemed to have waived the five (5) day notice period in Section 19.3.

20. POST-TERM OBLIGATIONS.

20.1 Obligations of You and the Owners. After the termination, expiration or Transfer of this Agreement, you and the Owners agree to:

(i) cease use of our Intellectual Property;

(ii) pay us all amounts that you owe us;

(iii) comply with all covenants described in Section 13 that apply after the expiration, termination or Transfer of this Agreement or the disposal of an ownership interest by an Owner;

(iv) return all copies of the Manuals, or any portions thereof, as well as all signs, sign faces, brochures, advertising and promotional materials, forms, and any other materials bearing or containing any of the Marks, Copyrights or other identification relating to a Native Grill and Wings business, unless we allow you to transfer such items to an approved transferee;

(v) take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks;

(vi) make such modifications and alterations to the premises that are necessary or that we require to prevent any association between us or the System and any business subsequently operated by you or any third party at the premises; provided, however, that this subsection shall not apply if your franchise is transferred to an approved transferee or if we exercise our right to purchase your entire business;

(vii) notify all telephone companies, listing agencies and domain name registration companies (collectively, the "Agencies") of the termination or expiration of your right to use: (a) the telephone numbers and/or domain names, if applicable, related to the operation of your Restaurant; and (b) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the Agencies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct the Agencies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and

(viii) provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Agreement.

20.2 Right to Purchase Facility and Assets.

(a) Generally. Upon the termination or expiration of this Agreement, we shall have the right, but not the obligation, to purchase your Restaurant and/or its assets at fair market value as ascertained by an independent business appraiser. If we elect to exercise this option, the date of determination of the fair market value shall be the effective date of the termination or expiration of the Agreement (the "Appraisal Date"). We will notify you of the specific items that we wish to purchase (the "Acquired Assets"). We may also require that you assign your lease to us at no additional charge.

(b) Selecting Qualified Appraisers. You and we each shall appoint an appraiser with experience appraising businesses comparable to your Restaurant in the United States (a "Qualified Appraiser"). This appointment of the appraisers shall be made within 30 days after the Appraisal Date by giving written notice to the other party of the name and address of the Qualified Appraiser. If either of us fails to appoint a Qualified Appraiser within the 30-day period, the appraisal shall be made by the sole Qualified Appraiser appointed within that period. If each of us shall have appointed a Qualified Appraiser within the 30-day period, then within 30 days after that the two (2) Qualified Appraisers shall appoint a third (3^{rd}) Qualified Appraiser. If the two (2) Qualified Appraisers fail to agree on the appointment of a third (3^{rd}) Qualified Appraiser within the 30-day period, then a third (3^{rd}) Qualified Appraiser shall be appointed by the American Arbitration Association (acting through its office located closest to our corporate headquarters) as promptly as possible after that, upon application by either us or you. Nothing in this provision shall prohibit us and you from jointly approving a single appraiser, nor shall it obligate us or you to do so.

(c) Information for Appraisal. You must furnish to the Qualified Appraisers a copy of your current financial statements, as well as your financial statements for the prior three (3) years (or the period of time that you have operated your Restaurant, if less than three (3) years), together with the work papers and other financial information or other documents or information that the Qualified Appraisers may request. The Qualified Appraisers shall take into account the other information and factors that they deem relevant, but the Qualified Appraisers shall be instructed that there shall be no consideration of goodwill in the determination of fair market value.

(d) Appraisal Process. Within 60 days after the appointment of the third Qualified Appraiser, the three (3) Qualified Appraisers shall appraise the Appraised Assets at fair market value without taking into account any value for goodwill (the "Appraised Value"). If the three (3) Qualified Appraisers agree on a single value, then they shall issue a joint report and the Appraised Value shall be the value determined by the agreement of the three (3) Qualified Appraisers. If two (2) of the three (3) Qualified Appraisers agree on a single value, these two (2) Qualified Appraisers shall issue a joint report, and the dissenting Qualified Appraiser may (but need not) issue a separate report, and the value determined by agreement of the two (2) Qualified Appraisers who shall agree shall be the Appraised Value. If none of the Qualified Appraisers are able to agree on a single value, each Qualified Appraiser shall issue a report setting forth the value determined by him or her, and the average of the two values that are closest to each other shall be the Appraised Value. Before the issuance of a report by any Qualified Appraiser, each Qualified Appraiser shall advise the others of the value that will appear in his or her report to ensure that the determination of value made by any Qualified Appraiser is made with knowledge of the values determined by the other Qualified Appraisers. If there shall be only a single Qualified

Appraiser (because you or we failed to appoint a Qualified Appraiser within the time provided), then the Appraised Value shall be the value determined by the single Qualified Appraiser.

(e) Cost of Appraisal. You and we shall equally bear the cost of the appraisal.

(f) Closing. Once the Appraised Value has been determined, we will have at least 60 days to prepare for the closing. We will be entitled to receive from you all customary representations and warranties given by you as the seller of the Acquired Assets and you must transfer good and clean title to the Acquired Assets, subject to any exceptions agreed to by us. We may deduct from the Appraised Value all amounts owed to us and our affiliates under this Agreement, any promissory note, and any other agreement between you and us or between you and our affiliates.

21. DISPUTE RESOLUTION. The parties agree to submit any claim, dispute or disagreement, including any matter pertaining to the interpretation of this Agreement or issues relating to the offer and sale of the franchise or the relationship between the parties (a "Dispute") to mediation before a mutually-agreeable mediator prior to litigation, unless the Dispute involves an alleged breach of Section 13 or Section 16. Any mediation shall take place in the county in which we maintain our principal place of business at the time the mediation begins (currently, Maricopa County, Arizona). If the Dispute cannot be resolved by mediation or the Dispute involves an alleged breach of Section 13 or Section 16, either party may file a lawsuit in any state or federal court of general jurisdiction in the county in which we maintain our principal place of business at the time the lawsuit is filed and we and you irrevocably submit to the jurisdiction of such courts and waive any objection either of us may have to either the jurisdiction or venue of such courts. If we or you must enforce this Agreement in a judicial proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees. In addition, if you breach any term of this Agreement or any other agreement with us or an affiliate of ours, you agree to reimburse us for all reasonable legal fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to the commencement of any dispute resolution proceedings. **UNLESS PROHIBITED BY APPLICABLE LAW, ANY DISPUTE (OTHER THAN FOR PAYMENT OF MONIES OWED OR A VIOLATION OF SECTION 13 OR SECTION 16) MUST BE BROUGHT BY FILING A WRITTEN DEMAND FOR MEDIATION WITHIN ONE (1) YEAR FOLLOWING THE CONDUCT, ACT OR OTHER EVENT OR OCCURRENCE GIVING RISE TO THE CLAIM, OR THE RIGHT TO ANY REMEDY WILL BE DEEMED FOREVER WAIVED AND BARRED. WE AND YOU IRREVOCABLY WAIVE: (i) TRIAL BY JURY; AND (ii) THE RIGHT TO LITIGATE ON A CLASS ACTION BASIS, IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.**

22. GENERAL PROVISIONS

22.1 Governing Law. Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Agreement and the franchise relationship shall be governed by the laws of the State of Arizona (without reference to its principles of conflicts of law), but any law of the State of Arizona that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

22.2 Relationship of the Parties. You understand and agree that nothing in this Agreement creates a fiduciary relationship between you and us or is intended to make either party a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. During the Term, you must conspicuously identify yourself at your base of operations, and in all dealings with third parties, as a franchisee of ours and the independent owner of your Restaurant.

22.3 **Severability and Substitution**. Each section, subsection, term and provision of this Agreement, and any portion thereof, shall be considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a provision of this Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Agreement. If a court concludes that any promise or covenant in this Agreement is unreasonable and unenforceable: (i) the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable; or (ii) we may unilaterally modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable.

22.4 **Waivers**. We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other. Any waiver granted by us shall be without prejudice to any other rights we may have. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach of this Agreement to be a default and to terminate the franchise before the expiration of its term) by virtue of: (i) any custom or practice of the parties at variance with the terms of this Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement, including any mandatory specification, standard, or operating procedure; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other Native Grill and Wings franchisees; or (iv) the acceptance by us of any payments due from you after breach of this Agreement.

22.5 **Approvals**. Whenever this Agreement requires our approval, you must make a timely written request for approval, and the approval must be in writing in order to bind us.

22.6 **Force Majeure**. Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations results from any event of force majeure. Any delay resulting from an event of force majeure will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable under the circumstances.

22.7 **Binding Effect**. This Agreement is binding upon the parties to this Agreement and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement; provided, however, that the additional insureds listed in Section 14.1 and the Indemnified Parties are intended third party beneficiaries under this Agreement with respect to Section 14.1 and Section 17, respectively.

22.8 **Integration**. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT, EXCEPT AS PERMITTED BY SECTION 11.2 AND SECTION 22.3, BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. Any e-mail correspondence or other form of informal electronic communication shall not be deemed to modify this Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Agreement. The attachment(s) are part of this Agreement, which, together with any Amendments or Addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement. As referenced above, all mandatory provisions of the Manuals are part of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth above. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document. To the extent that any provision in the California State Addendum is inconsistent with any provision in this Agreement, the provision in the California State Addendum shall control.

22.9 **Rights of Parties are Cumulative**. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by law.

22.10 **Survival**. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement (or the Transfer of an ownership interest in the franchise) shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire, including, without limitations, Section 12, Section 15, Section 17, Section 20, Section 21 and Section 22.

22.11 **Construction**. The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Agreement is applicable to one or more persons or an Entity, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

22.12 **Time of Essence**. Time is of the essence in this Agreement and every term thereof.

22.13 **Counterparts**. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

22.14 **Notice.** All notices given under this Agreement must be in writing, delivered by hand, email (to the last email address provided by the recipient) or first class mail, to the following addresses (which may be changed upon 10 business days prior written notice):

YOU:	As set forth below your signature on this Agreement
US:	NGW, LLC 6825 West Galveston Street, Suite 5 Chandler, Arizona 85226
WITH A COPY TO:	Daniel Warshawsky Warshawsky Seltzer, PLLC 9943 East Bell Road Scottsdale, Arizona 85260

Notice shall be considered given at the time delivered by hand, or one (1) business day after sending by fax, email or comparable electronic system, or three (3) business days after placed in the mail, postage prepaid, by certified mail with a return receipt requested.

[Signature Page Follows]

The parties to this Agreement have executed this Agreement effective as of the Effective Date first above written.

FRANCHISOR:

NGW, LLC, a Kansas limited liability company

By:_________________________________
Name:_______________________________
Its:_________________________________

YOU (If you are an entity):

____________________________________,
a(n)_________________________________

By:__________________________________
Name:_______________________________
Its:_________________________________

YOU (If you are not an entity):

____
Name:_________________________________

____
Name: ________________________________

____
Name: ________________________________

____
Name: ________________________________

Franchisee's Principal Business Address:
____
____
____
____

ATTACHMENT "A"

TO NATIVE GRILL AND WINGS FRANCHISE AGREEMENT

DEFINITIONS

"Account" is defined in Section 12.5.

"Acquired Assets" is defined in Section 20.2(a).

"Agencies" is defined in Section 20.1(vii).

"Agreement" is defined in the Introductory Paragraph.

"Appraisal Date" is defined in Section 20.2(a).

"Appraised Value" is defined in Section 20.2(d).

"Brand Protection Agreement" means our form of Brand Protection Agreement, the most current form of which is attached to this Agreement as ATTACHMENT "F".

"Captive Venues" means non-traditional outlets for the sale of Native Grill and Wings food, products or services that are located within, or are a part of, another establishment or facility that consumers may visit for a purpose other than purchasing the Native Grill and Wings food, products or services. Examples of Captive Venues include outlets for Native Grill and Wings food, products or services that are located in college campuses or universities, hotels, casinos, airports, train stations, stadiums or sporting arenas, bus stations, shopping malls, or within other similar types of establishments.

"Claim" or *"Claims"* means any and all claims, actions, demands, assessments, litigation, or other form of regulatory or adjudicatory procedures, claims, demands, assessments, investigations, or formal or informal inquiries.

"Competitive Business" means any competitive sports-themed sit-down restaurant that includes a bar and features pizza and/or chicken wings.

"Confidentiality Agreement" means our form of Confidentiality Agreement, the most current form of which is attached to this Agreement as ATTACHMENT "G".

"Copyrights" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Native Grill and Wings franchisees to use, sell or display in connection with the marketing and/or operation of a Native Grill and Wings restaurant, whether now in existence or created in the future.

"Default Interest" is defined in Section 12.4.

"Dispute" is defined in Section 21.

"Effective Date" is defined in the Introductory Paragraph.

"Entity" means a corporation, partnership, limited liability company or other form of association.

"GC" is defined in Section 14.1(b).

"General Manager" is defined in Section 8.2.

"General Release" means our current form of general release of all claims against us and our affiliates and subsidiaries, and our and their respective members, officers, directors, agents and employees, in both their corporate and individual capacities.

"Gross Revenues" means all gross sums collected or billed by you from all goods and services sold in connection with your Restaurant, together with any other revenue or monies derived in connection with your Restaurant, including the proceeds of any business interruption insurance and any applicable rebates or commissions. "Gross Revenues" does not include: (i) sums attributable to sales, transaction privilege, excise or

similar taxes based upon sales actually collected from customers or otherwise and actually paid to taxing authorities; (ii) rebates or refunds actually paid to customers; provided, however, that "Gross Revenues" shall include any rebates or refunds that are not part of a marketing program instituted by us to the extent that such refunds or rebates exceed one-half of one percent (0.5%) of the total revenue that you collect; or (iii) revenues derived from the sale of merchandise to customers if you purchased such merchandise from us or an affiliate of ours at wholesale. While the sale of Native Grill and Wings food, products and services from a location outside your Restaurant (including deliveries) is not currently authorized, should any such sales be approved in the future, then all such sums received by you in connection with such sales shall be included within Gross Revenues.

"Improvements" is defined in Section 16.5.

"Indemnified Party" or *"Indemnified Parties"* means us and each of our past, present and future owners, members, officers, directors, employees and agents, as well as our parent companies, subsidiaries and affiliates, and each of their past, present and future owners, members, officers, directors, employees and agents.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how and System.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a Native Grill and Wings restaurant, including, but not limited to, recipes, methods, techniques, drawings, specifications, procedures, policies, marketing strategies and information comprising the System and the Manuals.

"Late Fee" is defined in Section 12.4.

"Losses and Expenses" means all compensatory, exemplary, and punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against Claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs, damages, liabilities and expenses associated with any of the foregoing losses and expenses or incurred by an Indemnified Party as a result of a Claim.

"Manager" is defined in Section 8.3.

"Managing Owner" means the Owner who is primarily responsible for the daily on-premises management and supervision of the Restaurant. The Managing Owner is determined as follows: (i) if the franchisee consists of a single Owner, that Owner will be the Managing Owner; (ii) if the franchisee consists of more than one Owner, you must designate one of those Owners to be the Managing Owner; (iii) if the franchisee is a corporation or limited liability company, the Owner who directly or indirectly owns the greatest percentage of the voting and ownership interests in the franchisee will be the Managing Owner; and (iv) if the franchisee is a partnership, the Owner that is the general partner of the franchisee (or the Owner who directly or indirectly owns the greatest percentage of the voting and ownership interests in the general partner if the general partner is an Entity) will be the Managing Owner.

"Manual" is defined in Section 6.1.

"Marketing Campaign" is defined in Section 10.1(a).

"Marketing Fund" is defined in Section 10.1(a).

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Native Grill and Wings restaurant, including "Native Grill and Wings", and any other trademarks, service marks or trade names that we designate for use in a Native Grill and Wings restaurant. The term "Marks" also includes any distinctive trade dress used to identify a Native Grill and Wings restaurant, whether now in existence or hereafter created.

"Owner" or *"Owners"* means any individual who owns a direct or indirect ownership interest in the franchise or the Entity that is the franchisee under this Agreement. "Owner" includes both passive and active owners.

"Passive Owner" means an Owner who is not actively involved with the management, supervision or operation of the Restaurant and who does not have knowledge of or access to our Know-how. If the franchisee is an

Entity, an Owner is not deemed to be actively involved with the management, supervision or operation of the Restaurant solely on account of any indirect control exerted through his or her minority voting rights.

"Permitted Transfer" means: (i) a Transfer from one Owner to another Owner who was an approved Owner prior to such Transfer, other than a Transfer by an Owner who is the Managing Owner; and/or (ii) a Transfer to a newly established Entity for which the Owners collectively own and control 100% of the ownership interests and voting power.

"Post-Term Restricted Period" means a period of two (2) years after the termination, expiration or Transfer of this Agreement or two (2) years after the Transfer of an ownership interest by an Owner, as applicable; provided, however, that if a court of competent jurisdiction determines that the two-year Post-Term Restricted Period is too long to be enforceable, then the "Post-Term Restricted Period" means a period of one (1) year after the termination, expiration or Transfer of this Agreement or one (1) year after the Transfer of an ownership interest by an Owner, as applicable.

"Prohibited Activities" is defined in Section 13.3.

"Qualified Appraiser" is defined in Section 20.2(b).

"Restaurant" is defined in Section 2.

"Restricted Territory" means the area: (i) within a ten (10) mile radius of your Restaurant (including the Restaurant itself); and (ii) within a ten (10) mile radius of any other Native Grill and Wings restaurant that is open or under construction as of the beginning of the Post-Term Restricted Period.

"Site Selection Area" is defined in Section 7.1.

"Successor Agreement" is defined in Section 4.1.

"System" means our system for the operation of a Native Grill and Wings restaurant, the distinctive characteristics of which include logo, trade secrets, concept, style, trade dress, confidential operations manuals and operating system.

"Term" is defined in Section 4.1.

"Territory" is defined in Section 2.

"Training Fee" is defined in Section 5.1.

"Transfer" means any direct or indirect, voluntary or involuntary (including by judicial award, order or decree), assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of the franchise (or any interest therein), the Restaurant (or any portion thereof) or an ownership interest in an Entity that is the franchisee, including by merger or consolidation, by issuance of additional securities representing an ownership interest in the Entity that is the franchisee, or by operation of law, will or a trust upon the death of an Owner (including the laws of intestate succession).

"We" or "us" is defined in the Introductory Paragraph.

"You" is defined in the Introductory Paragraph.

ATTACHMENT "B"

TO NATIVE GRILL AND WINGS FRANCHISE AGREEMENT

SITE SELECTION AND TERRITORY

A. Site Selection Area.

The Site Selection Area referenced in the Franchise Agreement shall consist of the following geographic area:

[____]

* The Site Selection Area is not your territory and there are no protections associated with this area.

B. Approved Site.

Pursuant to Section 7.1 of the Franchise Agreement, we hereby approve the site listed below for the operation of your Native Grill and Wings restaurant.

Approved address:

____
____

By signing below, you and we agree that the address identified in Part B above shall be deemed your approved site for your Native Grill and Wings restaurant established and operated pursuant to the Franchise Agreement.

Franchisor	Franchisee
NGW, LLC	_______________________________
By:_______________________________	By:_______________________________
Name:___________________________	Name:___________________________
Its:________________________________	Its:________________________________
Date: ______________________________	Date: ______________________________

ATTACHMENT "C"

TO NATIVE GRILL AND WINGS FRANCHISE AGREEMENT

LEASE ADDENDUM

[See Attached]

Lease Addendum

THIS AGREEMENT dated this ___ day of _____________, 20__ among NGW, LLC, a Kansas limited liability company, with principal offices at 6825 West Galveston Street, Suite 5, Chandler, Arizona 85226 (the "Franchisor"), ____, a(n)___________________________, with principal offices located at ____ (the "Landlord"), and _____________________________________, a(n)________________________, with principal offices located at ____ (the "Tenant/Franchisee").

Introduction

A. On ________________, the Tenant/Franchisee and the Franchisor entered a Native Grill and Wings, Franchise Agreement (the "Franchise Agreement"). Under the Franchise Agreement, the Franchisor granted the Tenant/Franchisee the right, and the Tenant/Franchisee undertook the duty, to operate a Native Grill and Wings restaurant (the "Franchised Business") at the Premises (defined below).

B. Simultaneously with entering this Agreement, the Landlord and the Tenant/Franchisee are entering a lease agreement (the "Lease"). Under the Lease, the Tenant/Franchisee leases the premises described in Exhibit "A" (the "Premises").

C. To protect the Franchisor's rights and interests under the Franchise Agreement, the Landlord grants certain rights to the Franchisor under the Lease as set forth below.

Agreement

The parties, therefore, agree as follows:

1. Notices. At the same time such notices are sent to the Tenant/Franchisee, the Landlord must provide the Franchisor with copies of all written notices of default that it sends to the Tenant/Franchisee. The Landlord agrees to send such copies by first-class mail, postage prepaid, to the Franchisor at its address set forth above or such other address as the Franchisor may notify the Landlord in writing.

2. Right to Cure. If the Tenant/Franchisee defaults under the Lease, the Franchisor has the right (but not the duty) to cure such default within 15 days following the expiration of any applicable cure period. Furthermore, in such event, the Franchisor may immediately commence occupancy of the Premises as the tenant under the Lease without obtaining the Landlord's or Franchisee's consent. The Franchisor may thereafter assign the Lease to another Native Grill and Wings franchisee or to an entity owned and/or controlled by the Franchisor or its principals. If it does, the Franchisor must first obtain the Landlord's written approval of the assignee. The Landlord, however, must neither unreasonably withhold nor delay its approval thereof. The Landlord will acknowledge any such assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration. If Franchisor succeeds to Tenant/Franchisee's interests under the Lease, Tenant/Franchisee hereby irrevocably appoints Franchisor, by and through any of Franchisor's officers that Franchisor selects, as Tenant/Franchisee's attorney-in-fact to execute such documents and instruments as Franchisor deems necessary or appropriate to effectuate the succession of interest, including, without limitation, the assignment of all liquor licenses and other licenses and permits.

3. Right to Assign. At any time (including, without limitation, upon the expiration or sooner termination of the Franchise Agreement) without the Landlord's prior consent, the Tenant/Franchisee may assign the Lease to the Franchisor. In such event, the Franchisor may thereafter assign the Lease to another Native Grill and Wings franchisee or to an entity owned and/or controlled by the Franchisor or Judith Anderson. If it does, the Franchisor must first obtain the Landlord's written approval of the assignee. The Landlord,

however, must neither unreasonably withhold nor delay its approval thereof. The Landlord will acknowledge any such assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

4. Right of First Refusal. The Landlord agrees that upon the expiration or termination of the Lease, the Franchisor shall have the first right of refusal to lease the Premises as the new tenant.

5. Expiration or Termination of Franchise Agreement. The Landlord agrees that the expiration or termination of the Franchise Agreement shall constitute a default under the Lease, giving the Franchisor the right, but not the obligation, to cure such default by succeeding to Tenant/Franchisee's interests under the Lease in accordance with Section 2 above.

6. Exclusivity. The Landlord agrees that Tenant/Franchisee shall have the exclusive right to operate a general menu, sit down or takeout restaurant and bar featuring chicken wings within the retail or other plaza or center in which the Premises is located.

7. Authorized Menu Items. The Landlord agrees that Tenant/Franchisee shall be permitted to sell all items on the Native Grill and Wings menu, including, without limitation, hot and cold sandwiches, pizza, pasta, ribs, beef, chicken, seafood, desserts, and alcoholic beverages without restriction by the Landlord.

8. Acknowledgement of Rights. The Landlord acknowledges the Franchisor's rights under the Franchise Agreement to enter the Premises to: (i) make any modifications or alterations necessary in the Franchisor's sole discretion to protect its franchise system and its trademarks without being guilty of trespass or any other tort or crime; and (ii) remove any trade fixtures, interior or exterior signs and other items bearing the Franchisor's trademarks, service marks or trade dress upon the expiration or termination of the Franchise Agreement.

9. Modification of Lease. Without the Franchisor's prior written consent, the Landlord and the Tenant/Franchisee may not amend, modify, supplement, terminate, renew or extend the Lease.

10. Miscellaneous.

a. In the event of any inconsistency between the terms of this Agreement and the terms of the Lease, the terms of this Agreement control.

b. All of the terms of this Agreement, whether so expressed or not, are binding upon, inure to the benefit of, and are enforceable by the parties and their respective personal and legal representatives, heirs, successors and permitted assigns.

c. The provisions of this Agreement may be amended, supplemented, waived or changed only by a written document signed by all the parties to this Agreement and making specific reference to this Agreement.

d. This Agreement may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed the date and year first above written.

FRANCHISOR:

NGW, LLC, a Kansas limited liability company

By:____
Name:______________________________________
Its:____

LANDLORD:

___________________________, (a)n _________
____

By:____
Name:______________________________________
Its:____

TENANT/FRANCHISEE:

___________________________, (a)n _________
____

By:____
Name:______________________________________
Its:____

EXHIBIT A

DESCRIPTION OF PREMISES

ATTACHMENT "D"

TO NATIVE GRILL AND WINGS FRANCHISE AGREEMENT

FRANCHISE OWNER AGREEMENT

[See Attached]

FRANCHISE OWNER AGREEMENT

This Franchise Owner Agreement (this "Agreement") is entered into by: (i) each of the undersigned owners of Franchisee (defined below); and (ii) the spouse of each such owner, in favor of NGW, LLC, a Kansas limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement. Each signatory to this Agreement is referred to as "you".

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"*Competitive Business*" means any competitive sports-themed sit-down restaurant that includes a bar and features pizza and/or chicken wings.

"*Copyrights*" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Native Grill and Wings franchisees to use, sell or display in connection with the marketing and/or operation of a Native Grill and Wings restaurant, whether now in existence or created in the future.

"*Franchise Agreement*" means the Native Grill and Wings Franchise Agreement executed by Franchisee with an effective date of ____________________.

"*Franchised Business*" means the Native Grill and Wings restaurant operated by Franchisee pursuant to the Franchise Agreement.

"*Franchisee*" means _____________________.

"*Improvements*" means any additions, modifications or improvements to (i) the goods or services offered at a Native Grill and Wings restaurant, (ii) the method of operation of a Native Grill and Wings restaurant or (iii) any marketing or promotional ideas relating to a Native Grill and Wings restaurant, whether developed by you, Franchisee or any other person.

"*Intellectual Property*" means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements.

"*Know-how*" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a Native Grill and Wings restaurant, including, but not limited to, recipes, methods, techniques, drawings, specifications, procedures, policies, marketing strategies and information comprising the System and the Manuals.

"*Manual*" means our confidential operations manual for the operation of a Native Grill and Wings restaurant.

"*Marks*" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Native Grill and Wings restaurant, including "Native Grill and Wings", and any other trademarks, service marks or trade names that we designate for use in a Native Grill and Wings restaurant. The term "Marks" also includes any distinctive trade dress used to identify a Native Grill and Wings restaurant, whether now in existence or hereafter created.

"*Prohibited Activities*" means any or all of the following: (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their position or (b) any customer of ours (or of one of our affiliates or franchisees) to transfer their business to Owner or to any other person that is not then a franchisee of ours.

"*Restricted Period*" means the two (2) year period after the earliest to occur of the following: (i) the termination or expiration of the Franchise Agreement; (ii) the date on which Franchisee assigns the Franchise

Agreement to another person with respect to whom neither you nor your spouse holds any direct or indirect ownership interest; or (iii) the date on which you cease to be an owner of Franchisee or your spouse ceases to be an owner of Franchisee, as applicable; provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the one (1) year period after the earliest to occur of the following: (i) the termination or expiration of the Franchise Agreement; (ii) the date on which Franchisee assigns the Franchise Agreement to another person with respect to whom neither you nor your spouse holds any direct or indirect ownership interest; or (iii) the date on which you cease to be an owner of Franchisee or your spouse ceases to be an owner of Franchisee, as applicable.

"Restricted Territory" means the area: (i) within a ten (10) mile radius of Franchisee's Restaurant (including the Restaurant itself); and (ii) within a ten (10) mile radius of any other Native Grill and Wings restaurant that is open or under construction as of the beginning of the Post-Term Restricted Period.

"System" means our system for the operation of a Native Grill and Wings restaurant, the distinctive characteristics of which include logo, trade secrets, concept, style, trade dress, confidential operations manuals and operating system.

2. Background. In your capacity as an owner of Franchisee, or the spouse of an owner of Franchisee, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In addition, you understand that certain terms of the Franchise Agreement apply to "owners" and not just Franchisee. You agree to comply with the terms of this Agreement In order to: (i) avoid damaging our System by engaging in unfair competition; and (ii) bind yourself to the terms of the Franchise Agreement applicable to owners.

3. Brand Protection Covenants.

(a) Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the Franchised Business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer an owner of Franchisee or your spouse is an owner of Franchisee, as applicable. You further agree that you will not use the Intellectual Property for any purpose other than the development and operation of the Franchised Business pursuant to the terms of the Franchise Agreement and Manual. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize, and sublicense the same. (b) Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an owner of Franchisee or while your spouse is an owner of Franchisee, as applicable, by engaging in any Prohibited Activities. (c) Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the prohibited activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach).

(d) Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this

Agreement if any member of your immediate family (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

(e) Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.** Although you and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic are, we may at any time unilaterally modify the terms of the system protection covenants in Section 3 of this Agreement, upon written notice to you, by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under Section 3 of this Agreement to ensure that the terms and covenants are enforceable under applicable law

(f) Breach. You agree that failure to comply with the covenants in this Section 3 will cause substantial and irreparable damage to us and/or other Native Grill and Wings franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Section are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

4. Transfer Restrictions. If you are an owner of Franchisee, you acknowledge that we must approve all persons who hold a direct or indirect ownership interest in Franchisee. Accordingly, you agree that you will not, directly or indirectly or by operation of law, sell, assign, mortgage, pledge or in any manner transfer any direct or indirect ownership interest in Franchisee except in accordance with the terms and conditions set forth in Section 18 of the Franchise Agreement.

5. Financial Security. In order to secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including, but not limited to, any agreement for the purchase of goods or services from us or an affiliate of ours and any promissory note related to payments owed to us (collectively, the "Secured Agreements"), you, jointly and severally, personally and unconditionally: (a) guarantee to us and our successor and assigns, that Franchisee shall punctually fulfil all of its payment and other financial obligations under the Secured Agreement; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements. You waive: (1) acceptance and notice of acceptance by us of the foregoing undertakings; (2) notice of demand for payment of any indebtedness guaranteed; (3) protest and notice of default to any party with respect to the indebtedness guaranteed; (4) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed. You agree that: (1) your direct and immediate liability under this guaranty shall be joint and several with Franchisee and all other signatories to this Agreement; (2) you will render any payment required under the Secured Agreements upon demand if Franchisee fails or refuses punctually to do so; (3) your liability shall not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (4) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or to any other person, including 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 guarantee, which shall be continuing and irrevocable during the term of each of the Secured Agreements and following the termination, expiration or transfer of each of the Secured Agreements to the extent any financial obligations under any such Secured Agreements survive such termination, expiration or transfer. This guaranty will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Secured Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

6. Dispute Resolution. Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution procedures set forth in the Franchise Agreement. Notwithstanding the foregoing, if any of the dispute resolution procedures set forth in the Franchise Agreement conflict with any of the terms of this Agreement, the terms of this Agreement shall prevail. **You acknowledge and agree that a breach of this Agreement by you shall constitute a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with the terms thereof.**

7. Miscellaneous If either party hires an attorney or files suit against the other party in relating to an alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.

(b) This Agreement will be governed by, construed and enforced under the laws of the State of Arizona and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

(d) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(e) You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery shall be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date or dates set forth below.

OWNER / SPOUSE

By: ________________________________

Name: ______________________________

Date: _______________________________

OWNER / SPOUSE

By: ________________________________

Name: ______________________________

Date: _______________________________

OWNER / SPOUSE

By: ________________________________

Name: ______________________________

Date: _______________________________

OWNER / SPOUSE

By: ________________________________

Name: ______________________________

Date: _______________________________

ATTACHMENT "E"

TO FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AGREEMENT

[See Attached]

Customer/Contact Name:

Last First Phone No.

Native Grill and Wings Business Name

Contact Title

Restaurant Address:

Street City Zip

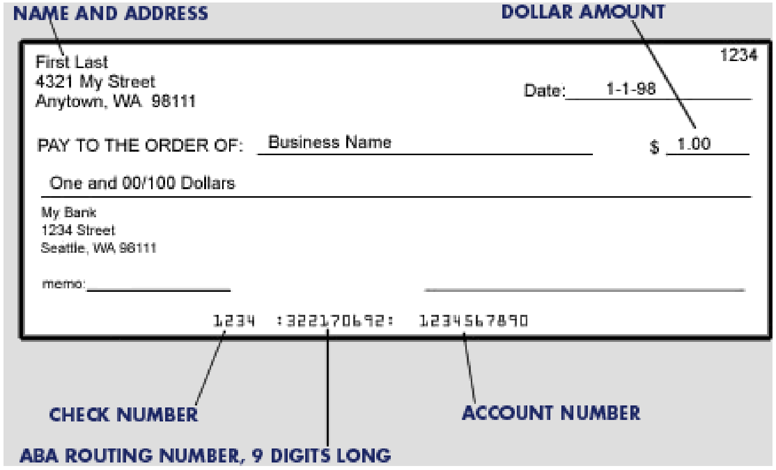
Mailing address (if different from restaurant address):

Street City Zip

I authorize the following financial institution to accept the fund transfers and charge my checking or savings account shown below to pay NGW, LLC franchise royalties and marketing funds fees or to credit my account if it is necessary to make a correction.

I authorize withdrawal of my weekly Royalties and Advertising fees from my:

☐ **Checking Account** ☐ **Savings Account**



Financial Institution Name	Routing Number	Account Number

Input all numbers (excluding the check number) from the bottom of your check in the routing and account number boxes above. Routing numbers are always 9 digits long, but the length of account numbers used by financial institutions may vary. Please contact your financial institution for the correct routing and account numbers to use for savings accounts. The numbers printed on your deposit slips are often designed for purposes other than electronic transfers.

Payer name (Name on bank account) Phone #:

Tax ID Number of Payer

***You must provide this information to NNY prior to using this form.**

Your E-Mail Address

Signature Date

Routing Number for NGW, LLC's Bank: 122105498

Franchising Number: 8095758049

Advertising Number: 8095758060

ATTACHMENT "F"

TO NATIVE GRILL AND WINGS FRANCHISE AGREEMENT

BRAND PROTECTION AGREEMENT

[See Attached]

BRAND PROTECTION AGREEMENT

This Agreement (this "Agreement") is entered into by the undersigned ("you") in favor of NGW, LLC, a Kansas limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. **Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

   "Competitive Business" means any competitive sports-themed sit-down restaurant that includes a bar and features pizza and/or chicken wings.

   "Copyrights" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Native Grill and Wings franchisees to use, sell or display in connection with the marketing and/or operation of a Native Grill and Wings restaurant, whether now in existence or created in the future.

   "Franchisee" means the Native Grill and Wings franchisee for whom you are a general manager or manager.

   "Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how and System.

   "Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a Native Grill and Wings restaurant, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manuals.

   "Manuals" means our confidential specifications and operational manuals for the establishment and operation of a Native Grill and Wings restaurant.

   "Marks" means the logotypes, service marks, trademarks and trade dress now or hereafter involved in the operation of a Native Grill and Wings restaurant, including "Native Grill and Wings."

   "Prohibited Activities" means any or all of the following: (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their position or (b) any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

   "Restricted Period" means the period of time that you are a general manager or manager of Franchisee and for a period of two (2) years thereafter; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the period of time that you are a general manager or manager of Franchisee and for a period of one (1) year thereafter.

   "Restricted Territory" means the geographic area within a ten (10) mile radius of any Native Grill and Wings restaurant that is open or under construction as of the date that you cease to be a general manager or manager of Franchisee.

   "System" means our system for the operation of a Native Grill and Wings restaurant, the distinctive characteristics of which include logo, trade secrets, concept, style, trade dress, confidential operations manuals and operating system.

2. **Background.** You are employed by Franchisee as a general manager or manager. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the Native Grill and Wings restaurant operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a general manager or manager of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Franchisee and within the scope of your employment with Franchisee.

4. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an employee of Franchisee by engaging in any Prohibited Activities.

5. Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the prohibited activity.

6. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

7. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

8. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Native Grill and Wings franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. Miscellaneous.

(a) If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

(b) This Agreement will be governed by, construed and enforced under the laws of the State of Arizona and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(d) You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

This Brand Protection Agreement is executed as of the date or dates set forth below.

RESTRICTED PARTY

By: ______________________________

Name: ____________________________

Date: _____________________________

By signing below, I hereby affirm that I witnessed the person named above execute this Agreement on the date set forth below his or her name.

WITNESS

By: ______________________________

Name: ____________________________

Date: _____________________________

ATTACHMENT "G"

TO NATIVE GRILL AND WINGS FRANCHISE AGREEMENT

CONFIDENTIALITY AGREEMENT

[See Attached]

CONFIDENTIALITY AGREEMENT

This Agreement (this "Agreement") is entered into by the undersigned ("you") in favor of NGW, LLC, a Kansas limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. **Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

   "Copyrights" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Native Grill and Wings franchisees to use, sell or display in connection with the marketing and/or operation of a Native Grill and Wings restaurant, whether now in existence or created in the future.

   "Franchisee" means the Native Grill and Wings franchisee for whom you are an employee, director, officer, member, partner or independent contractor.

   "Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how and System.

   "Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a Native Grill and Wings restaurant, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manuals.

   "Manuals" means our confidential specifications and operational manuals for the establishment and operation of a Native Grill and Wings restaurant.

   "Marks" means the logotypes, service marks, trademarks and trade dress now or hereafter involved in the operation of a Native Grill and Wings restaurant, including "Native Grill and Wings."

   "System" means our system for the operation of a Native Grill and Wings restaurant, the distinctive characteristics of which include logo, trade secrets, concept, style, trade dress, confidential operations manuals and operating system.

2. **Background.** You are an employee, director, officer, member, partner or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. **Know-How and Intellectual Property**. You agree: (i) you will not use the Know-how in any business or capacity other than the Native Grill and Wings restaurant operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer an employee, director, officer, member, partner or independent contractor of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

4. **Immediate Family Members**. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

5. **Covenants Reasonable**. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and

opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

6. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Native Grill and Wings franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

7. Miscellaneous.

(a) If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

(b) This Agreement will be governed by, construed and enforced under the laws of the State of Arizona and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

This Confidentiality Agreement is executed as of the date set forth below.

RESTRICTED PARTY

By: ________________________________

Name: ______________________________

Date: _______________________________

By signing below, I hereby affirm that I witnessed the person named above execute this Agreement on the date set forth below his or her name.

WITNESS

By: ________________________________

Name: ______________________________

Date: _______________________________

EXHIBIT "D"

TO DISCLOSURE DOCUMENT

<u>AREA DEVELOPMENT AGREEMENT</u>

[See Attached]

NGW, LLC
AREA DEVELOPMENT AGREEMENT

TABLE OF CONTENTS

1. PREAMBLES; DEFINED TERMS 1
2. GRANT OF DEVELOPMENT RIGHTS 1
3. TERM OF AGREEMENT 2
4. DEVELOPMENT OBLIGATIONS 2
5. FEES 3
6. TRANSFER 3
7. ADDITIONAL OBLIGATIONS OF AREA DEVELOPER 5
8. TERMINATION OF DEVELOPMENT RIGHTS 5
9. DISPUTE RESOLUTION 5
10. GENERAL PROVISIONS 6
11. REPRESENTATIONS AND ACKNOWLEDGEMENTS 8

ATTACHMENT A Development Territory
ATTACHMENT B Intentionally Omitted

AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (this "Agreement") is made and entered into this ____ day of __________________, 201__ (the "Effective Date"), by and between NGW, LLC, a Kansas limited liability company (the "Company" or "we" or "us"), with principal offices at 6825 West Galveston Street, Suite 5, Chandler, Arizona 85226 and ___________________, a ________________ (the "Area Developer" or "you"), whose principal address is _______________________________.

1. PREAMBLES; DEFINED TERMS

1.1. Preambles.

(i) Concurrently with the execution of this Agreement, you and we are entering into our standard Franchise Agreement (the "Initial Franchise Agreement") for the first Native Grill and Wings restaurant that you are required to develop under the terms of this Agreement (the "Initial Restaurant").

(ii) We grant Native Grill and Wings area development rights to individuals that meet our qualifications and are willing to undertake the investment and effort to establish, develop and operate multiple Native Grill and Wings restaurants. Area developers are granted the right and obligation to develop and operate multiple Native Grill and Wings restaurants within a specified geographic area at locations selected by the area developer and approved by us in accordance with the terms of separate franchise agreements that are executed in connection with each such restaurant. Each franchise agreement executed pursuant to this Agreement other than the Initial Franchise Agreement shall be referred to herein as a "Subsequent Franchise Agreement" and collectively as the "Subsequent Franchise Agreements."

(iii) You have applied for Native Grill and Wings area development rights to own and operate the number of Native Grill and Wings restaurants specified in the Development Schedule (defined in Section 2) and, in reliance upon all of the representations made in your application as well as the representations made in Section 11.2, we desire to grant you such area development rights, subject to the terms and conditions contained herein.

1.2. Defined Terms. This Agreement is incorporated by reference into the Initial Franchise Agreement. All capitalized terms used in this Agreement shall have the meanings ascribed to such terms in the Initial Franchise Agreement unless otherwise expressly defined in this Agreement.

2. GRANT OF DEVELOPMENT RIGHTS

Subject to the terms and conditions of this Agreement, we hereby grant you the right to develop the Native Grill and Wings restaurants referred to in Section 4.1 of this Agreement (the "Development Schedule") solely within the geographic area described in Attachment "A" to this Agreement and incorporated by reference (the "Development Territory"). Each restaurant specified in the Development Schedule other than the Initial Restaurant shall be referred to herein as a "Subsequent Restaurant" and collectively as the "Subsequent Restaurants." The Initial Restaurants together with the Subsequent Restaurants shall be collectively referred to as the "Required Restaurants." The rights granted to you under this Section 2 will terminate upon the earlier to occur of: (i) the expiration of the Term (defined in Section 3); (ii) the termination of this Agreement pursuant to Section 8; or (iii) the transfer of this Agreement by you pursuant to Section 6 (except if such transfer is pursuant to Section 6.3). You have no rights, and this Agreement does not grant you any rights, to use our System or our Marks except with respect to a Required Restaurant pursuant to the terms of the Initial Franchise Agreement or a Subsequent Franchise Agreement that we enter into with you. You acknowledge that you are not granted the exclusive right to develop Native Grill and Wings restaurants within the Development Territory. However, during the Term, and provided that you do not default under the terms of this Agreement, we will not establish or allow to be established more than a total of ________ Native Grill and Wings restaurants within the Development Territory (whether operated by you, us, our affiliates, or third party franchisees).

3. TERM OF AGREEMENT

The term of this Agreement will commence on the Effective Date and will expire ___ (___) years thereafter (the "Term").

4. DEVELOPMENT OBLIGATIONS

4.1. Development Schedule. You agree to establish, open and continuously operate the following number of Native Grill and Wings restaurants (which includes the Initial Restaurant to be opened pursuant to the Initial Franchise Agreement) in strict accordance with the following Development Schedule and the requirements of this Agreement as well as the Initial Franchise Agreement and each Subsequent Franchise Agreement, as applicable, executed in connection with each such Required Restaurant:

Period Elapsed from Effective Date	Cumulative Number of *Native New Yorker* restaurants for which Franchise Agreements are Signed	Cumulative Number of Native Grill and Wings restaurants Open
_______ months	_____	_____
_______ months	_____	_____
_______ months	_____	_____

We may, in our sole and absolute discretion, extend the time periods listed in the Development Schedule, but only if you can demonstrate to our reasonable satisfaction that you have used your best efforts to comply with your development obligations and the need for additional time is due to unforeseeable delays and not due to your neglect, misconduct or financial inability.

4.2. Site Selection. You must select a specific location within the Development Territory for each Required Restaurant in accordance with our then-current guidelines and regulations for opening a new location as contained in the Manuals and the Initial Franchise Agreement or the Subsequent Franchise Agreement, as applicable. Each site that you select is subject to our prior approval as specified in the Initial Franchise Agreement or Subsequent Franchise Agreement, as applicable.

4.3. Acquisition of Premises. The purchase contract or lease for the site of each Required Restaurant is subject to our prior written approval and the additional requirements set forth in the Manuals and the Initial Franchise Agreement or Subsequent Franchise Agreement, as applicable.

4.4. Franchise Agreements. You must execute a Subsequent Franchise Agreement for each Subsequent Restaurant. The Subsequent Franchise Agreement shall be our then-current form of franchise agreement (modified to reflect the Discounted Initial Franchise Fee defined in Section 5.3), the terms and conditions of which may vary materially and substantially from the terms and conditions of the Initial Franchise Agreement. Upon execution of each Subsequent Franchise Agreement, you must pay us the balance of the Discounted Initial Franchise Fee for that Subsequent Restaurant in accordance with Section

5.3. You will have no right to construct or operate any Required Restaurant until you and we have executed the Initial Franchise Agreement or Subsequent Franchise Agreement, as applicable, and all ancillary agreements for that restaurant.

4.5. Additional Locations. You have no right to develop any Native Grill and Wings restaurant other than the Required Restaurants unless we, in our sole and absolute discretion, permit you to enter into a new area development agreement, which will be upon such terms and conditions that we specify, following your development of all Required Restaurants.

5. FEES

5.1. Development Fee. Upon the execution of this Agreement, you must pay us a development fee (the "Development Fee") equal to $__________, which is calculated by multiplying $15,000 by the total number of Subsequent Restaurants to be developed. The Development Fee shall be fully earned and nonrefundable.

5.2. Initial Franchise Fee For Initial Restaurant. Concurrently with the execution of this Agreement, and in addition to the Development Fee, you must pay us the entire Initial Franchise Fee pursuant to the Initial Franchise Agreement for the Initial Restaurant.

5.3. Discounted Initial Franchise Fees. For each Subsequent Restaurant, the initial franchise fee shall be $25,000 (the "Discounted Initial Franchise Fee"). At the time you execute a Subsequent Franchise Agreement, you shall receive a credit towards the Discounted Initial Franchise Fee equal to the portion of the Development Fee attributable to the Subsequent Restaurant to be developed pursuant to such Subsequent Franchise Agreement, meaning that you must pay the $10,000 balance of the Discounted Initial Franchise Fee at the time you sign the Subsequent Franchise Agreement.

6. TRANSFER

6.1. Transfer by Us. This Agreement and the franchise is fully assignable by us (without prior notice to you) and shall insure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for the performance of our obligations under this Agreement up to the effective date of the assignment. We may also delegate some or all of our obligations under this Agreement to one or more persons without assigning the Agreement.

6.2. Transfer by You. You understand that the rights and duties created by this Agreement are personal to you and the owners and that we have granted the area development rights in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and your owners. Therefore, neither you nor any owner may engage in any "Transfer" other than a "Permitted Transfer" without our prior written approval. A "Transfer" includes any direct or indirect, voluntary or involuntary (including by judicial award, order or decree), assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of the area development rights (or any interest therein) or an ownership interest in an entity that is the area development franchisee, including by merger or consolidation, by issuance of additional securities representing an ownership interest in the entity that is the area development franchisee, or by operation of law, will or a trust upon the death of an owner (including the laws of intestate succession). A "Permitted Transfer" means: (i) a Transfer from one existing owner to another existing owner who was an approved owner prior to such Transfer, other than a Transfer by an owner who is the Managing Owner; and/or (ii) a Transfer to a newly established entity for which the existing owners collectively own and control 100% of the ownership interests and voting power. Any Transfer (other than a Permitted Transfer) without our approval shall be void and constitute a breach of this Agreement. We will not unreasonably withhold our approval of any proposed Transfer, provided that the following conditions are all satisfied:

(i) the proposed transferee is, in our opinion, an individual of good moral character, who has sufficient business experience, aptitude and financial resources to own and operate a Native Grill and Wings area development business and otherwise meets all of our then applicable standards for area developers;

(ii) you and your owners are in full compliance with the terms of this Agreement and all other agreements with us or our affiliate;

(iii) all of the owners of the transferee have successfully completed, or made arrangements to attend, the initial training program (and the transferee has paid us the applicable training fee for each new person who must attend training);

(iv) the transferee and its owners, to the extent necessary, have obtained all licenses and permits required by applicable law in order to own and operate the Restaurant;

(v) the transferee and its owners sign our then current form of area development agreement, except that: (a) the Term shall be the Term remaining under this Agreement; (b) the transferee need not pay a separate Development Fee; and (c) the Development Schedule and Development Territory shall be the same Development Schedule and Development Territory specified in this Agreement (modified to reflect the development obligations satisfied prior to the transfer);

(vi) you and your owners sign a General Release for all claims arising before or contemporaneously with the Transfer, including but not limited to any claims arising under or in connection with the Initial Franchise Agreement, any executed Subsequent Franchise Agreement, and any ancillary agreement executed in connection with any of the foregoing, and any claims arising under any federal, state or local law, rule or ordinance;

(vii) you enter into an agreement with us to subordinate the transferee's obligations to you to the transferee's financial obligations owed to us pursuant to the franchise agreement; and

(viii) you or the transferring owner, as applicable, and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer.

You may not transfer less than your entire remaining area development rights under this Agreement (i.e., you may not retain the right to develop any Required Restaurants). You also may not transfer your area development rights to multiple transferees. Our consent to a Transfer shall not constitute a waiver of any claims we may have against the transferor, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the franchise by the transferee.

6.3. **Permitted Transfer**. You may engage in a Permitted Transfer without our prior approval, but you must give us at least ten (10) days prior written notice. You and your owners (and the transferee) agree to sign all documents that we reasonably request to effectuate and document the Permitted Transfer.

6.4. **Death or Disability of an Owner**. Upon the death or permanent disability of an owner, the owner's ownership interest in you or the franchise, as applicable, must be assigned to another owner or to a third party approved by us within six (6) months. Any assignment to a third party will be subject to all of the terms and conditions of Section 6.2. For purposes of this Section, an Owner is deemed to have a "permanent disability" only if the person has a medical or mental problem that prevents the person from substantially complying with his or her obligations under this Agreement or otherwise operating the business in the manner required by this Agreement and the Manuals for a continuous period of at least three (3) months. If the deceased or disabled owner is the Managing Owner, then you or the owner's representative must arrange for immediate supervision of the area development business by a qualified replacement approved by us until the assignment is completed.

7. ADDITIONAL OBLIGATIONS OF AREA DEVELOPER

7.1. Area Developer as Entity. If you are an Entity, you agree to provide us with a list of all of your owners holding a direct or indirect ownership interest in the Entity. Upon our request, you must provide us with a resolution of the Entity authorizing the execution of this Agreement, a copy of the Entity's organizational documents and a current Certificate of Good Standing (or the functional equivalent thereof). You represent that the Entity is duly formed and validly existing under the laws of the state of its formation or incorporation.

7.2. Separate Entities. You shall have the right to form separate Entities to enter into the Initial Franchise Agreement and each Subsequent Franchise Agreement for the operation of the Required Restaurants provided that: (i) the individuals holding the ownership interests, and their percentage interests, in each such Entity must be the same individuals holding ownership interests, with the same percentage interests, in the Entity that is the Area Developer under this Agreement; and (ii) each such Entity guarantees the performance of all other Entities formed under the authority of this Section 7.2.

8. TERMINATION OF DEVELOPMENT RIGHTS

8.1. Reasonableness: You represent that you (i) have conducted your own independent investigation and analysis of the prospects for the establishment of the Required Restaurants within the Development Territory; (ii) approve the Development Schedule as being reasonable and viable; and (iii) recognize that your failure to achieve the results required by the Development Schedule will constitute a material breach of this Agreement.

8.2. Termination of Development Rights. If you fail to comply with any term of this Agreement, we may terminate this Agreement, effective 30 days after giving you written notice of the default, unless you have fully cured the default within such 30-day period. Any such termination will end all of your rights and future obligations under this Agreement, including without limitation, your interests in the Development Territory and right to open additional Required Restaurants. In the event of a termination, you will not be entitled to any refund of the Development Fee, except that you will not be obligated to pay the remaining balance of the Discounted Initial Franchise Fees for any Subsequent Restaurant with respect to which, as of the effective date of termination of this Agreement, you had not executed a Subsequent Agreement.

8.3. Cross Default. Our termination of either the Initial Franchise Agreement or any Subsequent Franchise Agreement due to your default shall constitute a default under this Agreement permitting us to terminate this Agreement immediately upon notice to you.

9. DISPUTE RESOLUTION

The parties agree to submit any claim, dispute or disagreement, including any matter pertaining to the interpretation of this Agreement or issues relating to the offer and sale of the area development rights or the relationship between the parties (a "Dispute") to mediation before a mutually-agreeable mediator prior to litigation. Any mediation shall take place in the county in which we maintain our principal place of business at the time the mediation begins (currently, Maricopa County, Arizona). If the Dispute cannot be resolved by mediation, either party may file a lawsuit in any state or federal court of general jurisdiction in the county in which we maintain our principal place of business at the time the lawsuit is filed and we and you irrevocably submit to the jurisdiction of such courts and waive any objection either of us may have to either the jurisdiction or venue of such courts. If we or you must enforce this Agreement in a judicial proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees. In addition, if you breach any term of this Agreement or any other agreement with us or an affiliate of ours, you agree to reimburse us for all reasonable legal fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to the commencement of any dispute resolution proceedings. **UNLESS PROHIBITED BY APPLICABLE LAW, ANY DISPUTE (OTHER THAN FOR PAYMENT OF MONIES OWED) MUST BE BROUGHT BY FILING A WRITTEN DEMAND FOR MEDIATION WITHIN ONE (1) YEAR FOLLOWING THE CONDUCT, ACT OR OTHER EVENT OR OCCURRENCE GIVING RISE TO THE CLAIM, OR THE RIGHT TO ANY REMEDY WILL BE DEEMED FOREVER WAIVED AND BARRED. WE AND YOU IRREVOCABLY WAIVE: (i) TRIAL BY JURY; AND (ii) THE RIGHT TO LITIGATE ON A CLASS ACTION BASIS, IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.**

10. GENERAL PROVISIONS

10.1. Governing Law. Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Agreement and the franchise relationship shall be governed by the laws of the State of Arizona (without reference to its principles of conflicts of law), but any law of the State of Arizona that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

10.2. Relationship of Parties. You understand and agree that nothing in this Agreement creates a fiduciary relationship between you and us or is intended to make either party a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. During the Term, you must conspicuously identify yourself at your base of operations, and in all dealings with third parties, as a franchisee of ours and the independent owner of your Restaurant. You agree to place such other notices of independent ownership on such forms, stationery, advertising, business cards and other materials as we may require from time to time. Neither we nor you are permitted to make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other, or represent that our relationship is other than franchisor and franchisee. In addition, neither we nor you will be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized by this Agreement.

10.3. Severability and Substitution. Each section, subsection, term and provision of this Agreement, and any portion thereof, shall be considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a provision of this Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Agreement. If a court concludes that any promise or covenant in this Agreement is unreasonable and unenforceable, the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable.

10.4. Waivers. We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other. Any waiver granted by us shall be without prejudice to any other rights we may have. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach of this Agreement to be a default and to terminate the franchise before the expiration of its term) by virtue of: (i) any custom or practice of the parties at variance with the terms of this Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement, including any mandatory specification, standard, or operating procedure; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other Native Grill and Wings franchisees; or (iv) the acceptance by us of any payments due from you after breach of this Agreement.

10.5. Approvals. Whenever this Agreement requires our approval, you must make a timely written request for approval, and the approval must be in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have disapproved your request. If we deny approval and you seek legal redress for the denial, the only relief to which you may be entitled is to acquire our approval. You are not entitled to any other relief or damages for our denial of approval.

10.6. Binding Effect. This Agreement is binding upon the parties to this Agreement and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

10.7. Integration. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. The attachment(s) are part of this Agreement, which, together with any Amendments or Addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth above. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document. To the extent that any provision in the California State Addendum is inconsistent with any provision in this Agreement, the provision in the California State Addendum shall control.

10.8. Covenant of Good Faith. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (i) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may affect favorably or adversely your interests; (ii) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees generally (including ourselves and our affiliates if applicable), and specifically without considering your individual interests or the individual interests of any other particular franchisee; (iii) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

10.9. Rights of Parties are Cumulative. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by law.

10.10. Survival. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement (or the Transfer of an ownership interest in the franchise) shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire.

10.11. Construction. The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Agreement is applicable to one or more persons or an Entity, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

10.12. Time of Essence. Time is of the essence in this Agreement and every term thereof.

10.13. Counterparts. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

10.14. Notice. All notices and statements to be given under this Agreement are to provided in accordance with Section 22.14 of the Initial Franchise Agreement.

10.15. Payments. All payments required by this Agreement shall be directed to us at the address notified to you from time to time, or to such other persons and places as we may direct from time to time. Any required payment not actually received by us during regular business hours on or before the date due, or not sent to us on the date due by Express Mail or equivalent, shall be deemed delinquent. You agree that you will not, on grounds of the alleged non-performance by us of any of our obligations under this Agreement, withhold payment of any amounts due to us under this Agreement or any other agreement between you and us.

11. REPRESENTATIONS AND ACKNOWLEDGEMENTS

11.1. No Additional Representations By Us. NO SALESMAN, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE US EXCEPT THE CHIEF EXECUTIVE OFFICER, OR IF NONE, AN OFFICER OF OURS BY A WRITTEN DOCUMENT. NO REPRESENTATIONS, PROMISES, GUARANTIES OR WARRANTIES OF ANY KIND WERE MADE BY US OR OUR REPRESENTATIVES TO INDUCE THE EXECUTION OF, OR IN CONNECTION WITH, THIS AGREEMENT EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT.

11.2. Representations by You. You hereby represent as follows:

(a) YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT AND RECOGNIZE THAT IT INVOLVES BUSINESS RISKS, MAKING THE SUCCESS OF THE VENTURE LARGELY DEPENDENT UPON YOUR OWN BUSINESS ABILITIES, EFFORTS AND JUDGMENTS, AND THE SERVICES OF

YOU AND THOSE YOU EMPLOY, AND YOU EXPRESSLY DISCLAIM THE MAKING OF, AND YOU ACKNOWLEDGE THAT YOU HAVE NOT RECEIVED OR RELIED UPON, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT, EXCEPT FOR ANY INFORMATION THAT IS DISCLOSED IN THE FRANCHISE DISCLOSURE DOCUMENT.

(b) YOU HAVE NO KNOWLEDGE OF ANY REPRESENTATIONS BY US OR ANY OF OUR OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AGENTS OR REPRESENTATIVES ABOUT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT THAT ARE CONTRARY TO THE TERMS OF THIS AGREEMENT, THE FRANCHISE DISCLOSURE DOCUMENT OR THE DOCUMENTS INCORPORATED THEREIN.

(c) YOU HAVE RECEIVED, READ AND UNDERSTOOD OR HAD THE OPPORTUNITY TO READ AND UNDERSTAND, THIS AGREEMENT, THE FRANCHISE DISCLOSURE DOCUMENT AND THE ATTACHMENTS HERETO AND YOU HAVE HAD THE OPPORTUNITY TO MEET WITH US TO ASK QUESTIONS AND RECEIVE ANSWERS ABOUT THE FRANCHISE AND TO OBTAIN ADDITIONAL INFORMATION FOR VERIFICATION PURPOSES AND TO OBTAIN COUNSEL OF YOUR CHOOSING TO REVIEW THIS AGREEMENT AND DISCUSS YOUR LEGAL RIGHTS AND OBLIGATIONS HEREUNDER.

(d) YOU HAVE SUFFICIENT KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS TO BE CAPABLE OF EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN A BUSINESS SUCH AS THE NATIVE GRILL AND WINGS AREA DEVELOPMENT FRANCHISE OFFERED BY US AND YOU ARE MAKING AN INFORMED INVESTMENT DECISION WITH RESPECT THERETO.

(e) YOU ARE AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE FRANCHISEES OR AREA DEVELOPERS OF OURS MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT, AND CONSEQUENTLY THAT OUR OBLIGATIONS AND RIGHTS WITH RESPECT TO OUR VARIOUS FRANCHISEES AND AREA DEVELOPERS MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.

[Signature Page Follows]

IN WITNESS WHEREOF the parties to this Agreement have executed this Agreement effective as of the Effective Date first above written.

FRANCHISOR:

NGW, LLC, a Kansas limited liability company

By:______________________________
Name:____________________________
Its:______________________________

YOU (If you are an entity):

____,
a(n)_____________________________________

By:_____________________________________
Name:__________________________________
Its:_____________________________________

YOU (If you are not an entity):

____
Name:___________________________________

____
Name: ___________________________________

____
Name: ___________________________________

____
Name: ___________________________________

Principal Business Address of Area Developer:
____
____
____
____

ATTACHMENT “A”

TO AREA DEVELOPMENT AGREEMENT

<u>DEVELOPMENT TERRITORY</u>

Area Developer’s Development Territory shall be as follows:____________________________________
____
____

ATTACHMENT "B"

TO AREA DEVELOPMENT AGREEMENT

[INTENTIONALLY OMITTED]

EXHIBIT "E"

TO DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

[See Attached]

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (the "Release") is made as of __________ ___, 20___ by _________________________, a(n) ___________________ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of NGW, LLC, a Kansas limited liability company ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement and/or Area Development Agreement (in either case, the "Agreement") pursuant to which Franchisee was granted the right to own and operate one or more Native Grill and Wings restaurants;

WHEREAS, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee, **[enter into a successor franchise agreement]** and Franchisor has consented to such transfer **[agreed to enter into a successor franchise agreement]**; and

WHEREAS, as a condition to Franchisor's consent to the transfer **[Franchisee's ability to enter into a successor franchise agreement]**, Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent to the transfer **[Franchisor entering into a successor franchise agreement]**, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this release and to perform the terms and obligations herein contained, and has not assigned, transferred or conveyed, either voluntarily or by operation of law, any of its rights or claims against franchisor or any of the rights, claims or obligations being terminated and released hereunder. _________________________ represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries or related companies, divisions and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business or their reputation.

4. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Arizona.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

h. The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

[Signature Page Follows]

IN WITNESS WHEREOF Releasor has executed this Release as of the date first written above.

FRANCHISEE

_______________________________________, a
____

By:_____________________________________
Name: __________________________________
Its: _____________________________________
Date: ___________________________________

STATE OF________________________)
) ss.
County of_________________________)

The foregoing instrument was acknowledged before me this ____ day of ____________, by ______________________________________.

____
Notary Public

My commission expires:
____

FRANCHISEE'S OWNERS

By:________________________________
Name: _____________________________
Date: ______________________________

STATE OF________________________)
) ss.
County of_________________________)

The foregoing instrument was acknowledged before me this ____ day of ____________, by ______________________________________.

____
Notary Public

My commission expires:
____

EXHIBIT “F”

TO DISCLOSURE DOCUMENT

TABLE OF CONTENTS TO MANUALS

[See Attached]

<u>OPERATIONS MANUALS</u>

[See Attached]

Native Grill and Wings Manuals

Training Manual

Sections:

Training – Welcome Page
Local Options
Native Uniform Policy
Employee Handbook
Front of House Training Manual
Server Job Description
Server Daily Training Outline
Server Service Standards
Server - Steps of Service
Server Test Questions 2017
Bartender Job Description
Bartender Service Standards
Bartender Steps of Service
Bartender Daily Training Outline
Bartender Test Questions 2017
Host Job Description
Host TOGO Service Standards
Host TOGO Steps of Service
Host TOGO Training Outline 2017
Host TOGO Test Questions 2017
Busser Job Description
Busser Service Standards
Busser Test Questions 2017
Expo Job Description
Expo Training Outline 2017
Expo Test Questions 2017
Back of House Training Manual
Cook Job Description
Cook Service Standards
Assembler Cook Training Outline 2017
Fry Cook Training Outline 2017
Pizza Salad Dessert Cook Training Outline 2017
Assembler Cook Test Questions 2017
Fry Cook Test Questions 2017
Pizza/Salad /Dessert Cook Test Questions 2017
Dishwasher Job Description
Dishwasher Test Questions 2017

Certifications – Certified Server Checklist
Certifications – Certified Bartender Checklist
Certifications – Certified Host/TOGO Checklist
Certifications – Certified Expo Checklist
Certifications – Certified Assembler Checklist
Certifications – Certified Fry Checklist
Certifications – Certified Pizza/ Salad/Dessert Checklist
Certifications – Certified Prep Checklist
INSERT FLOOR CHART HERE (Place one in each section – server, bartender, host, busser and expo)
Menu Study Guide 2017
Menu Study Guide Test 2017
Plate Presentation 2017
Assembler Build to Charts 2017
Fry Build to Charts 2017
Dessert Build to Charts 2017
Salad Build to Charts 2017
Pizza Build to Charts 2017

Native Grill and Wings Food and Beverage Manual

Sections:

Appetizers
Burgers & Sliders
Chicken Choices
Desserts
Fish
From the Garden
Kids Meals
Lunch
Pizza and Calzones
Procedures
Proprietary Recipes
Sandwiches
Signature Drinks

Management Training Manual

Sections:

Introduction
Training Schedule
Orientation
Prep
Pizza, Salad, and Dessert
Fry

Assembler
Review BOH
Expo
Host, Bus, and Dish
Server
Bartender
Review FOH
Management Sections
Evaluations
Guest Observations
Projects

Job Books

Sections: 8

Bartender Section:

Categories:
Bartender Job Book Cover
Local Options Page
FOH Training
Bartender Training and Job Description
Bartender Service Standards
Bartender Steps of Service
Bartender Daily Training Outline
Native Uniform Policy
Floor Plan
Plate Presentation
Menu Study Guide
Signature Drink Recipes

Dishwasher Section:

Categories:
Dishwasher Job Book Cover
Local Options Page
Dishwasher Job Description
Native Uniform Policy
Back of House Training
Floor Plans

Expo Section:

Categories:
Expo Job Book Cover
Local Options Page
Front of House Training

Expo Job Descriptions
Expo Training Outline 2016
Native Uniform Policy
Floor Plans
Plate Presentation
Menu Study Guide

Fry Cook Section:

Categories:
Fry Cook Job Book Cover
Local Options Page
Back of House Training Manual
Cook Job Description
Cook Service Standards
Fry Cook Training Outline 2017
Native Uniform Policy
Floor plans
Plate Presentation
Menu Study Guide
Fry Build to Charts

Assembler Cook Section:

Categories:
Assembler Cook Job Book Cover
Local Options Page
Back of House Training Manual
Cook Job Description
Cook Service Standards
Assembler Cook Training Outline 2017
Native Uniform Policy
Floor Plan
Plate Presentation
Menu Study Guide
Assembler Build to Charts

Host Section:

Categories:
Host TOGO Job Book Cover
Local Option Page
Front of House Training Manual
Host Job Description
Host TOGO Service Standards
Host Togo Steps of Service
Host TOGO Training Outline
Native Uniform Policy
Floor Plan

Plate Presentation
Menu Study Guide

Pizza Salad Dessert Section:

Categories:
Pizza Salad Dessert Cook Job Book Cover
Local Options Page
Back of House Training Manual
Cook Job Description
Cook Service Standards
Pizza/Salad/Dessert Cook Training Outline
Native Uniform Policy
Floor Plans
Plate Presentations
Menu Study Guide
Pizza/Salad/Dessert Build to Charts

Server Section:

Categories:
Server Job Book Cover
Local Options Page
Front of House Training Manual
Server Job Description
Steps of Service
Server Service Standards
Server Daily Training Outline
Native Uniform Policy
Floor Plan
Plate Presentation
Menu Study Guide

SUMMARY:

Total Number of Pages for all Manuals: 1,550

EXHIBIT “G”

TO DISCLOSURE DOCUMENT

FRANCHISEE LIST

Part A (Current Franchisees)

State	City	Address	Phone	Owner Name(s)
Arizona	Avondale	10220 W. McDowell #160 Avondale, Arizona 85323	623-907-8181 480-284-4684	Al and Cathy Saleh (MJSaleh)
Arizona	Buckeye	457 South Watson Road Buckeye, Arizona 85326	602-309-8110	Greg and Phil Weltsch (Watson Marketplace NNY LLC)
Arizona	Gilbert	2110 South Gilbert Road Chandler, Arizona 85286	480-782-0840	Marcus Teufel (NNY Gilbert LLC)
Arizona	Gilbert	4972 South Power Road Gilbert, Arizona 85212	480-988-7029	Greg Weltsch (AZ Native Restaurant, LLC)
Arizona	Glendale	7273 N. 95th Ave. Glendale, Arizona 85305	623-877-4500	Al and Cathy Saleh (ALZEE, LLC)
Arizona	Goodyear	15375 West McDowell Road Goodyear, Arizona 85395	623-536-7121	Al and Cathy Saleh (West Side Wings, LLC)
Arizona	Marana	8225 North Courtney Page Way Marana, Arizona 85743	520-744-7200	Dave Damitio (NNYDDK CORTARO)
Arizona	Maricopa	21164 N JohnWayne Pkwy Highway 347 Maricopa, Arizona 85239	520-568-6077	Pat Kieny (OLPW)
Arizona	Mesa	1837 W. Guadalupe #122 Mesa, Arizona 85202	480-456-9464	Pat Kieny (PSEHG/OPER)
Arizona	Mesa	1559 S. Gilbert Road Mesa, Arizona 85204	480-892-1010 480-813-6660	Jeff & Nikki Powers (Gilbert 60 Powers)
Arizona	Mesa	318 E. Brown Rd #112 Mesa, Arizona 85201	480-464-4383	Marcus Teufel (Hot Toys)
Arizona	Mesa	1947 S. Signal Butte Ste. A Mesa, Arizona 85209	480-380-1190	Greg Weltsch (Signal Butte NNY Restaurant LLC)
Arizona	Payson	210 E. Highway 260 Payson, Arizona 85541	928-474-6883	Robert Marshall (R & J Native Payson, LLC)
Arizona	Phoenix	1339 E. Chandler Blvd. Phoenix, Arizona 85048	480-283-9600	Rod Ticknor (RACK Enterprises)
Arizona	Phoenix	5030 E. Ray Rd #5 Phoenix, Arizona 85048	480-496-5717	Rod & Kim Ticknor (ARCK)
Arizona	Phoenix	10004 North 26th Drive Phoenix, Arizona 85021	602-309-8110	Greg and Phil Weltsch (I17 NNY, LLC)
Arizona	Queen Creek	1750 West Hunt Highway Queen Creek, Arizona 85243	602-309-8110	Greg and Phil Weltsch (Skyline Ranch NNY, LLC)
Arizona	Show Low	391 West Deuce of Clubs Show Low, Arizona 85901	928-532-5100	Jamie Adams (A&A Executive Enterprises, LLC)
Arizona	Sierra Vista	3950 Martin Luther King Jr. Pkwy Sierra Vista, Arizona 85635	520-458-0136	Marcus Teufel (NNY Sierra Vista, LLC)

State	City	Address	Phone	Owner Name(s)
Arizona	Surprise	13929 West Waddell Road Surprise, Arizona 85379	623-544-6402	Al and Cathy Saleh (MJCA Park, LLC)
Arizona	Tempe	1301 E. Broadway Tempe, Arizona 85282	480-921-2556	Jami Lee, Sherri Lind and Linda Tritschler
Arizona	Tucson	3100 East Speedway Tucson, Arizona 85713	520-325-3489	Dave Damitio (NYDDK Speedway, LLC)
Arizona	Tucson	5347 South Calle Santa Cruz Tucson, Arizona 85706	520-889-5198	Greg Weltsch (Tucson Spectrum Mall NNY LLC)
Arizona	Tucson	10255 E. Old Vail Rd. Tucson, Arizona 85747	520-822-8394	Brad Williams
Arizona*	Gilbert	4341 East Baseline Road, Suite 108 Gilbert, Arizona 85234	480-256-0654	Native Grill and Wings Development, LLC
Arizona*	Oro Valley	11107 North Oracle Oro Valley, Arizona 85737	520-306-7947	Native Grill and Wings Development, LLC
Arizona*	Prescott Valley	5533 East State Route 69 Prescott Valley, Arizona 86314	To Be Determined	Native Grill and Wings Development, LLC
Idaho	Boise	7700 State Street, Suite 110 Boise, Idaho 83714	208-608-5474	Brad Williams
Illinois	Quincy	138 N. Front Street Quincy, Illinois 62301	To Be Determined	
Massachusetts	Boston	111 Sutton Avenue Oxford, Massachusetts 01540	508-641-1820	Andrew Colby
Missouri**	St. Charles	1566 Country Club Plaza Drive St. Charles, Missouri 63303	636-493-9583	Paul DiBenedetto
South Dakota	Rapid City	1756 Eglin Street Rapid City, South Dakota 57701	605-519-5117	Colin Hofer (Dakota Wingman, LLC)
Texas	San Antonio	3238 Wurzbach Rd. San Antonio, Texas 78238	210-233-1199	Rod Ticknor & Ron Beaty (NNY Ingram Park LLC)

* This outlet is owned and operated by our affiliate, Native Grill and Wings Development, LLC.

**These Native Grill and Wings restaurants were not open as of December 31, 2017.

<u>Part B</u> (Former Franchisees Who Left System During Prior Fiscal Year)*

State	City	Current Business Phone or Last Known Home Phone	Owner Name(s)
Oklahoma	Tulsa	816-645-8963	Mike Belew

* Two franchisees with multiple outlets (Brad Williams and Greg Weltsch) closed restaurants in 2017 but remained franchisees with respect to their other restaurants. As a result they are not listed as former franchisees.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT "H"

TO DISCLOSURE DOCUMENT

<u>FINANCIAL STATEMENTS</u>

[See Attached]

Combined Financial Statements
December 31, 2017 and 2016

Native Grill and Wings Franchising, LLC and Affiliate

Independent Auditor's Report ... 1

Combined Financial Statements

- Combined Balance Sheets ... 2
- Combined Statements of Operations ... 3
- Combined Statements of Members' Equity ... 4
- Combined Statements of Cash Flows ... 5
- Notes to Combined Financial Statements ... 6

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Directors
Native Grill and Wings Franchising, LLC and Affiliate
Chandler, Arizona

Report on the Financial Statements
We have audited the accompanying combined financial statements of Native Grill and Wings Franchising, LLC and Affiliate (the Company), which comprise the combined balance sheets as of December 31, 2017 and 2016, and the related combined statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Company as of December 31, 2017 and 2016, and the results of its combined operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Phoenix, Arizona
April 19, 2018

	2017	2016
Assets		
Current Assets		
Cash	$ 634,070	$ 451,156
Restricted cash	-	93,657
Receivables		
Royalties receivable	486,538	388,575
Due from franchisee	22,523	21,117
Due from related party	150,392	81,905
Prepaid expenses	70,988	97,504
Cooperative advertising costs in excess of fees collected	59,662	2,556
Total current assets	1,424,173	1,136,470
Property and Equipment, Net	205,093	269,736
Intangibles and Other Assets		
Goodwill, net	2,101,885	2,376,044
Trademarks, net	2,837,869	2,998,503
	4,939,754	5,374,547
	$ 6,569,020	$ 6,780,753
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	$ 59,929	$ 67,966
Accrued liabilities	169,575	126,052
Capital lease obligation	-	33,414
Gift card liability	200,895	172,958
Deferred revenue	276,161	46,030
Current portion of lease incentive obligation	21,966	20,534
Total current liabilities	728,526	466,954
Long-Term Liabilities		
Lease incentive obligation, less current portion	158,053	183,341
Total liabilities	886,579	650,295
Commitments and Contingencies		
Members' Equity	5,682,441	6,130,458
	$ 6,569,020	$ 6,780,753

Native Grill and Wings Franchising, LLC and Affiliate
Combined Statements of Operations
Years Ended December 31, 2017 and 2016

	2017	2016
Revenue		
Royalties	$ 3,339,950	$ 3,212,852
Rebates and endorsements	253,437	226,819
Franchise fees	35,000	90,000
Sponsorships	104,250	133,500
Total operating revenues	3,732,637	3,663,171
Operating Expenses		
Salaries	1,190,581	967,902
Facilities expense	94,086	90,151
Advertising expense	214,628	329,363
Insurance expense	66,366	57,111
Professional fees	373,422	319,792
Depreciation and amortization	496,586	498,762
Other operating expenses	222,923	131,069
Total operating expenses	2,658,592	2,394,150
Operating Income	1,074,045	1,269,021
Other Income (Expense)		
Other income	68,807	17,799
Interest expense	(269)	(2,914)
Total other income	68,538	14,885
Net Income	$ 1,142,583	$ 1,283,906

	NGW, LLC	Native Grill and Wings Franchising, LLC	Combined
Balance, December 31, 2015	$ 2,000	$ 6,464,199	$ 6,466,199
Net income	67,301	1,216,605	1,283,906
Contributions	353	-	353
Distributions	-	(1,620,000)	(1,620,000)
Balance, December 31, 2016	69,654	6,060,804	6,130,458
Net income	34,126	1,108,457	1,142,583
Distributions	-	(1,590,600)	(1,590,600)
Balance, December 31, 2017	$ 103,780	$ 5,578,661	$ 5,682,441

	2017	2016
Operating Activities		
Net income	$ 1,142,583	$ 1,283,906
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	496,586	498,762
Changes in assets and liabilities		
Receivables	(99,369)	(58,737)
Related party receivables	68,487	-
Prepaid expenses	26,516	(48,312)
Cooperative advertising costs	(57,106)	10,823
Accounts payable	(8,037)	14,978
Accrued liabilities	43,523	80,758
Gift card liability	27,937	122,022
Deferred revenue	230,131	46,030
Lease incentive obligation	(23,856)	(19,136)
Net Cash from Operating Activities	1,847,395	1,931,094
Investing Activities		
Due from related party	(68,487)	(81,905)
Purchase of property and equipment	-	(31,466)
Net Cash used for Investing Activities	(68,487)	(113,371)
Financing Activities		
Payments on capital leases	(5,394)	(6,614)
Contributions	-	353
Distributions	(1,590,600)	(1,620,000)
Net Cash used for Financing Activities	(1,595,994)	(1,626,261)
Net Change in Cash	182,914	191,462
Cash, Beginning of Year	451,156	353,351
Cash, End of Year	$ 634,070	$ 544,813
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest	$ 269	$ 2,914

Note 1 - Nature of Operations

Native Grill and Wing Franchising LLC (Franchising) was established in May 1993. It was organized to be in the business of franchising restaurants. Franchising is the franchisor and uses the franchise agreements to operate, sell and develop Native Grill and Wings restaurants. In addition, members of Franchising also own and operate Native Grill and Wings restaurants and are considered related parties. These restaurants do not pay royalty fees.

Native Grill and Wings Franchising, LLC formally known as Native New Yorker Franchising, LLC, was incorporated under the laws of the State of Arizona in May 1993, and began operations in June 1993.

NGW, LLC (NGW) is an entity established for the franchising of Native Grill and Wings locations across the United States. The Company was organized in Kansas on May 26, 2015, and capitalized on September 21, 2015. Pursuant to the NGW, LLC Operating Agreement, the Company has no limit on existence. During January 2016, the Company was assigned the rights to grant additional franchises from Native New Yorker Franchising, LLC.

NGW, LLC, an entity with common ownership was combined with Native Grill and Wings Franchising, LLC collectively referred to as the Native Grill and Wings Franchising, LLC and Affiliate (the "Company") for financial statement purposes.

The Company collected royalties from an average of 33 franchisees in 2017. Franchises are located primarily within the Phoenix metropolitan area with locations across the United States. The Company markets for potential new franchises throughout the United States.

The Company offers individual franchises territories in which to open a fixed facility. Franchisees are required to pay a fee at the time of execution of the Franchise Agreement and each franchisee is also required to pay a royalty fee based on total gross sales as defined in the franchise agreement. Profits or losses from operations, including gains and losses from the sale, exchange, or other disposition of Company property, are allocated between the members in accordance with their percentage interests.

Note 2 - Summary of Significant Accounting Policies

Concentrations of Credit Risk

The Company maintains its cash accounts in various deposit accounts, the balance of which are periodically in excess of federally insured limits.

Cash and Cash Equivalents

Cash and cash equivalents consists of highly liquid investments with an original maturity of three months or less.

Restricted Cash

Restricted cash consists of advertising fees collected from franchisees and deposited into a separate account and are to be used solely to maintain, administer, direct and prepare national, regional or local advertising materials, programs, and public relations activities.

Receivables and Credit Policy

The Company charges a franchise fee and royalty fees in accordance with the franchise agreement. Royalty receivables are due five days after the week end. The Company does not charge interest on franchise receivables.

The carrying amount of royalty receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific franchisee accounts and the aging of the royalty receivable. All royalty receivables or portions thereof deemed to be uncollectible or to require an excessive collection costs are written off to the allowance for doubtful accounts. Management does not believe an allowance for royalty receivable is necessary as of December 31, 2017 and 2016.

Property and Equipment

Property and equipment is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation on equipment is calculated on the straight-line method over the estimated useful lives of the assets, which range from three to ten years.

The Company reviews the carrying value of property and equipment whenever events indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recorded when the sum of the future cash flows is less than the carrying amount of the asset. An impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. No impairment loss has been recorded for equipment and leasehold improvements at December 31, 2017 and 2016.

Intangible Assets

Intangible assets with a finite life consist of a trademark, which is carried at cost less accumulated amortization. The Company amortizes the cost of identifiable intangible assets on a straight-line basis over the expected period of benefit, which is 20 years for the Company trademark.

Goodwill

Goodwill represents costs in excess of purchase price over the fair value of the assets of businesses acquired, including other identifiable intangible assets.

Effective September 10, 2015, goodwill is amortized on the straight-line method over a period of 10 years. Goodwill will be tested for impairment upon the occurrence of an event that would indicate that the fair value of the Company is below its carrying value. Prior to September 10, 2015, goodwill was not amortized, but instead potential impairment was considered on an annual basis, or more frequently upon the occurrence of an event or when circumstances indicated that the amount of goodwill was greater than its fair value. For the years ended December 31, 2017 and 2016, management reviewed the fair value of goodwill and determined that goodwill was not impaired.

Gift Cards

Gift cards are sold on-line and at franchised locations. The Company retains and reconciles all cash from gift card activities and use of gift cards on behalf of all franchised and non-franchised restaurants. Activity is reflected as an increase or decrease to unredeemed gift card liabilities. Gift cards may be redeemed at any Native Grill and Wings restaurant. There are no expiration dates and no service fees are charged.

While the Company will continue to honor all gift cards presented for payment, management may determine the likelihood of redemption to be remote for certain cards due to, among other things, long periods of inactivity. In these circumstances, if management determines there is no requirement for remitting balances to government agencies under unclaimed property laws, card balances may then be recognized in the combined statements of operations.

Lease Incentive Obligations

The lease incentive obligation consists of an allowance provided to the Company by a landlord for tenant improvements. Amortization of the lease incentive obligation is recorded using the straight-line method over the term of the related lease and is recorded as a reduction of rent expense. If the Company were to terminate the lease, the unamortized portion of the lease incentive obligation would be recorded as an adjustment to rent expense.

Revenue Recognition

Franchise revenue is recognized when the franchise begins operations, at which time the Company has performed substantially all of the initial services it is required to provide. Renewal franchise fees are recognized as income when the license agreements are signed and the fee is paid since there are no material services or conditions related to the renewal franchise fees. Royalty revenue is recognized monthly as income based on a percentage of franchise sales.

Deferred franchise fees consist of advance franchise fees, in the form of cash, for franchise revenue to be recognized in a subsequent year when operations commence.

Rebate, endorsement, and sponsorship revenues are recognized as income when earned.

Cooperative Advertising

Advertising fees are based upon one or two percent of the franchisee's gross sales for the prior month and are due and payable within twenty days of the prior month's end. These fees, when collected are deposited in a separate bank account and are to be used solely to maintain, administer, direct, and prepare national, regional or local advertising materials, program and public relations activities. When advertising costs exceed fees collected, the net amount is shown as an asset on the accompanying combined balance sheet as cooperative advertising costs in excess of fees collected.

Advertising Costs

In addition to advertising paid with fees collected from the franchisees, the Company pays advertising costs. These advertising costs are expensed as incurred. Total advertising costs paid by the Company were approximately $215,000 and $329,000 for the years ended December 31, 2017 and 2016, respectively.

Income Taxes

As limited liability companies, the Companies' taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision for income taxes has been included in the combined financial statements.

The Companies evaluate their tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2017 and 2016, the unrecognized tax benefit accrual was zero for both companies. The Companies will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Use of Estimates

The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company has evaluated subsequent events through April 19, 2018, the date which the combined financial statements were available to be issued.

Note 3 - Property, Plant and Equipment

Property, plant and equipment consisted of the following at December 31:

	2017	2016
Leasehold improvements	$ 193,290	$ 193,290
Furniture and fixtures	91,664	91,664
Vehicles	-	44,442
Software	30,555	30,555
	315,509	359,951
Less accumulated depreciation and amortization	(110,416)	(90,215)
	$ 205,093	$ 269,736

Depreciation and amortization expense for the years ended December 31, 2017 and 2016 was $65,003 and $63,970, respectively.

Note 4 - Leases

The Company leases office space, vehicles and equipment under various short and long-term leases. The leases expire at various dates through 2024. Lease expense for the years ended December 31, 2017 and 2016, was approximately $67,000 and $55,000, respectively.

Future minimum lease payments are as follows:

Years Ending December 31,	Operating Leases
2017	$ 72,962
2018	74,420
2019	75,912
2020	77,428
2021	78,972
Thereafter	148,798
Total minimum lease payments	$ 528,492

Leased property under capital leases at December 31, 2017 and 2016 includes:

	2017	2016
Vehicles	$ -	$ 44,442
Less accumulated amortization	-	(27,349)
	$ -	$ 17,093

Interest on the capital lease was 5.0% and was secured by the leased vehicle, the lease matured in the 2017.

Note 5 - Intangible Assets

Intangible assets at December 31, 2017 and 2016 consisted of the following:

	Cost	Accumulated Amortization	Net
Balance, December 31, 2017			
Trademarks	$ 3,212,682	$ (374,813)	$ 2,837,869
Balance, December 31, 2016			
Customer relationships	$ 3,212,682	$ (214,179)	$ 2,998,503

Amortization expense totaled $160,634 and $161,083 for the years ended December 31, 2017 and 2016, respectively.

Estimated future amortization expense for the years ended December 31 is as follows:

Years Ending December 31,	Amount
2018	$ 160,634
2019	160,634
2020	160,634
2021	160,634
2022	160,634
Thereafter	2,034,699
	$ 2,837,869

Note 6 - Goodwill

Goodwill as of December 31, 2017 and 2016, consists of the following:

	Cost	Accumulated Amortization	Accumulated Impairment Loss	Net
December 31, 2017	$ 2,741,589	$ (639,704)	$ -	$ 2,101,885
December 31, 2016	2,741,589	$ (365,545)	$ -	$ 2,376,044

Estimated future amortization expense for the years ended December 31 is as follows:

Years Ending December 31,	Amount
2018	$ 274,159
2019	274,159
2020	274,159
2021	274,159
2022	274,159
Thereafter	731,090
	$ 2,101,885

Amortization expense totaled $274,159 and $273,709 for the years ended December 31, 2017 and 2016, respectively.

Note 7 - Related Party Transactions

A commonly owned entity owns a franchise of the Company that pays monthly royalties and ad fees to the Company. The Company has a total receivable from this related party of $31,008 and $9,461 at December 31, 2017 and 2016, respectively. Total royalty and ad fee revenue was $227,367 and $49,402 during the years ended December 31, 2017 and 2016, respectively.

The Company provided advances to two related entities with related ownership in the amount of $154,791 and $81,905 for purposes of funding startup operations at December 31, 2017 and 2016, respectively. There is no formal agreement with stated terms, however, management believes the amount will be collected.

Five franchises (Missoula, Old Vail Road, Yuma, North Point and Nampa), are owned by a member that pays royalties and ad fees to the Company. Total royalties and ad fees from this member during the year ended December 31, 2017 and 2016 totaled $311,770 and $299,350, respectively, with a total of $79,657 and $36,170 included in accounts receivable at December 31, 2017 and 2016, respectively.

A member owns a franchise in Tempe, AZ, which does not pay royalties but does pay ad fees. Ad fee revenue from this member for the years ended December 31, 2017 and 2016 were $21,075 and $ 20,991, respectively. This member had an ad receivable balance at December 31, 2017 and 2016 of $1,537 and $1,554, respectively. This member paid a management fee from January to March 2016 in the amount of $16,083, there were no management fees paid by this member in 2017.

Note 8 - Franchise Agreements

The Company grants the use of the "Native Grill and Wings" trademark and various other items, and agrees not to compete or license another franchisee within the franchisee's designated market area. When an individual franchise is sold, the Company agrees to provide certain services to the franchisee, including training of the franchisee and assistance to the franchisee in regards to site selection as well as providing a manual on related business operations.

After initial operations begin, the Company will provide operational assistance and regular consultation services. The Company monitors the franchisee's operations, provides quality control checks, and manages an advertising fund to create and produce marketing materials for all Native Grill and Wings locations.

The Company charges franchisees an ongoing royalty fee based on a percentage of gross sales as defined in the franchise agreement. The initial term of the franchise agreement is ten years, with five-year options to extend, provided the franchisee is in compliance with the terms of the agreement.

The Company charges a national advertising fund fee based on a percentage of gross sales. The Company agrees to expend the national advertising fund fees (previously marketing and creative fund fees) collected from the franchisees for marketing and creative expenses each year. Any amount of the monies collected and not spent or overspent is carried over as a liability or asset to be spent in the next year.

Note 9 - Contingencies

From time to time, the Company is involved in litigation and claims arising in the normal course of operations. These matters are deemed immaterial by management and the ultimate disposition of these matters is not expected to have a material adverse effect on the Company's financial position, results of operations or liquidity.

Note 10 - Franchising Operations

The following is a summary of franchise operations during the years ended December 31, 2017 and 2016:

December 31, 2015	30
Franchises opened during the year	5
Franchises closed during the year	(2)
December 31, 2016	33
Franchises opened during the year	5
Franchises closed during the year	(7)
December 31, 2017	31

The following is a summary of franchise revenue during the years ended December 31, 2017 and 2016:

	Continuing Franchisees	New Franchisee Operations	Franchisees Ceasing Operations	Total
December 31, 2017				
Franchise revenue:				
Royalties	$ 2,773,414	$ 296,346	$ 143,092	$ 3,212,852
Franchise fees	20,000	70,000	-	90,000
Total	$ 2,793,414	$ 366,346	$ 143,092	$ 3,302,852
December 31, 2016				
Franchise revenue:				
Royalties	$ 2,924,791	$ 214,676	$ 200,483	$ 3,339,950
Franchise fees	-	35,000	-	35,000
Total	$ 2,924,791	$ 249,676	$ 200,483	$ 3,374,950

Note 11 - Variable Interest Entity

A variable interest entity (VIE) is an entity that either (1) has insufficient equity to permit the entity to finance its activities without additional subordinated financial support or (2) has equity investors who lack the characteristics of a controlling financial interest. A VIE is consolidated by its primary beneficiary. The primary beneficiary has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the VIE.

If the Company determines that it has operating power and the obligation to absorb losses or receive benefits, the Company consolidates the VIE as the primary beneficiary, and if not, does not consolidate. The Company's environment constitutes power that is most significant to the entity when it has unconstrained decision-making ability over key operational functions within the entity.

Assets recognized as a result of consolidating VIEs do not necessarily represent additional assets that could be used to satisfy claims against the Company's general assets. Conversely, liabilities recognized as a result of consolidating this VIE do not necessarily represent additional claims on the Company's general assets; rather, they represent claims against the specific assets of the consolidated VIE.

At December 31, 2017, the Company has a variable interest in Native Grill and Wings Development (NGWD), as a result of the Company's advancement of funds and common ownership, however the Company is not considered to be the primary beneficiary of NGWD.

NGWD's activities consist primary of operating a restaurant concept. For the year ended December 31, 2017, NGWD, based on unaudited financial information provided by management, had total assets of approximately $2,203,000, liabilities of approximately $1,884,000, and revenue totaling approximately $3,322,000.

The Company's maximum exposure to loss as of December 31, 2017 with respect to its relationship with NGWD, is approximately $150,000, the amount of the advance provided.

Combined Financial Statements
December 31, 2016

Native Grill and Wings Franchising, LLC and Affiliate

www.eidebailly.com

Independent Auditor's Report 1

Financial Statements

Combined Balance Sheet 2
Combined Statement of Operations 3
Combined Statement of Members' Equity 4
Combined Statement of Cash Flows 5
Notes to Combined Financial Statements 6

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Directors
Native Grill and Wings Franchising, LLC and Affiliate
Chandler, Arizona

Report on the Financial Statements
We have audited the accompanying combined financial statements of Native Grill and Wings Franchising, LLC and Affiliate (the Company), which comprise the combined balance sheet as of December 31, 2016, and the related combined statements of operations, members' equity, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position the Company as of December 31, 2016, and the results of its combined operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Phoenix, Arizona
April 27, 2017

Assets		
Current Assets		
Cash and cash equivalents	$	451,156
Restricted cash		93,657
Receivables		
Royalties receivable		388,575
Due from franchisee		21,117
Due from related party		81,905
Prepaid expenses		97,504
Cooperative advertising costs in excess of fees collected		2,556
Total current assets		1,136,470
Property and Equipment, net		269,736
Intangibles and Other Assets		
Goodwill, net		2,376,044
Trademarks, net		2,998,503
		5,374,547
	$	6,780,753
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	$	67,966
Accrued liabilities		126,052
Capital lease obligation		33,414
Gift card liability		172,958
Deferred revenue		46,030
Current portion of lease incentive obligation		20,534
Total current liabilities		466,954
Long-term Liabilities		
Lease incentive obligation, less current portion		183,341
Total liabilities		650,295
Commitments and Contingencies		
Members' Equity		6,130,458
	$	6,780,753

Revenue	
Royalties	$ 3,212,852
Rebates and endorsements	226,819
Franchise fees	90,000
Sponsorships	133,500
Total operating revenues	3,663,171
Operating Expenses	
Salaries	967,902
Facilities expense	90,151
Advertising expense	329,363
Insurance expense	57,111
Professional fees	319,792
Depreciation and amortization	498,762
Other operating expenses	131,069
Total operating expenses	2,394,150
Operating Income	1,269,021
Other Income (Expense)	
Other income	17,799
Interest expense	(2,914)
Total other income	14,885
Net Income	$ 1,283,906

	NGW, LLC	Native Grill and Wings Franchising, LLC	Combined
Balance, December 31, 2015	$ 2,000	$ 6,464,199	$ 6,466,199
Net income	67,301	1,216,605	1,283,906
Contributions	353	-	353
Distributions	-	(1,620,000)	(1,620,000)
Balance, December 31, 2016	$ 69,654	$ 6,060,804	$ 6,130,458

Operating Activities	
Net income	$ 1,283,906
Adjustments to reconcile net income to net cash from operating activities	
Depreciation and amortization	498,762
Changes in assets and liabilities	
Receivables	(58,737)
Prepaid expenses	(48,312)
Cooperative advertising costs	10,823
Accounts payable	14,978
Accrued liabilities	80,758
Gift card liability	122,022
Deferred revenue	46,030
Lease incentive obligation	(19,136)
Net Cash from Operating Activities	1,931,094
Investing Activities	
Due from related party	(81,905)
Purchase of property and equipment	(31,466)
Net Cash used for Investing Activities	(113,371)
Financing Activities	
Payments on capital leases	(6,614)
Contributions	353
Distributions	(1,620,000)
Net Cash used for Financing Activities	(1,626,261)
Net Change in Cash and Cash Equivalents	191,462
Cash and Cash Equivalents, Beginning of Year	353,351
Cash and Cash Equivalents, End of Year	$ 544,813
Supplemental Disclosure of Cash Flow Information	
Cash payments for interest	$ 2,914

Note 1 - Nature of Operations

Native Grill and Wing Franchising LLC (Franchising) was established in May 1993. It was organized to be in the business of franchising restaurants. Franchising is the franchisor and uses the franchise agreements to operate, sell and develop Native Grill and Wings restaurants. In addition, members of Franchising also own and operate Native Grill and Wings restaurants and are considered related parties. These restaurants do not pay royalty fees.

Native Grill and Wings Franchising, LLC formally known as Native New Yorker Franchising, LLC, was incorporated under the laws of the State of Arizona in May 1993, and began operations in June 1993.

NGW, LLC (NGW) is an entity established for the franchising of Native Grill and Wings locations across the United States. The Company was organized in Kansas on May 26, 2015, and capitalized on September 21, 2015. Pursuant to the NGW, LLC Operating Agreement, the Company has no limit on existence. During January 2016, the Company was assigned the rights to grant additional franchises from Native New Yorker Franchising, LLC.

For financial statement purposes, NGW, LLC was combined with Native Grill and Wings Franchising, LLC collectively referred to as the Native Grill and Wings Franchising, LLC and Affiliate (the "Company") for financial statement purchases

The Company collected royalties from 33 franchisees in 2016. Franchises are located primarily within the Phoenix metropolitan area with locations across the United States. The Company markets for potential new franchises throughout the United States.

The Company offers individual franchises territories in which to open a fixed facility. Franchisees are required to pay a fee at the time of execution of the Franchise Agreement and each franchisee is also required to pay a royalty fee based on total gross sales as defined in the franchise agreement. Profits or losses from operations, including gains and losses from the sale, exchange, or other disposition of Company property, are allocated between the members in accordance with their percentage interests.

Note 2 - Summary of Significant Accounting Policies

Concentrations of Credit Risk

The Company maintains its cash accounts in various deposit accounts, the balance of which are periodically in excess of federally insured limits.

Cash and Cash Equivalents

Cash and cash equivalents consists of highly liquid investments with an original maturity of three months or less.

Restricted Cash

Restricted cash consists of advertising fees collected from franchisees and deposited into a separate account and are to be used solely to maintain, administer, direct and prepare national, regional or local advertising materials, programs, and public relations activities.

Receivables and Credit Policy

The Company charges a franchise fee in accordance with the franchise agreement. Royalty receivables are due five days after the week end. The Company does not charge interest on franchise receivables.

The carrying amount of royalty receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific franchisee accounts and the aging of the royalty receivable. All royalty receivables or portions thereof deemed to be uncollectible or to require an excessive collection costs are written off to the allowance for doubtful accounts. Management does not believe an allowance for royalty receivable is necessary as of December 31, 2016.

Property and Equipment

Property and equipment is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation on equipment is calculated on the straight-line method over the estimated useful lives of the assets, which range from three to ten years.

The Company reviews the carrying value of property and equipment whenever events indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recorded when the sum of the future cash flows is less than the carrying amount of the asset. An impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. No impairment loss has been recorded for equipment and leasehold improvements at December 31, 2016.

Intangible Assets

Intangible assets with a finite life consist of a trademark, which is carried at cost less accumulated amortization. The Company amortizes the cost of identifiable intangible assets on a straight-line basis over the expected period of benefit, which is 20 years for the Company trademark.

Goodwill

Goodwill represents costs in excess of purchase price over the fair value of the assets of businesses acquired, including other identifiable intangible assets.

As of September 10, 2015, the Company adopted Accounting Standards Update (ASU) 2014-02, *Intangibles-Goodwill and Other: Accounting for Goodwill.* This accounting alternative allows management to elect to amortize goodwill over a 10-year life. In accordance with the adoption of this accounting alternative for goodwill, the Company has also elected to test goodwill for impairment, upon the occurrence of one or more triggering events, at the reporting unit level.

Effective September 10, 2015, goodwill is amortized on the straight-line method over a period of 10 years. Goodwill will be tested for impairment upon the occurrence of an event that would indicate that the fair value of the Company is below its carrying value. Prior to September 10, 2015, goodwill was not amortized, but instead potential impairment was considered on an annual basis, or more frequently upon the occurrence of an event or when circumstances indicated that the amount of goodwill was greater than its fair value. For the year ended December 31, 2016, management reviewed the fair value of goodwill and determined that goodwill was not impaired.

Gift Cards

Gift cards are sold on-line and at franchised locations. The Company retains and reconciles all cash from gift card activities and use of gift cards on behalf of all franchised and non-franchised restaurants. Activity is reflected as an increase or decrease to unredeemed gift card liabilities. Gift cards may be redeemed at any Native Grill & Wings restaurant. There are no expiration dates and no service fees are charged.

While the Company will continue to honor all gift cards presented for payment, management may determine the likelihood of redemption to be remote for certain cards due to, among other things, long periods of inactivity. In these circumstances, if management determines there is no requirement for remitting balances to government agencies under unclaimed property laws, card balances may then be recognized in the combined statements of operations.

Lease Incentive Obligations

The lease incentive obligation consists of an allowance provided to the Company by a landlord for tenant improvements. Amortization of the lease incentive obligation is recorded using the straight-line method over the term of the related lease and is recorded as a reduction of rent expense. If the Company were to terminate the lease, the unamortized portion of the lease incentive obligation would be recorded as an adjustment to rent expense.

Revenue Recognition

Franchise revenue is recognized when the franchise begins operations, at which time the Company has performed substantially all of the initial services it is required to provide. Renewal franchise fees are recognized as income when the license agreements are signed and the fee is paid since there are no material services or conditions related to the renewal franchise fees. Royalty revenue is recognized monthly as income based on a percentage of franchise sales.

Deferred franchise fees consist of advance franchise fees, in the form of cash, for franchise revenue to be recognized in a subsequent year when operations commence.

Rebate, endorsement, and sponsorship revenues are recognized as income when earned.

Cooperative Advertising

Advertising fees are based upon one or two percent of the franchisee's gross sales for the prior month and are due and payable within twenty days of the prior month's end. These fees, when collected are deposited in a separate bank account and are to be used solely to maintain, administer, direct, and prepare national, regional or local advertising materials, program and public relations activities. When advertising costs exceed fees collected, the net amount is shown as an asset on the accompanying combined balance sheet as cooperative advertising costs in excess of fees collected.

Advertising Costs

In addition to advertising paid with fees collected from the franchisees, the Company pays advertising costs. These advertising costs are expensed as incurred. Total advertising costs paid by the Company were $329,363 for the year ended December 31, 2016.

Income Taxes

As limited liability companies, the Companies' taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision for income taxes has been included in the combined financial statements.

The Companies evaluate their tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2016, the unrecognized tax benefit accrual was zero for both companies. The Companies will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Use of Estimates

The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company has evaluated subsequent events through April 27, 2017, the date which the financial statements were available to be issued.

Note 3 - Property, Plant and Equipment

Property, plant and equipment consisted of the following at December 31, 2016:

Leasehold improvements	$	193,290
Furniture and fixtures		91,664
Vehicles		44,442
Software		30,555
		359,951
Less accumulated depreciation and amortization		(90,215)
	$	269,736

Depreciation and amortization expense for the year ended December 31, 2016 was $63,970.

Note 4 - Leases

The Company leases office space, vehicles and equipment under various short and long-term leases. The leases expire at various dates through 2024. Operating lease expense for the year ended December 31, 2016, was $54,596.

The estimated future minimum lease payments and rent payments are as follows:

Years Ending December 31,	Capital Leases	Operating Leases
2017	$ 34,922	$ 75,492
2018	-	73,622
2019	-	74,420
2020	-	75,912
2021	-	77,428
Thereafter	-	227,770
Total minimum lease payments	34,922	$ 604,644
Less portion representing interest	(1,508)	
Present value of minimum lease payments	$ 33,414	

Leased property under capital leases at December 31, 2016 includes:

Vehicles	$ 44,442
Less accumulated amortization	(27,349)
	$ 17,093

Rent expense under operating leases was $68,190 for the year ended December 31, 2016. Interest on the capital lease is 5.0% and is secured by the leased vehicle.

Note 5 - Intangible Assets

Intangible assets at December 31, 2016 consisted of the following:

	Cost	Accumulated Amortization	Net
Balance, December 31, 2016			
Trademarks	$ 3,212,682	$ (214,179)	$ 2,998,503

Amortization expense totaled $161,083 for the year ended December 31, 2016.

Estimated future amortization expense for the years ended December 31 is as follows:

Years ending December 31,	Amount
2017	$ 160,634
2018	160,634
2019	160,634
2020	160,634
2021	160,634
Thereafter	2,195,333
	$ 2,998,503

Note 6 - Goodwill

Goodwill as of December 31, 2016, consists of the following:

	Cost	Accumulated Amortization	Accumulated Impairment Loss	Net
December 31, 2016	$ 2,741,589	$ (365,545)	$ -	$ 2,376,044

Estimated future amortization expense for the years ended December 31 is as follows:

Years ending December 31,	Amount
2017	$ 274,159
2018	274,159
2019	274,159
2020	274,159
2021	274,159
Thereafter	1,005,249
	$ 2,376,044

Amortization expense totaled $273,709 for the year ended December 31, 2016.

Note 7 - Related Party Transactions

A commonly owned entity owns a franchise of the Company that pays monthly royalties and ad fees to the Company. The Company has a total receivable from this related party of $9,461 at December 31, 2016. Total royalty and ad fee revenue was $49,402 during the year ended December 31, 2016.

The Company provided advances to two related entities with related ownership in the amount of $81,905 for purposes of funding startup operations at December 31, 2016. There is no formal agreement with stated terms, however, management believes the amount will be collected during 2017.

Four stores (Missoula, Old Vail Road, Yuma and Idaho), are owned by a member that pays royalties and ad fees to the Company. Total royalties and ad fees from this member during the year ended December 31, 2016 totaled $299,350, with a total of $36,170 included in accounts receivable at December 31, 2016.

A member owns a store in Tempe, AZ, which does not pay royalties or ad fees. This member paid a management fee from January to March 2016 in the amount of $16,083.

Note 8 - Franchise Agreements

The Company grants the use of the "Native Grill and Wings" trademark and various other items, and agrees not to compete or license another franchisee within the franchisee's designated market area. When an individual franchise is sold, the Company agrees to provide certain services to the franchisee, including training of the franchisee and assistance to the franchisee in regards to site selection as well as providing a manual on related business operations.

After initial operations begin, the Company will provide operational assistance and regular consultation services. The Company monitors the franchisee's operations, provides quality control checks, and manages an advertising fund to create and produce marketing materials for all Native Grill and Wings locations.

The Company charges franchisees an ongoing royalty fee based on a percentage of gross sales as defined in the franchise agreement. The initial term of the franchise agreement is ten years, with five-year options to extend, provided the franchisee is in compliance with the terms of the agreement.

The Company charges a national advertising fund fee based on a percentage of gross sales. The Company agrees to expend the national advertising fund fees (previously marketing and creative fund fees) collected from the franchisees for marketing and creative expenses each year. Any amount of the monies collected and not spent or overspent is carried over as a liability or asset to be spent in the next year.\

Note 9 - Contingencies

From time to time, the Company is involved in litigation and claims arising in the normal course of operations. These matters are deemed immaterial by management and the ultimate disposition of these matters is not expected to have a material adverse effect on the Company's financial position, results of operations or liquidity.

Note 10 - Franchising Operations

The following is a summary of franchise operations during the year ended December 31, 2016:

December 31, 2015	30
Franchises opened during the year	5
Franchises closed during the year	(2)
December 31, 2016	33

The following is a summary of franchise revenue during the year ended December 31, 2016:

	Continuing Franchisees	New Franchisee Operations	Franchisees Ceasing Operations	Total
Franchise revenue:				
Royalties	$ 2,773,414	$ 296,346	$ 143,092	$ 3,212,852
Franchise fees	20,000	70,000	-	90,000
Total	$ 2,793,414	$ 366,346	$ 143,092	$ 3,302,852

Note 11 - Variable Interest Entity

A variable interest entity (VIE) is an entity that either (1) has insufficient equity to permit the entity to finance its activities without additional subordinated financial support or (2) has equity investors who lack the characteristics of a controlling financial interest. A VIE is consolidated by its primary beneficiary. The primary beneficiary has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the VIE.

If the Company determines that it has operating power and the obligation to absorb losses or receive benefits, the Company consolidates the VIE as the primary beneficiary, and if not, does not consolidate. The Company's environment constitutes power that is most significant to the entity when it has unconstrained decision-making ability over key operational functions within the entity.

Assets recognized as a result of consolidating VIEs do not necessarily represent additional assets that could be used to satisfy claims against the Company's general assets. Conversely, liabilities recognized as a result of consolidating this VIE do not necessarily represent additional claims on the Company's general assets; rather, they represent claims against the specific assets of the consolidated VIE.

At December 31, 2016, the Company has a variable interest in Native Grill and Wings Development (NGWD), as a result of the Company's advancement of funds and common ownership, however the Company is not considered to be the primary beneficiary of NGWD.

NGWD's activities consist primary of operating a restaurant concept. For the year ended December 31, 2016, NGWD, based on unaudited financial information provided by management, had total assets of approximately $1,246,000, liabilities of approximately $1,384,000, and revenue totaling approximately $114,000.

The Company's maximum exposure to loss as of December 31, 2016 with respect to its relationship with NGWD, is approximately $69,000, the amount of the advance provided.

Balance Sheet
December 31, 2015

NGW, LLC

Independent Auditor's Report.. 1

Financial Statement

Balance Sheet... 2
Notes to Financial Statement 3

EideBailly
CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Directors
NGW, LLC
Chandler, Arizona

Report on the Financial Statement
We have audited the accompanying balance sheet of NGW, LLC (the Company) as of December 31, 2015, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement
Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the balance sheet referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Phoenix, Arizona
April 19, 2016

Assets	
Current Assets	
Cash	$ 2,000
	$ 2,000
Members' Equity	$ 2,000
	$ 2,000

See Notes to Financial Statement

Note 1 - Principal Business Activity and Significant Accounting Policies

Principal Business Activity

NGW, LLC (the Company) is an entity established for the franchising of Native Grill and Wings locations across the United States. The Company was organized in Kansas on May 26, 2015, and capitalized on September 21, 2015. Pursuant to the NGW, LLC Operating Agreement, the Company has no limit on existence.

During January 2016, the Company was assigned the rights to grant additional franchises from Native New Yorker Franchising, LLC.

Profits or losses from operations, including gains and losses from the sale, exchange, or other disposition of Company property, are allocated between the members in accordance with their percentage interests.

Income Taxes

The 2015 tax year will be the first year that tax returns for the Company will be filed. As such, the Company will be subject to Federal tax examinations by tax authorities and state examinations since the Company's inception.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2015, the unrecognized tax benefit accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

As a limited liability company, the Company's taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision for income taxes has been included in the financial statements.

Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Subsequent to December 31, 2015, one franchise agreement was executed and one franchise was renewed.

A capital contribution of $353 was made by the minority members of the Company in accordance with the operating agreement subsequent to December 31, 2015.

EXHIBIT "I"

TO DISCLOSURE DOCUMENT

<u>FRANCHISEE QUESTIONNAIRE</u>

[See Attached]

NGW, LLC

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know NGW, LLC ("we" or "us'), and you are preparing to enter into a Franchise Agreement and/or Area Development Agreement (in either case, the "Franchise Agreement") for the operation of a Native Grill and Wings restaurant franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented In this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

Yes__ No__ l. Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to them?

Yes__ No__ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Yes__ No__ 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes__ No__ 4. Do you understand all the information contained in the Disclosure Document and Franchise Agreement?

Yes__ No__ 4. Did you receive the FDD at least 14 days before you signed any agreement or paid any fee to us or any affiliate of ours?

Yes__ No__ 5. Did you receive a complete execution copy of the Franchise Agreement, with all material terms filled in, at least seven (7) days before you signed it?

Yes__ No__ 6. Have you reviewed the Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor?

Yes__ No__ 7. Have you discussed the benefits and risks of developing and operating a Native Grill and Wings franchise with an existing Native Grill and Wings franchisee?

Yes__ No__ 8. Do you understand the risks of developing and operating a Native Grill and Wings franchise?

Yes__ No__ 9. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

Yes__ No__ 10. Do you understand the territorial rights granted by us for your Native Grill and Wings?

Yes__ No__ 11. Do you understand the radius restrictions concerning where another franchised or company Native Grill and Wings restaurant may open?

Yes__ No__ 12. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated or litigated in Arizona, if not resolved informally or by mediation?

Yes__ No__ 13. Do you understand that you and your managers must satisfactorily complete the initial training course before we will allow the restaurant to open or consent to a transfer?

Yes__ No__ 14. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Native Grill and Wings franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes__ No__ 15. Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes__ No__ 16. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Native Grill and Wings franchise will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes__ No__ 17. Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning the franchise for your Native Grill and Wings restaurant(s), meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?

Yes__ No__ 18. Did you receive our Franchise Disclosure Document at least 14 days before signing any agreement relating to the franchise or paying any money to us or an affiliate?

Yes__ No__ 19. Did you receive a complete execution copy of the Franchise Agreement at least 7 days before you signed it?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

______________________________	______________________________
Signature of Franchise Applicant	Signature of Franchise Applicant
______________________________	______________________________
Name (please print)	Name (please print)
Dated ______________________	Dated ______________________
______________________________	______________________________
Signature of Franchise Applicant	Signature of Franchise Applicant
______________________________	______________________________
Name (please print)	Name (please print)
Dated ______________________	Dated ______________________

<u>EXPLANATION OF ANY NEGATIVE RESPONSES [REFER TO QUESTION NUMBER]:</u>

EXHIBIT “J”

TO DISCLOSURE DOCUMENT

<u>STATE ADDENDUM</u>

[See Attached]

California State Addendum to Franchise Agreement, Area Development Agreement and Franchise Disclosure Document

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise to be delivered together with the disclosure document.

2. Neither the franchisor nor any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, California law will control.

4. The franchise agreement and area development agreement provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

5. The franchise agreement and area development agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

6. The franchise agreement and area development agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

7. The franchise agreement and area development agreement requires binding arbitration. The arbitration will occur at Maricopa County, Arizona with the costs being borne by the losing party.

8. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

9. The franchise agreement and area development agreement require application of the laws of Arizona. This provision may not be enforceable under California law.

10. 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.

11. 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).

12. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at http://www.dbo.ca.gov.

13. You are not required to pay us any fees until we have completed all of our material pre-opening responsibilities to you and you commence operating the franchised business.

[Signature Page Follows]

FRANCHISOR

NGW, LLC, a Kansas limited liability company

By:______________________________
Name:____________________________
Title:____________________________

____
[Date]

FRANCHISEE

____
[Signature]

____
[Print Name]

____
[Date]

EXHIBIT "K"

TO DISCLOSURE DOCUMENT

FRANCHISEE ORGANIZATIONS

A. Franchisee Organizations We Have Created, Sponsored Or Endorsed: None

B. Independent Franchisee Associations:

Native Grill & Wings Franchise Co-Op
3320 W. Cheryl Drive, Suite B120
Phoenix, Arizona 85051
Fax – (480) 874-4256
Phone – (602) 309-8110

EXHIBIT "L"

TO DISCLOSURE DOCUMENT

<u>RECEIPT</u>

[See Attached]

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully. If NGW, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If NGW, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in Exhibit "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise are:

Dan Chaon; 6825 West Galveston Street, Suite 5, Chandler, Arizona 85226; 480-247-8610

Brad Williams; 6825 West Galveston Street, Suite 5, Chandler, Arizona 85226; 480-247-8610

Monty Madison; 6825 West Galveston Street, Suite 5, Chandler, Arizona 85226; 480-247-8610

____ (name)________________; (address)____________________________________;(phone)____________

NGW, LLC's agent to receive service of process is listed in Exhibit "B" to this Disclosure Document.

Issuance Date: April 19, 2018

I have received the Native Grill and Wings Franchise Disclosure Document for the State of California that included the following Exhibits:

Exhibit "A"	State Agencies and Administrators
Exhibit "B"	Agent for Service of Process
Exhibit "C"	Franchise Agreement
Exhibit "D"	Area Development Agreement
Exhibit "E"	General Release
Exhibit "F"	Table of Contents to Manuals
Exhibit "G"	Franchisee List
Exhibit "H"	Financial Statements
Exhibit "I"	Franchisee Questionnaire
Exhibit "J"	State Addendum
Exhibit "K"	Franchisee Organizations
Exhibit "L"	Receipt

	Print Name
Date	(Signature) Prospective Franchise Owner
	Print Name
Date	(Signature) Witness

(This receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to NGW, LLC)

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully. If NGW, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If NGW, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in Exhibit "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise are:

Dan Chaon; 6825 West Galveston Street, Suite 5, Chandler, Arizona 85226; 480-247-8610

Brad Williams; 6825 West Galveston Street, Suite 5, Chandler, Arizona 85226; 480-247-8610

Monty Madison; 6825 West Galveston Street, Suite 5, Chandler, Arizona 85226; 480-247-8610

____ (name)________________; (address)____________________________________;(phone)____________

NGW, LLC's agent to receive service of process is listed in Exhibit "B" to this Disclosure Document.

Issuance Date: April 19, 2018

I have received the Native Grill and Wings Franchise Disclosure Document for the State of California that included the following Exhibits:

Exhibit "A"	State Agencies and Administrators
Exhibit "B"	Agent for Service of Process
Exhibit "C"	Franchise Agreement
Exhibit "D"	Area Development Agreement
Exhibit "E"	General Release
Exhibit "F"	Table of Contents to Manuals
Exhibit "G"	Franchisee List
Exhibit "H"	Financial Statements
Exhibit "I"	Franchisee Questionnaire
Exhibit "J"	State Addendum
Exhibit "K"	Franchisee Organizations
Exhibit "L"	Receipt

	Print Name
Date	(Signature) Prospective Franchise Owner
	Print Name
Date	(Signature) Witness

(This receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to NGW, LLC)