FRANCHISE DISCLOSURE DOCUMENT

Native Grill and Wings Franchising, LLC
a Delaware limited liability company
9720 Wilshire Blvd., Suite 500
Beverly Hills, California 90212
Phone: (310) 319-1850
E-Mail: fatfranchises@fatbrands.com
Website: www.nativegrillandwings.com

Native Grill and Wings Franchising, LLC offers franchises for the operation of a causal dining restaurant emphasizing a variety of quality food and spirits in a relaxed, sports-themed, family-friendly surrounding.

The total investment necessary to begin operating a Native Grill and Wings restaurant ranges from $1,017,000 to $2,905,000. This includes $50,000 that must be paid to us.

Area developers must commit to open a minimum of 3 restaurants. If you purchase area development rights to open 3 to 5 restaurants, the total investment necessary to begin operation of a Native Grill and Wings franchise ranges from $1,167,000 to $3,105,000. This includes $200,000 to $250,000 that must be paid to Native Grill and Wings Franchising, 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 9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212 or by phone at (310) 319-1850.

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 30, 2024 (amended November 8, 2024)

How to Use this Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or EXHIBIT "G".
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or EXHIBIT "H" includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Native Grill and Wings business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Native Grill and Wings franchisee?	Item 20 or EXHIBIT "G" lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in EXHIBIT "A".

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement and area development agreement require you to resolve disputes with the franchisor by mediation and/or litigation only 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 the franchisor in Arizona than in your own state.

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

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any document relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

  (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

  (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

  (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

  (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

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ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "we", "us" and the "Company" mean Native Grill and Wings Franchising, 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.

For purposes of this Disclosure Document, a "Restaurant" refers to a Native Grill and Wings restaurant, including any Restaurant operated by us, our affiliate, you or another franchisee.

Corporate Information

Native Grill and Wings Franchising, LLC is a Delaware limited liability company that was originally incorporated under the laws of Arizona on September of 2015 and redomesticated under the laws of Delaware on December 15, 2021. Our principal business address is 9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212 and our telephone number is (310) 319-1850. Our agents for service of process are disclosed in EXHIBIT "A" (for franchise registration states) and EXHIBIT "B" (for all other states). We do not do business under any names other than "Native Grill and Wings Franchising, LLC".

Business History

We began offering Restaurant franchises in April 2020. We have never offered franchises in any other line of business. Our company was originally formed in September 2015 for purposes of assuming the Native Grill and Wings franchise agreements originally entered into by our predecessor, Native New Yorker Franchising, LLC. However, we did not begin to offer or sell franchises until April 2020. We are not engaged in any business other than offering Restaurant franchises and administering the franchise system. We have never directly owned or operated a Restaurant.

Parents, Affiliates and Predecessors

Our predecessor is NGW, LLC ("NGW"), which offered Restaurant franchises from September 2015 until April 2020. NGW never directly owned or operated a Restaurant or offered franchises in any other line of business. NGW's principal business address is 6825 West Galveston Street, Suite 5, Chandler, Arizona 85226.

Our parent company is FAT Brands, Inc. ("FAT"), which shares our principal place of business.

We do not have any affiliates that provide goods or services to our franchisees. We do not have any affiliates that offer franchises for Native Grill and Wings restaurants. The following table lists our affiliates that offer franchises in other lines of business. None of these affiliates have ever operated a Native Grill and Wings restaurant.

AFFILIATE FRANCHISING COMPANIES				
Franchised Business	**Name of Affiliate Franchisor**	**Principal Place of Business**	**Period of Time Franchises Offered**	**Number of Open Franchised Outlets (as of 12/31/2023)**
Bonanza Steakhouse [1]	Bonanza Restaurant Company	9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212	1994 to present	7
Buffalo's Café [2]	Buffalo's Franchise Concepts, Inc.	9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212	1989 to present	100 (13 stand-alone locations; 87 co-branded with "Fatburger")
Elevation Burger [3]	EB Franchises, LLC	9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212	2008 to present	35

AFFILIATE FRANCHISING COMPANIES				
Franchised Business	**Name of Affiliate Franchisor**	**Principal Place of Business**	**Period of Time Franchises Offered**	**Number of Open Franchised Outlets (as of 12/31/2023)**
Fatburger [4]	Fatburger North America, Inc.	9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212	1990 to present	191 (104 stand-alone locations; 87 co-branded with "Buffalo's Café")
Great American Cookies [5]	GAC Franchising, LLC	9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212	1977 to present	418
Hot Dog On a Stick [6]	HDOS Franchising, LLC	9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212	1997 to present	20
Hurricane [7]	Hurricane AMT, LLC	9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212	2008 to present	39 (Hurricane Grill & Wings)
				1 (Hurricane BTW Burgers + Tacos + Wings)
Johnny Rockets [8]	Johnny Rockets Licensing, LLC	9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212	1989 to present	256
Marble Slab Creamery [9]	Marble Slab Franchising, LLC	9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212	1986 to present	384
Fazoli's [10]	Fazoli's Franchising Systems, LLC	2470 Palumbo Drive Lexington, KY 40509	2006 to present	206
Ponderosa Steakhouse [11]	Ponderosa Franchising Company	9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212	1994 to present	29
Pretzelmaker [12]	PM Franchising, LLC	9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212	1992 to present	207
Round Table Pizza [13]	The Round Table Franchise Corporation	9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212	1979 to present	402
Twin Peaks [14]	Twin Peaks Franchise, LLC	5151 Beltline Rd., #1200 Dallas, TX 75254	2007 to present	76
Yalla Mediterranean [15]	Yalla Mediterranean Franchising Company, LLC	9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212	2019 to present	0

1. Bonanza Steakhouse is a full-service steakhouse that operates under the names "Bonanza Steakhouse" and "Bonanza Steak & BBQ" and primarily offers fresh farm-to-table salad bars and serves a menu showcase of USDA flame-grilled steaks and house-smoked barbeque.

2. Buffalo's Café is a café that operates under the name "Buffalo's Café" and offers chicken wings and distinctive homemade wing sauces, burgers, wraps, steaks, salads and other classic American cuisine.

3. Elevation Burger is a fast casual restaurant that operates under the name "Elevation Burger" and features organic hamburgers.

4. Fatburger is a restaurant that operates under the name "Fatburger" and primarily serves burgers, shakes and fries.

5. Great American Cookies is a specialty store that operates under the name "Great American Cookies" and offers cookies, brownies, cupcakes and related food items and beverages.

6. Hot Dog On a Stick is a specialty store that operates under the name "Hot Dog On A Stick" and offers award-winning lemonade, hot-dog-on-a-stick and cheese-on-a-stick products, French fries and other food items and beverages.

7. Hurricane is a restaurant that operates under the name "Hurricane Grill & Wings", "Hurricane Sports Grill", "Hurricane Dockside Grill" or "Hurricane BTW Burgers + Tacos + Wings" and offers jumbo, fresh wings paired with over 35 signature sauces, rubs and glazes and flavorful fan favorites including fries, tacos and burgers.

8. Johnny Rockets is a restaurant that operates under the name "Johnny Rockets" and offers a menu of lunch and dinner products featuring made-to-order hamburgers, crispy fries, chili, hand-spun shakes and malts, classic sandwiches and other menu items.

9. Marble Slab Creamery is a specialty store that operates under the name "Marble Slab" or "Marble Slab Creamery" and offers ice cream that customers can order in combination with nuts, fruit and other "mix-ins" that are blended into ice cream on a chilled marble or granite slab.

10. Fazoli's is a premium fast-casual Italian food restaurant that operates under the name "Fazoli's" and combines the convenience and price of fast food with the food quality and dining atmosphere associated with casual dining.

11. Ponderosa Steakhouse is a restaurant that operates under the name "Ponderosa Steakhouse" and primarily offers a buffet serving a broad array of steak, chicken and seafood entrees.

12. Pretzelmaker is a specialty store that operates under the name "Pretzelmaker" and offers soft pretzels, pretzel toppings, beverages and other food products.

13. Round Table is a restaurant that operates under the names "Round Table" and "Round Table Pizza" and offers pizza and related food items and beverages.

14. Twin Peaks is a restaurant that operates under the name "Twin Peaks" and features a full bar and offers American-style menu items and alcoholic and non-alcoholic beverages. A Twin Peaks restaurant also may offer a virtual, delivery-only concept under the name "Good as Cluck".

15. Yalla Mediterranean is a restaurant that operates under the names "Yalla" and "Yalla Mediterranean" and offers a menu of freshly prepared California-inspired Greek and Mediterranean appetizers, sandwiches, wraps, salads, platters, side dishes and beverages.

Description of Franchised Business

The franchised business offered under this Disclosure Document is a casual dining restaurant with full-service bar that offers a variety of quality food and spirits in a relaxed, sports-themed, family-friendly surrounding. Our featured menu item is fried chicken wings served with several different sauces. Our Restaurants also serve high quality, reasonably-priced hamburgers and other hot and cold sandwiches, a variety of pastas, pizza, chicken, appetizers, soups, salads, desserts and other items. Our Restaurants offer dine-in and take-out service and may, with our prior written permission, offer catering and delivery service.

Each Restaurant is licensed the right to use: (a) certain logos, service marks, trademarks and trade dress used to identify a Restaurant, or the products sold at a Restaurant, including "Native Grill and Wings®" and the associated

logos (collectively, the "Marks"); (b) a distinctive business format and method of operation (the "System"); and (c) the confidential information contained within our specifications and operations manual (the "Manual") pertaining to the operational aspects of a Restaurant.

If we award you a franchise, you will sign the form of Franchise Agreement attached to this Disclosure Document as EXHIBIT "C" (the "Franchise Agreement"). The franchised business you acquire is referred to in this Disclosure Document as your "Restaurant" or your "Business". You will develop and operate your Restaurant as an independent business using the Marks, the System, the Manual, and the support, guidance and other methods and materials we provide.

Area Development Rights

If you satisfy our criteria for multi-unit developers, we may (but need not) offer you the right to enter into an Area Development Agreement in the form attached to this Disclosure Document as EXHIBIT "D" (the "ADA"). The ADA grants you the right and obligation to develop, open and operate multiple Restaurants within a defined "development territory" according to a predetermined "development schedule". You must develop, open and operate all of the Restaurants identified in the development schedule. We only grant area development rights to franchisees who commit to develop, open and operate a minimum of 3 Restaurants. You sign a separate franchise agreement for each Restaurant you develop under the ADA. Each franchise agreement will be our then-current form of franchise agreement, which may differ from the current Franchise Agreement attached to this Disclosure Document.

Market and Competition

Our market includes members of the general public. The restaurant industry is highly competitive and well developed. Sales may be seasonal in certain parts of the country, with stronger sales occurring in warmer months and favorable weather conditions.

As a franchisee, you will compete with other restaurants, particularly those featuring chicken wings and emphasizing a sports-themed atmosphere. Some of our competitors are independently owned and operated restaurants while others are regional or national chains. Some of our competitors operate under a franchise model.

Laws and Regulations

You must comply with all local, state and federal laws that apply to the restaurant industry.

The United States Department of Agriculture and the Food and Drug Administration regulate the manufacture, labeling and distribution of food products. There may also be local ordinances and regulations governing food storage, preparation and serving. The Food and Drug Administration also regulates menu labeling for retail food establishments that are part of a chain of 20 or more locations operating under the same name, regardless of ownership. Many states have enacted similar state laws governing menu labeling and disclosure of nutritional content. Some state and federal laws impose general requirements or restrictions on advertising containing false or misleading claims or health and nutrient claims on menus, such as "low calorie" or "fat free".

You must comply with federal, state and local health and sanitation laws and licensure requirements applicable to food establishments, including laws that require food handlers to have certain inoculations and/or food service permits. Health laws are intended, in part, to reduce food borne illnesses and may cover issues such as:

- requiring employees to take a test and obtain a license as a food service worker
- having accessible sinks and bathrooms for certain size establishments
- inspections for cleanliness and sanitation standards, including equipment cleaning, food storage and packaging, ingredients utilized, refrigeration requirements, etc.

You must also obtain a liquor license and comply with all state and local laws regulating businesses that serve alcoholic beverages.

There may be other local, state and/or federal laws or regulations that apply to your Restaurant. We strongly

suggest that you investigate these laws before buying this franchise.

ITEM 2 BUSINESS EXPERIENCE

* Unless otherwise noted, all positions listed below are in Beverly Hills, California.

President and Chief Operating Officer – Gregg Nettleton

Mr. Nettleton has served as our President & Chief Operating Officer since December 2021. He has also served as President and Chief Operating Officer of: (a) Hurricane AMT, LLC (July 2018 to present); (b) Ponderosa Franchising Company (October 2017 to present); (c) Bonanza Restaurant Company (October 2017 to present); and (d) Buffalo's Franchise Concepts, Inc. (2016 to present). From 1989 to present, Mr. Nettleton has also served as the President and Chief Executive Officer of GBS Enterprises of Atlanta, a management consulting company in Alpharetta, Georgia.

Chief Executive Officer of Native Grill and Wings and Chief Development Officer of FAT – Taylor Wiederhorn

Taylor Wiederhorn has served as our Chief Executive Officer since May 2023. Mr. Wiederhorn has also served as FAT's Chief Development Officer since October 2017. Mr. Wiederhorn has also held the following positions with Fatburger North America, Inc.: (a) Chief Executive Officer (May 2023 to present); and (b) Vice President Franchise Marketing and Development (September 2011 to October 2017).

Manager of Purchasing – Jackie Feldman

Ms. Feldman has served as our Manager of Purchasing since December 2021. She has also served as Manager of Purchasing for Buffalo's Franchise Concepts, Inc. from September 2019 to present. She has also served as the Manager of Purchasing for the domestic locations of the following brands: (a) Ponderosa (April 2020 to present); (b) Bonanza (April 2020 to present); and (c) Hurricane Grill & Wings (June 2015 to present).

Treasurer and Chief Financial Officer of Native Grill and Wings – Kenneth J. Kuick

Mr. Kuick has served as our Treasurer and Chief Financial Officer since May 2023. Mr. Kuick has served as FAT's Co-Chief Executive Officer since May 2023 and Chief Financial Officer since May 2021. Since May 2021 he has also served as Chief Financial Officer of Fatburger North America, Inc. From November 2018 to August 2020, he served as Chief Financial Officer of Noodles & Company, a national fast-casual restaurant concept in Broomfield, Colorado. From October 2017 to August 2018, Mr. Kuick served as Chief Accounting Officer of VICI Properties Inc., a real estate investment trust specializing in casino properties in Las Vegas, Nevada.

Co-Chief Executive Officer and Head of Debt Capital Markets of FAT – Robert Rosen

Mr. Rosen has served as FAT's Co-Chief Executive Officer and Head of Debt Capital Markets since May 2023. He served as FAT's Executive Vice President of Capital Markets from March 2021 to May 2023. From 2004 to March 2021, he served as the Managing Member of Kodiak Financial Group LLC in Katonah, New York.

Secretary of Native Grill and Wings and General Counsel of FAT – Allen Z. Sussman

Mr. Sussman has served as our Secretary since May 2023. Mr. Sussman has served as FAT's General Counsel since March 2021. From 2012 to March 2021, Mr. Sussman was a partner at the law firm of Loeb & Loeb LLP in Los Angeles, California, specializing in corporate and securities law, and served as primary outside corporate and securities counsel to FAT Brands.

Vice President and Senior Franchise Counsel of Native Grill and Wings and Deputy General Counsel and Senior Franchise Counsel of FAT – Warren Christiansen

Mr. Christiansen has served as our Vice President and Senior Franchise Counsel since May 2023. Mr. Christiansen has served as FAT's Deputy General Counsel and Senior Franchise Counsel since May 2023. From October 2017 to May 2023, Mr. Christiansen served as FAT's Legal Counsel and Franchise Development

Executive. From November 2008 to October 2017, Mr. Christiansen served as Vice President, Domestic Franchise Sales for Fatburger North America, Inc.

Director of Franchise Development of Native Grill and Wings and Vice President of Franchise Sales of FAT – Dan D. Moran, CFE

Mr. Moran has served as our Director of Franchise Development since May 2023. Mr. Moran became FAT's Vice President of Franchise Sales in May of 2024. Prior to that, Mr. Moran served as FAT's Director of Franchise Sales from October 2017 to May 2024. Prior to that, Mr. Moran served as FBNA's Vice President of Franchise Development from October 2009 until October 2017.

Director of Franchise Sales of Native Grill and Wings and Vice President of Franchise Sales of FAT – Kim Rogers

Ms. Rogers has served as our Director of Franchise Sales since May 2023. Ms. Rogers became FAT's Vice President of Franchise Sales in May of 2024. Prior to that Ms. Rogers served as FAT's Director of Franchise Sales, QSR Division from July 2021 to April 2024. Prior to that time, from May 2021 until July 2021, she was Director of Franchise Sales and, from September 2017 to May 2021, Senior Franchise Sales Manager, for Global Franchise Group, located in Atlanta, Georgia. Previously, from March 2016 to September 2017, Ms. Rogers was Senior Franchise Sales Manager for Round Table Franchise Corporation, then located.in Concord, California.

Vice President of Construction of FAT – Bentley C. Hetrick

Mr. Hetrick has served as FAT's Vice President of Construction since December 2022. From April 2019 to December 2022, Mr. Hetrick served as FAT's Director of Construction. From August 2015 to August 2018, he was Vice President/General Manager with Preferred Commercial Services, a kitchen installation company in Chatsworth, California.

Director of Construction and Purchasing of FAT – James Newell

Mr. Newell has held the following positions with FAT: (a) Director of Construction and Purchasing (May 2018 to present); (b) Director of Operations (February 2018 to May 2018); (c) Vice President of Brand Services (February 2015 to February 2018); and (d) Vice President of Operations (January 2010 to February 2015).

Chief Operating Officer of FAT – Thayer Wiederhorn

Mr. Wiederhorn has served as FAT's Chief Operating Officer since November 2021. From October 2017 to November 2021, Mr. Wiederhorn served as FAT's Chief Marketing Officer. From April 2012 to October 2017, Mr. Wiederhorn was Vice President of Marketing for Fatburger North America, Inc.

Chief Concept Officer of FAT and President of Yalla – Donald J. Berchtold

Mr. Berchtold has served as FAT's Chief Concept Officer since March 2017. From December 2018 to present, Mr. Berchtold has also served as President of Yalla Mediterranean Franchising Company, LLC. Mr. Berchtold has also held the following positions with Fatburger North America, Inc.: (a) President (September 2006 to February 2018); and (b) Chief Operating Officer (May 2006 to February 2018).

SVP Franchise Strategy & Compliance of FAT – Mark Whittle

Mr. Whittle became FAT's SVP of Franchise Strategy & Compliance of FAT in April of 2024. Prior to that, from November 2021 until April of 2024 he was the interim President, Executive Vice President of Franchise and Development at Amergent Hospitality Group, a restaurant company in Charlotte, North Carolina. Prior to that from June 2013 to October 2021, Mr. Whittle was the Chief Global Development Officer for HOA Brands (Hooters and Hoots Wings), a restaurant company based in Atlanta, Georgia.

Non-Traditional Business Development – Jessica Wiederhorn

Ms. Wiederhorn has served as FAT's Non-Traditional Business Developer since June 2022. She previously served in this same role from December 2019 to February 2021. From June 2008 to November 2019, Ms. Wiederhorn served as Finance Large Market Business Developer in Los Angeles, CA.

Senior Vice President, Non-Traditional Development- Ammy Harrison

Ms. Harrison has been Senior Vice President, Non-Traditional Development for us and for FAT since May 2024. From January 2021 to May 2024, she was the Vice President, Development and Strategy for Penn Station, Inc., a quick service restaurant franchisor in Cincinnati, Ohio. Prior to that from January 2011 to December 2020, she was the Director of New Business Development, Non-Traditional for Papa John's International, Inc., a quick service restaurant franchisor in Louisville, Kentucky.

ITEM 3 LITIGATION

Pending Litigation

Mitchell Kates v. FAT Brands, Inc., Andrew Wiederhorn, Kenneth J. Kuick and Robert G. Rosen (United States District Court for the Central District of California, Case No. 2:24-cv-04775-MWF-MAA). On June 7, 2024, plaintiff Mitchell Kates, a putative investor in FAT, filed a putative class action lawsuit against FAT, Andrew Wiederhorn, Kenneth J. Kuick and Robert G. Rosen, asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "1934 Act"), alleging that the defendants are responsible for false and misleading statements and omitted material facts in FAT's reports filed with the SEC under the 1934 Act related to the subject matter of the government investigations and litigation discussed above, FAT's handling of these matters and cooperation with the government. The plaintiff alleges that FAT's public statements wrongfully inflated the trading price of FAT's common stock, preferred stock and warrants. The plaintiff is seeking to certify the complaint as a class action and is seeking compensatory damages in an amount to be determined at trial.

Concluded Litigation

Robert J. Matthews, et al., v. FAT Brands, Inc., Andrew Wiederhorn, Ron Roe, Rebecca Hershinger and Ken Kuick (United States District Court for the Central District of California, Case No. 2:22-cv-01820). On March 18, 2022, plaintiff Robert J. Matthews, a putative investor in the Company, filed a putative class action lawsuit against the Company, Andrew Wiederhorn, Ron Roe, Rebecca Hershinger and Ken Kuick, asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "1934 Act"), alleging that the defendants were responsible for false and misleading statements and omitted material facts in the Company's reports filed with the SEC under the 1934 Act related to a story published by the Los Angeles Times on February 19, 2022 regarding the company and its management. The plaintiff alleged that the Company's public statements wrongfully inflated the trading price of the Company's securities. The plaintiff sought to certify the complaint as a class action and compensatory damages in an amount to be determined at trial. On April 25, 2022, Kerry Chipman, another putative investor in the Company, filed a second putative class action lawsuit against the Company, Andrew Wiederhorn, Ron Roe, Rebecca Hershinger and Ken Kuick in the United States District Court for the Central Division of California, asserting substantially the same claims as those made by Matthews in the above-referenced lawsuit. On May 2, 2022, the Court entered an order consolidating the actions filed by Matthews and Chipman under the caption In re FAT Brands Inc. Securities Litigation. In August 2022, after mediation the parties agreed to settle the litigation. Pursuant to the settlement, FAT agreed to pay on behalf of the defendants $2,500,000 in cash and $500,000 in Class A common stock of FAT to the class plaintiffs, the plaintiffs released all claims against the defendants, and the case was dismissed with prejudice in February 2023.

Commonwealth of Virginia ex rel. State Corporation Commission v. Fatburger North America, Inc. (Case No. SEC-2022-00034, Settlement Order entered Jul. 12, 2023, Final Order entered Oct. 23, 2023). This matter

involves allegations by the Virginia State Corporation Commission's Division of Securities and Retail Franchising that our affiliate, FBNA, offered and sold 3 Virginia franchises at a time when it was not effectively registered in Virginia between December 2020 through August 2021. FBNA reached a settlement in principle in May 2023, without admitting or denying the allegations, and agreed: (a) to offer the affected franchisees an opportunity to rescind their franchises; (b) to pay $27,000 to the Commonwealth of Virginia; and (3) not to violate the Virginia franchise law in the future. On July 12, 2023, the Virginia State Corporation Commission entered a settlement order with FNBA. On October 23, 2023, the Virginia State Corporation Commission entered into a final order with FNBA, affirming FNBA had fulfilled the requirements of the settlement order and dismissing the case.

Except for the actions above there is no litigation that must be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Initial Franchise Fee

You pay us a $50,000 initial franchise fee when you sign the Franchise Agreement. We may terminate the Franchise Agreement and refund $5,000 of the initial franchise fee if either your Managing Owner or General Manager fails to successfully complete initial training to our satisfaction. You must sign a General Release of Claims in order to receive the refund. Our current form of General Release is attached to this Disclosure Document as EXHIBIT "E"-1. The initial franchise fee is not refundable under any other circumstances. The initial franchise fee is uniformly imposed except: (a) in 2023 we allowed a franchisee to delay payment of the initial franchise fee until 2024; and (b) for the incentives described below with respect to the 2024 FAT Brands Franchisee Summit.

We may offer special incentives to existing FAT Brands franchisees who attend the 2024 FAT Brands Franchisee Summit ("Summit Attendees"). As of the issuance date of this Disclosure Document, we have not yet determined what incentives, if any, will be offered.

Development Fee

If you sign an ADA, you pay us a $50,000 initial franchise fee for each Restaurant you commit to develop. When you sign the ADA, you pay us the full $50,000 initial franchise fee for your first restaurant plus a nonrefundable development fee equal to $50,000 per Restaurant for each additional Restaurant you commit to develop. For example, if you purchase the right to develop 5 Restaurants, you pay us the full $50,000 initial franchise for your first Restaurant plus a development fee equal to $200,000 ($50,000 X 4) for the right to develop the 4 additional Restaurants under the ADA. We anticipate most area developers will purchase the right to develop between 3 and 5 Restaurants, which results in development fees ranging from $150,000 to $200,000. Development fees are uniformly imposed.

ITEM 6 OTHER FEES

TYPE OF FEE [1]	AMOUNT [2]	DUE DATE	REMARKS
Royalty Fee	6% of Gross Sales	Day of week we specify (currently Wednesday) for Gross Sales generated during prior reporting period	Our current reporting period runs from Monday through Sunday. We may change the reporting period and royalty fee due date at any time upon at least 30 days' prior notice. You must provide us with weekly reports of your Gross Sales.

TYPE OF FEE [1]	AMOUNT [2]	DUE DATE	REMARKS
Brand Fund Fee	Up to 2% of Gross Sales (currently 1% of Gross Sales)	Same as royalty fee	You must contribute this amount to the Brand Fund we administer. You have no voting rights pertaining to the administration of the Brand fund, the creation or placement of advertising, or the amount of the Brand Fund Fee. We may increase the Brand Fund Fee up to 2% of Gross Sales on 30 days' prior notice.
Local Advertising Commitment	1% of Gross Sales	Monthly, as incurred	This is the minimum amount you must spend on advertising and marketing in your local market to promote your Restaurant. This expenditure is in addition to your Brand Fund Fee.
Training Fee	$300 per person per day	10 days after invoice	Payable for each person who: (a) attends the Executive Training Program or MIT Training Program after you open, such as a new Managing Owner, General Manager or Manager; or (b) retakes the Executive Training Program or MIT Training Program after failing a prior attempt.
Onsite Training Fee	Currently ranges from $250 to $350 per certified trainer per day (plus reimbursement of costs)	10 days after invoice	Payable if we send certified trainers to your Restaurant for onsite training. You must also reimburse each trainer for all costs incurred for meals, travel and lodging. We may require that you pay the fee and expense reimbursements directly to the trainer or to us. We provide 7 to 14 days of onsite training immediately prior to and after your opening date. We may provide onsite training at other times we deem appropriate.
Technology Fee	Varies (not currently imposed; estimated to range from $750 to $1,500 per month)	10 days after invoice	This fee includes all amounts you pay us and our affiliates relating to the Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to third-party suppliers. It may also include a reasonable administrative fee for managing the technology platform and negotiating / managing relationships with third-party licensors. It does not include any amounts you pay directly to third-party suppliers.

TYPE OF FEE [1]	AMOUNT [2]	DUE DATE	REMARKS
Brand Technology System Support Services	Currently $840 to $1,500 per year for mandatory services (plus up to $3,250 per year for optional services)	Annual invoices less than $500 paid in quarterly payments 30 days prior to beginning of quarter Annual invoices more than $500 are due 15 days after invoice	We may require you to sign a maintenance and/or support agreement with us, or one of our approved suppliers or vendors, for technology-related maintenance and support. Currently, our help desk staff collects and processes your data and provides telephonic brand technology system support services under the Brand Technology System Support Services Agreement attached to this Disclosure Document as EXHIBIT "E-4". Mandatory service includes Help Desk Support. Optional services include: (a) Premise Security Package; (b) PCI Compliance Management; (c) Additional WAPS; (d) Additional Phone/ Seat; (e) Additional Cameras; and (f) Secured BOH Desktop/Laptop with maintenance & monitoring.
Loyalty or Gift Card Program Fees	Varies (not currently charged)	10 days after invoice or as we otherwise specify	You must participate in any customer loyalty and/or gift card program we establish and pay all associated program contributions and fees we reasonably require in order to implement and administer these programs. These amounts are paid to us or a third party we designate.
Product Purchases	Varies depending on item purchased	10 days after invoice	We may, but need not, be a supplier for certain items purchased by franchisees, such as inventory, marketing material, equipment and operating supplies. If we supply any of these items, we will provide you with a price list upon request.
New Product or Supplier Testing	Cost of testing (estimated to range from $200 to $400 per test)	10 days after invoice	Covers the costs of testing new products or inspecting new suppliers you propose.
Relocation Fee	$10,000	At time we approve relocation request	Paid if you request the right to relocate your Restaurant and we grant our approval. We reserve the right to waive this fee.
Renewal Fee	$5,000	At time you sign renewal agreement	None
Transfer Fee	50% of the then-current initial franchise fee applicable to purchase of a first Restaurant	At time of transfer	Payable when you transfer or sell your franchise. No charge if franchise transferred to an entity you control or for certain transfers of ownership interests between existing owners. If the buyer is found by a broker we engage, you must also reimburse us for all commissions we pay to the broker.
Reimbursement of Insurance Costs	Amount of expenses we incur (including premiums)	10 days after invoice	If you fail to maintain the insurance we require, and we elect to do so on your behalf, you must reimburse us.
Reimbursement of Quality Assurance Program Costs	Cost paid to company we hire	As incurred	We may hire a person or company to inspect your Restaurant. If we do so, you must reimburse us for all amounts we pay to the person or company.

TYPE OF FEE [1]	AMOUNT [2]	DUE DATE	REMARKS
Reimbursement of Reinspection Costs	All costs we incur to travel to and inspect your Restaurant	10 days after invoice	Payable if we inspect your Restaurant to determine if you remedied (a) a health or safety issue identified by a government agency or (b) breach of system standards we bring to your attention.
Audit Fee	$2,500 plus actual cost of audit (including travel and lodging expenses for audit team)	10 days after invoice	Payable only if audit (a) reveals you understated Gross Sales by at least 2% or (b) is necessary because you fail to send us required information or reports in a timely manner.
Late Fee	Greater of $150 or 10% of past due amount plus default interest at lesser of (a) 18% per annum (prorated on daily basis) or (b) highest rate allowed by applicable law	10 days after invoice	You will not be charged a late fee if there are sufficient funds in your account to cover amounts owed on due date and you send us required reports in a timely manner.
Fines	$500 per incident	10 days after invoice	Payable if you fail to comply with a mandatory standard or operating procedure (including timely submission of required reports) and do not cure within the time period we require. We may impose an additional fine for every 48 hours the non-compliance issue remains uncured after we impose the initial fine.
Default Reimbursements	All costs we incur to cure your default	10 days after invoice	If you fail to cure a breach of the Franchise Agreement or our brand standards in the time period we require, we may take steps to cure on your behalf. If we do so, you must reimburse us for our costs (examples include failure to maintain required insurance, failure to pay suppliers and failure to meet quality or safety standards).
Management Fee	Commercially reasonable rate (up to 20% of Gross Sales)	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 until you cure the default or find a replacement Managing Owner, as applicable.
Indemnification	Amount of our damages, losses or expenses	10 days after invoice	You must indemnify and reimburse us for any damages, losses or expenses we incur due to the operation of your Restaurant or your breach of the Franchise Agreement.
Attorneys' Fees and Costs	Amount of attorneys' fees and costs we incur	Upon demand	You must reimburse us for all attorneys' fees and costs we incur relating to your breach of any term of the Franchise Agreement or other agreement with us or our affiliates.
Liquidated Damages	Sum of average weekly royalty and brand fund fees multiplied by lesser of (a) 104 (i.e., 2 years) or (b) number of weeks remaining until term expiration date	30 days after invoice	Paid if we terminate due to your default or you terminate in any manner not permitted under the Franchise Agreement.

Notes:

1. Nature and Manner of Payment: All fees are imposed by and payable to us except: (a) you pay our certified instructors directly for the Onsite Training Fee and related expenses; and (b) you spend the Local Advertising Commitment directly with local suppliers. All fees are nonrefundable and uniformly imposed. You must sign an ACH Authorization Form (attached to the Franchise Agreement as ATTACHMENT "E") permitting us to electronically debit your designated bank account for all amounts owed to us and our affiliates (other than the initial franchise fee). You must deposit all Gross Sales into the bank account and ensure sufficient funds are available for withdrawal before each due date.

2. Definitions: As used in this Disclosure Document, the following capitalized terms have the meanings given to them below:

   "Brand Fund" means the brand and system development fund that we currently administer to promote public recognition of our brand and improve our System.

   "Gross Sales" means all gross sums collected or billed from all goods and services you sell, together with any other amounts you collect from the operation of your Restaurant, including any advertising revenues, rebates or commissions, revenues from catering or delivery service, sponsorship fees or business interruption insurance proceeds. Gross Sales does not include: (a) any sales or use taxes you collect from a customer and remit to a taxing authority; (b) proceeds derived from the sale of gift cards that are transferred to an account we control; or (c) any revenues you collect and later refund to the customer in a bona fide refund transaction (except Gross Sales must include the amount of any refunds you provide in excess of 0.5% of your Gross Sales for the applicable reporting period). The Manual may include policies governing the manner in which proceeds from the sale of gift cards are treated for purposes of calculating Gross Sales. Under current policy, proceeds from the sale of gift cards are not included in Gross Sales but must be immediately remitted to an account we designate and control. The Manual may also provide details on the calculation of Gross Sales relating to qualifying purchases and redemptions made by customers under a customer loyalty program.

   "Technology Systems" means all information and communication technology systems that we require Restaurants to utilize.

ITEM 7 ESTIMATED INITIAL INVESTMENT

Table A: Estimated initial investment for the purchase of a single Restaurant.

YOUR ESTIMATED INITIAL INVESTMENT (SINGLE RESTAURANT)				
TYPE OF EXPENDITURE	AMOUNT [1]	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee	$50,000	Lump Sum	At time you sign franchise agreement	Us
Training Expenses (11 to 13 people)	$30,000 to $45,500	As Incurred	During training	Hotels, Restaurants and Certified Trainers
Pre-opening Payroll [2]	$32,000 to $45,000	As Incurred	Prior to opening	Cooks, managers and other employees
Lease Deposit & 3 Months' Rent [3]	$40,000 to $72,000	Lump Sum	Monthly (security deposit paid before opening)	Landlord
Architect Fees	$18,500 to $35,000	Lump Sum and/or terms	Prior to opening	Architect

YOUR ESTIMATED INITIAL INVESTMENT (SINGLE RESTAURANT)				
TYPE OF EXPENDITURE	**AMOUNT** [1]	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Leasehold Improvements [4]	$350,000 to $1,500,000	Lump Sum or Financed	Prior to opening	Suppliers & contractors
Furnishings, Fixture & Equipment	$230,000 to $675,000	Lump Sum or Financed	Prior to opening	Suppliers & contractors
TV/Audio Video/Security	$135,000 to $155,000	Lump Sum or Financed	Prior to opening	Suppliers
Signage [5]	$10,000 to $100,000	Lump Sum or Financed	Prior to opening	Sign company & landlord (possibly)
Opening Inventory Food & Beverage	$20,000 to $28,000	Lump Sum	Prior to opening	Suppliers
Small Wares	$15,000 to $35,000	Lump Sum	Prior to opening	Suppliers
Utility Deposits [6]	$5,000 to $10,000	Lump Sum	Prior to opening	Utility companies
Liquor License [7]	$5,000 to $10,000	Lump Sum	Prior to opening	State and city departments
Grand Opening Marketing [8]	$7,500	As incurred	As incurred	Suppliers
Professional Fees	$6,000 to $11,000	Lump Sum and/or terms	Prior to opening and ongoing	Accountant, lawyer & real estate broker
Miscellaneous Costs [9]	$10,000 to $20,000	As incurred	As incurred	Suppliers
Insurance (3 months' premium)	$3,000 to $6,000	Terms may be available	Terms may be available	Insurance company
Additional Funds [10] (3 months)	$50,000 to $100,000	As incurred	As incurred	Suppliers & employees
Total Estimated Initial Investment [11]	$1,017,000 to $2,905,000			

Table B – Estimated initial investment for the purchase of area development rights.

YOUR ESTIMATED INITIAL INVESTMENT (AREA DEVELOPMENT - ASSUMES COMMITMENT OF 3 RESTAURANTS OR 5 RESTAURANTS)				
TYPE OF EXPENDITURE [1]	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Development Fee [12]	$150,000 to $200,000	Lump sum	At time you sign ADA	Us
Initial Investment to Open First Restaurant	$1,017,000 to $2,905,000	This is the total estimated initial investment in Table A above.		
Total Estimated Initial Investment	$1,167,000 to $3,105,000			

Notes:

1. We do not offer direct or indirect financing for any of these items. We may terminate the Franchise Agreement and refund $5,000 of the initial franchise fee if your Managing Owner or General Manager fails to successfully complete initial training to our satisfaction and you sign a General Release. No other fees paid to us are refundable. We are unaware of any fees paid to third-party suppliers that are refundable, although your

landlord may refund your security deposit at the end of the lease if you do not damage the property or default.

2. You must hire certain employees before opening so we can train them. This amount is an estimate of the pre-opening payroll costs for your employees who must be trained before your Restaurant opens.

3. This estimate assumes you lease your premises. Rent varies depending on the size of the premises, its location, landlord contributions and the requirements of individual landlords. We anticipate most Restaurants will range in size from 3,800 to 4,200 square feet with rent ranging from $10,000 to $18,000 per month. However, your actual rent may vary significantly above or below this range depending on your area and local market conditions. For example, you may face significantly higher rent in areas such as New York City, San Francisco or Boston. Restaurants located in Captive Venues (defined in Item 12) may be smaller, ranging in size from 1,800 to 3,200 square feet. 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. The total estimated initial investment shown in the chart above includes 1 month's security plus 3 months' rent. The cost to purchase real estate varies so widely that we cannot reasonably estimate the cost.

4. In Arizona (depending on location), buildout and leasehold improvement costs can range from: (a) $92 to $250 per square foot for development of second generation space; (b) 175 to $250 per square foot for development of a gray or vanilla shell facility; or (c) $250 to $357 per square foot for a ground up development. This results in total estimated buildout and leasehold improvement costs ranging from $350,000 (for a 3,800 square foot second generation facility) up to $1,500,000 (for a 4,200 square foot new build facility). The cost of leasehold improvements and build-out vary widely based upon a number of factors, including:

   - the size and condition of the premises
   - whether the leased space is a first or second generation retail location
   - the extent and nature of any existing leasehold improvements
   - the extent and quality of improvements desired by you over and above our minimum requirements
   - whether your landlord provides a tenant improvement allowance ("TI Allowance"), and if so, how much
   - local construction costs and prevailing wage rates in your local market

   The estimated buildout cost listed in the table above assumes you do not receive any TI Allowance. If your landlord provides a TI Allowance, your initial investment may decrease.

5. You must purchase and install the signage we specify. However, you may need to modify our standard signage to conform to local zoning laws, property use restrictions and/or lease terms. In some instances, exterior signage may be prohibited due to applicable zoning or use restrictions.

6. This item estimates the amount of security deposits required by utility companies. The total amount of these deposits typically ranges from $5,000 to $10,000. Some utility companies may allow you to post a bond instead of paying a cash deposit. The annual premium to acquire a bond typically ranges from 5% to 10% of the amount of the bond.

   The amount of security deposits required by equipment lessors varies so widely that we cannot estimate the costs. In our experience, franchisees purchase (and do not lease) most of their equipment. However, some franchisees lease equipment from suppliers, such as 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. The estimate above represents the typical cost to acquire a liquor license based on our experience in Arizona and other states where we have franchised. Some jurisdictions limit the maximum number of liquor licenses that may be issued, which may result in costs significantly higher than the costs shown in the table above.

8. You must spend at least $7,500 on local advertising during the 90-day period beginning 30 days prior to opening. You may choose to spend more. After the grand opening period, you must spend at least 1% of

monthly Gross Sales on local advertising throughout the term of your Franchise Agreement.

9. This includes the cost to obtain required business licenses, permits and similar non-reoccurring expenses.

10. This estimates your expenses during the first 3 months of operation, including payroll costs (excluding any wage or salary paid to you and excluding payroll costs separately listed above for your employees that must complete training prior to opening), advertising expenses, utilities, inventory replenishment, software fees and other miscellaneous expenses and required working capital. These figures are estimates based on the past experience of our franchisees.

11. The lower estimate assumes you lease space previously used as a restaurant and you undertake minor alterations to conform to our brand standards. The high estimate assumes a new-build/built-to-suit premises. We strongly recommend you hire an accountant, business advisor or other professional to assist you in developing a budget for the construction, opening and operation of your Restaurant.

12. If you sign an ADA, you pay us a development fee calculated as $50,000 multiplied by the total number of Restaurants you commit to develop (excluding your first Restaurant). These figures assume you commit to develop either 3 Restaurants (low estimate) or 5 Restaurants (high estimate). If you purchase the right to develop more than 5 Restaurants, your development fee increases by $50,000 for each additional Restaurant you commit to develop in excess of 5. This initial investment estimate does not include any costs you will incur to open any Restaurant other than the first Restaurant developed under the ADA.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Source Restricted Purchases and Leases – Generally

You must purchase or lease certain "source restricted" goods and services for the development and operation of your Restaurant. By "source restricted," we mean the good or service must meet our specifications and/or must be purchased from an approved or designated supplier (in some cases, an exclusive designated supplier, which may be us or an affiliate). The Manual includes our specifications and list of suppliers. We notify you of changes to our specifications or supplier list by email, written notice, telephone, updates to the Manual, bulletins or other means of communication.

Supplier Criteria

Our criteria for evaluating a 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 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 described in writing.

If you want to purchase or lease a source restricted item from a non-approved supplier, you must send us a written request for approval and submit all additional information we request, including specifications, drawings, etc. We may require that you send us samples from the supplier for testing. We may also require that we be allowed to inspect the supplier's facilities. We will notify you of our decision within 30 days after we receive your request for approval and all additional information and samples we require. We may, at our option, re-inspect the facilities and products of any approved supplier and revoke our approval if the supplier fails to meet any of our then-current criteria. You must reimburse us for all costs we incur in reviewing products and suppliers you propose.

Current Source Restricted Items

We estimate nearly 100% of the total purchases and leases required to establish and operate your Restaurant consist of source restricted goods or services, as further described below.

Real Estate Services

We provide the name of our recommended real estate broker to assist you in (a) finding sites that meet our minimum site selection criteria and (b) negotiating the terms of your lease or purchase agreement. If you wish to

use a different real estate broker and/or attorney to assist you, you may do so as long as the person is properly licensed to provide the services in your territory.

Lease

If you lease the premises for your Restaurant, you must use your best efforts to ensure your landlord signs the Lease Addendum attached to the Franchise Agreement as ATTACHMENT "C". We must approve the terms of your lease before you sign it. Our approval of your lease: (a) is not a representation your Restaurant will be successful or that the lease contains favorable terms; and (b) does not constitute a legal review. It only means the lease meets our minimum requirements for our protection and protection of the brand.

Design and Construction Services

You must construct and equip your Restaurant according to the layout and design criteria, architectural renderings and décor package we provide as well as the specifications in the Manual. Your architect and general contractor must be appropriately licensed and bonded (if required by applicable law). We must approve the architects, contractors and other suppliers you use to construct your Restaurant.

Fixtures, Furnishings and Décor

All of your fixtures, furnishings and equipment must meet our standards and specifications. You must purchase these items from suppliers we designate or approve.

Technology Systems

Your Technology Systems (including hardware, software, equipment, software applications, mobile apps and similar items) must meet our standards and specifications. Certain components of your Technology Systems must be purchased from approved or designated suppliers while other components may be purchased from any supplier of your choosing. We also require that certain services relating to the establishment, use, maintenance, monitoring, security or improvement of your Technology Systems be purchased from approved or designated suppliers.

Brand Technology System Support Services

As we require, you will enter into a maintenance and/or support agreement with us, one of our affiliates, or one of our approved suppliers or vendors, for the provision of maintaining and supporting certain information and technology systems of any part that we specify. We may charge you a fee if we provide maintenance and/or support services. We currently have a help desk staff that collects and processes your data and provides certain support services under the terms of the Brand Technology System Support Services Agreement that attached to this Disclosure Document. Under the Brand Technology System Support Services Agreement, you must pay us for the support services, subject to change.

Signage

All of your exterior signage must meet our standards and specifications and must be purchased from a designated or approved supplier.

Small Wares

You must purchase small wares that meet our standards and specifications. You must purchase these items from suppliers we designate or approve.

Uniforms

Your employees must wear the uniforms we require. You must purchase these uniforms from a designated or approved supplier.

Inventory

All of your inventory must meet our standards and specifications. You must purchase these items only from

approved or designated suppliers. You may not utilize any inventory items we have not approved.

Marketing Materials and Services

All marketing materials must comply with our standards and requirements. We must approve your marketing materials prior to use. You must purchase branded marketing materials only from us or other suppliers we designate or approve. We may require that you utilize a supplier we designate or approve to implement your grand opening marketing campaign and/or conduct social media marketing on your behalf.

Insurance Policies

You must obtain the insurance coverage we require (whether in the Franchise Agreement or in the Manual) from licensed insurance carriers rated A or better by Alfred M. Best & Company, Inc., including the following:

Policy Type	Minimum Coverage
"All risk" Property Insurance	Replacement Value
Comprehensive General Liability Insurance (including liquor liability coverage)	$1,000,000 per occurrence and $2,000,000 in the aggregate
Automobile Liability Insurance	$1,000,000 per occurrence
Privacy and Cyber Security Liability Insurance	$25,000 per claim
Commercial Umbrella Insurance (including liquor liability coverage)	$5,000,000 per occurrence
Business Interruption Insurance	At least 6 months (including coverage of our fees)
Breakdown Coverage	Sufficient to cover all contents and business income exposures
Employer's Liability Insurance	$1,000,000 per occurrence
Employee Benefits Liability Coverage (if coverage is readily available)	$1,000,000 per occurrence
Worker's Compensation Insurance	As required by law ($500,000 minimum coverage)
Landlord-Required Insurance	As required by lease

The required coverage and policies are subject to change. All insurance policies must be endorsed to: (a) name us and our members, officers, directors, and employees as additional insureds (except on your worker's compensation policy); (b) contain a waiver by the insurance carrier of all subrogation rights against us; and (c) provide that we receive 30 days' prior written notice of the termination, expiration, cancellation or modification of the policy.

Payroll Processing Services

You must utilize a payroll processing company we designate or approve.

Delivery Services

You must utilize approved 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 18% and 25%. Other start-up costs may apply and vary depending on the vendor.

Purchase Agreements

We have negotiated relationships with certain suppliers to enable our affiliates and franchisees to purchase certain items at discounted prices. You may purchase these items at the discounted prices we negotiate (less any rebates or other consideration paid to us). Currently there are no purchasing cooperatives, although we may establish them in the future. You do not receive any material benefits for using designated or approved suppliers other than having

access to any discounted pricing we negotiate.

Franchisor Revenues from Source Restricted Purchases

Although we are not currently a supplier for any items you must purchase or lease, we reserve the right to designate ourselves (or our affiliate) as an approved or designated supplier in the future (including the brand technology support services), in which case we and our affiliate may generate revenues from these purchases. There are no approved or designated suppliers in which any of our officers owns an interest. No persons affiliated with us are currently an approved (or the only approved) supplier.

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.

As of the issuance date of this Disclosure Document, we have the following rebate relationships in place:

- a supplier of Coca Cola beverage products pays us a rebate calculated as $0.82 per gallon purchased
- a supplier of BoxTech logoed pizza, wings and catering boxes pays us a rebate calculated as 1.8% of total net purchases
- a supplier of food products pays us a flat quarterly rebate of $3,000 per quarter

There are no other rebate relationships in effect at this time.

Our total revenues during the fiscal year ended December 31, 2023 were $3,153,255. During that year, we generated $145,441 in revenue as a result of franchisee purchases or leases of goods or services from designated or approved suppliers, which represents 4.6% of our total revenue for the year.

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement ("FA"), Area Development Agreement ("ADA") 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 AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	FA - §7.1 & 7.2 ADA - §4.2	Items 7 and 11
b. Pre-opening purchases/leases	FA - §7.3, 11.8 & 14.1 ADA - Not Applicable	Items 7, 8 & 11
c. Site development and other pre-opening requirements	FA - §7.3 & 7.4 ADA - §4.2	Items 6, 7 and 11
d. Initial and ongoing training	FA - §5 ADA - Not Applicable	Items 6 & 11
e. Opening	FA - §7.4 ADA - §4.1	Item 11
f. Fees	FA - §4.2, 5.8, 8.5, 10.1, 11.10, 11.14, 11.15, 12, 14.1(c), 15.2, 17 & 18.2 ADA - §5	Items 5 and 6
g. Compliance with standards and policies/Manual	FA - §6.1, 7.1, 7.3, 10.3 & 11 ADA - §4.2	Item 11
h. Trademarks and proprietary information	FA - §16 ADA - §2	Items 13 and 14

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
i. Restrictions on products/services offered	FA - §11.3 ADA - Not Applicable	Item 16
j. Warranty and customer service requirements	FA - §11.2 ADA - Not Applicable	Items 6 and 11
k. Territorial development and sales quotas	FA - None ADA - §4.1	Item 12
l. Ongoing product/service purchases	FA - §11.8 ADA - Not Applicable	Item 8
m. Maintenance, appearance and remodeling requirements	FA - §11.9 & 11.11 ADA - Not Applicable	Item 11
n. Insurance	FA - §14.1 ADA - Not Applicable	Items 6 and 7
o. Advertising	FA - §10 ADA - Not Applicable	Items 6, 7 and 11
p. Indemnification	FA - §17 ADA - Not Applicable	Item 6
q. Owner's participation/management/ staffing	FA - §8 ADA - Not Applicable	Items 11 and 15
r. Records/reports	FA - §14.2 & 14.3 ADA - Not Applicable	Item 6
s. Inspections/audits	FA - §15 ADA - Not Applicable	Items 6 and 11
t. Transfer	FA - §18 ADA - §7	Item 17
u. Successor Agreement/Term	FA - §4 ADA - §4.4	Item 17
v. Post-termination obligations	FA - §20 ADA - Not Applicable	Item 17
w. Non-competition covenants	FA - §13 & 20 ADA - Not Applicable	Item 17
x. Dispute resolution	FA - §21 ADA - §9	Item 17
y. Franchise Owner Agreement (brand protection covenants, transfer restrictions and financial assurance for owners and spouses)	ATTACHMENT "D" ADA - Not Applicable	Item 15

ITEM 10 FINANCING

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

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. Provide access to our Manual, which will help you establish and operate your Restaurant. (§6.1 & 11.2)
2. Provide our written specifications for the goods and services you must purchase to develop, equip and operate your Restaurant and a list of approved and/or designated suppliers for these goods and services. We do not deliver or install any of these items. (§11.2 & 11.8)
3. Assist you in finding a site for your Restaurant by offering our guidance and recommendations and providing the name of our recommended real estate broker to assist you. (§7.1)
4. Review and approve the lease for your premises, if applicable. (§7.2)
5. Provide you with (a) layout, design criteria and architectural renderings for the layout and design of a Restaurant and (b) a décor package (either separately or in the Manual) that lists all items and specifications for the décor of a Restaurant. (§7.3)
6. Review and approve the location, build-out and design of your Restaurant. (§7.1, 7.3 & 7.4)
7. Provide an initial training program. (§5)
8. Send an opening unit training team to your Restaurant to provide 7 to 14 days of onsite assistance and training before and immediately after opening. (§5.2)

During the operation of your Restaurant, we will:

1. Provide periodic training programs. (§5)
2. Provide our guidance and recommendations to improve the operation of your Restaurant. (§6.2)
3. Administer the Brand Fund. (§10.1)
4. Maintain a corporate website to promote our brand. We will also provide you with a local webpage to promote your Restaurant, which will be linked to our corporate website. We can modify or discontinue this website (and your local webpage) at any time. (§6.4)

During the operation of the Restaurant, we may, but need not:

1. Provide additional training or assistance that you request (either at our headquarters or at your Restaurant). (§5)
2. Conduct periodic field visits to provide onsite consultation, assistance and guidance pertaining to the operation and management of your Restaurant. (§6.3)
3. Hold periodic conferences to discuss business and operational issues affecting franchisees, including industry changes, marketing strategies, new menu items, technology or merchandise, etc. (§5.7)
4. Negotiate purchase agreements with suppliers to obtain discounted prices for us and our franchisees. (§6.6)

Training Program (§5)

We will provide you with our initial training program, which includes our executive training program ("Executive Training"), manager-in-training program ("MIT Training") and onsite training program ("Onsite Training"). Executive Training and MIT Training must be completed prior to opening, although there is no specific period of time after signing the Franchise Agreement or before opening that training must be completed.

All owners (other than passive owners) and General Managers must attend and successfully complete our entire initial training program to our satisfaction, including Executive Training, MIT Training and Onsite Training. Your Managers are only required to attend and successfully complete MIT Training, although they may attend the entire initial training program if they wish to do so. You may send other employees to all or any portion of the initial training program at 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

Executive Training includes franchise and business management training that takes place at a location we designate in Arizona (typically a franchised Restaurant located in the Phoenix metropolitan area). Executive Training lasts approximately 10 days. We anticipate offering Executive Training once during every 8 to 10 week period assuming sufficient demand. The training materials for Executive Training consist of the Manual.

Manager-In-Training Program

MIT Training is specifically designed to train restaurant managers. We may provide MIT Training at your Restaurant or a franchised Restaurant located in the Phoenix metropolitan area, at our discretion. We anticipate offering MIT Training once during every 8 to 10 week period assuming sufficient demand. The training materials for MIT Training consist of an Opening Unit Manual, Food and Beverage Manual and Manager-In-Training Manual. MIT Training typically requires 10 to 12 weeks to complete.

Onsite Training Program

We will send an opening unit training team to your Restaurant to provide Onsite Training to your owners, General Manager, Managers and other employees for a 7 to 14-day period. The training team consists of our certified trainers. Part of this training occurs before opening with the rest taking place immediately after opening. We anticipate providing Onsite Training on an "as needed" basis. The training materials for Onsite Training consist of the Pre-Opening 45 Day Operational Manual, Training Survival Guide, Food and Beverage Manual, Nutritional Manual and all Employee Job Function Manual.

Our current initial training program consists of the following:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Orientation Meet and Greet Overview Training Schedule Job Positions Franchise Compliance Menu Knowledge Tour of a Native Grill and Wings Ctuit Native Intranet	8	0	Franchised Restaurant (Phoenix, Arizona)

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Advertising Before Opening Advertising Grand Opening Advertising During Operations Advertising Approval of Advertising Sample Ads Punch Training Brand Fund Opening Unit Manual with Evan Weckstein Forms that need to get completed	8	0	Franchised Restaurant (Phoenix, Arizona)
Tour Native Grill and Wings restaurants Build Out Décor Requirements Contractors Tour several different locations Locations TBA	0	8	Franchised Restaurant (Phoenix, Arizona)
Vendor Day Meet different approved Vendors Presentations from Vendors on their Services Vendors TBA	0	8	Franchised Restaurant (Phoenix, Arizona)
Performance Food Group Tour Food Vendor Presentations On line ordering demonstration Tour of the Food Service Facility Food Vendors TBA	0	8	Performance Food Group Warehouse/Plant
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	Franchised Restaurant (Phoenix, 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	Franchised Restaurant (Phoenix, Arizona)

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
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	Franchised Restaurant (Phoenix, 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	Franchised Restaurant (Phoenix, 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	Franchised Restaurant (Phoenix, Arizona)
OTJ Bar and Server Positions	0	8	Franchised Restaurant (Phoenix, Arizona)
OTJ Bar and Server Positions	0	8	Franchised Restaurant (Phoenix, Arizona)
Test on Server and Bar Positions	3	0	Franchised Restaurant (Phoenix, Arizona)
Cook Position Open Kitchen OTJ Cooking	0	8	Franchised Restaurant (Phoenix, Arizona)
Open Kitchen OTJ Cooking	0	8	Franchised Restaurant (Phoenix, Arizona)
OTJ Cook Position	0	8	Franchised Restaurant (Phoenix, Arizona)
OTJ Cook Position	0	8	Franchised Restaurant (Phoenix, Arizona)
OTJ Cook Position	0	8	Franchised Restaurant (Phoenix, Arizona)
OTJ Cook Position	0	8	Franchised Restaurant (Phoenix, Arizona)
OTJ Cook Position	0	8	Franchised Restaurant (Phoenix, Arizona)

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
OTJ Cook Position	0	8	Franchised Restaurant (Phoenix, Arizona)
OTJ Cook Position	0	8	Franchised Restaurant (Phoenix, Arizona)
Test on Cook Position	3	0	Franchised Restaurant (Phoenix, Arizona)
Manager Position Open Restaurant OTJ Manager Position	0	8	Franchised Restaurant (Phoenix, Arizona)
OTJ Manager Position	0	9	Franchised Restaurant (Phoenix, Arizona)
OTJ Manager Position	0	8	Franchised Restaurant (Phoenix, Arizona)
Test on Manager Position OTJ ALL Positions	3	5	Franchised Restaurant (Phoenix, Arizona)
OTJ ALL Positions Final Test at 6:00 pm	2	9	Franchised Restaurant (Phoenix, Arizona)
Total	27	191	

* The table above does not include Onsite Training conducted at your Restaurant. Onsite Training is an informal training program where our training team trains your employees on a variety of tasks and monitors their activities to provide feedback.

Instructors

Our instructors include Gregg Nettleton, Evan Weckstein, Jen Ryan and Brooke Young. We may also utilize the training services of the equipment vendors who are knowledgeable in the use of their equipment.

Mr. Nettleton is our President and Chief Operating Officer and has been with us since 2021. He may provide training on a variety of topics relating to franchise operations. He has a total of 41 years of restaurant industry experience, including with FAT Brands, GBS Enterprises of Atlanta, Burger King, IHOP, Applebee's, Black Angus, Miami Grill and Cinnabon.

Mr. Weckstein has been with us since 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 26 years of experience in the restaurant industry.

Jen Ryan has been with us since 2021. She provides training on marketing related topics. Her prior relevant experience includes working with the Hurricane brand. She has a total of 31 years of experience in the marketing field.

Brooke Young has been with us since 2021. She provides training on various technology related topics. She has a total of 6 years of experience in the technology field.

Ongoing Training

Each new Managing Owner you appoint and each new General Manager you hire must attend and successfully complete Executive Training and MIT Training prior to assuming responsibility for the management or supervision of your Restaurant.

Each new Manager you hire must successfully complete MIT Training prior to assuming responsibility for the

management of your Restaurant.

To maintain the uniformity and high standards of quality and services at our Restaurants, we may provide system-wide periodic refresher or advanced training programs. Attendance at these programs is mandatory.

We may require that your Managing Owner, General Manager and Managers attend remedial training if we determine you are not operating your Restaurant in accordance with our standards or if your Gross Sales are less than the average Gross Sales for similarly situated Restaurants.

You may also request that we provide you with additional training, although we are not obligated to provide it.

Training Fees and Costs

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

We do not charge a training fee for any system-wide refresher or additional training that we conduct at our headquarters or at an affiliate-owned Restaurant.

We provide our pre-opening Executive Training and MIT Training programs at no additional charge. You must pay us a training fee (up to $300 per trainee per day) for: (a) each person that attends Executive Training or MIT Training after you open; and (b) any person who retakes Executive Training or MIT Training after failing a prior attempt.

We provide 7 to 14 days of Onsite Training immediately prior to and after the opening of your Restaurant. We may provide additional onsite training if you request it or if we believe it is necessary due to your failure to operate your Restaurant in compliance with the Franchise Agreement and/or Manual or if your Gross Sales are less than the average Gross Sales generated by other similarly situated Restaurants. If we send a certified trainer to your Restaurant to provide onsite training, you must pay the Onsite Training Fee for each certified trainer we send. The Onsite Training Fee currently ranges from $250 to $350 per certified trainer per day. In addition to the Onsite Training Fee, you must reimburse each trainer for all costs they incur for meals, travel and lodging to provide onsite training. Currently, we require that you pay the Onsite Training Fee and/or expense reimbursements directly to the certified trainer. In the future we may require that you pay these amounts to us.

Manual (§6.1 & 11.2)

We will provide you with access to our Manual in text or electronic form during the term of your franchise. The Manual may include, among other things:

- a description of the authorized goods and services that you may offer at your Restaurant
- specifications, operating procedures, and quality standards for food, products, services and procedures we prescribe from time to time for Restaurants (including ingredients, methods of preparation and service, weight and dimensions of food served, packaging and similar matters)
- accounting, reporting and insurance requirements
- architectural plans and specifications for the design and layout of a Restaurant
- policies and procedures pertaining to any gift card or loyalty program we establish
- policies and procedures for catering and delivery services
- policies and procedures pertaining to marketing and advertising
- policies and procedures relating to data ownership, protection, sharing and use
- a list of (a) the goods and services (or specifications for goods and services) you must purchase to develop and operate your Restaurant and (b) any designated or approved suppliers for these goods and services

The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered at our Restaurants. All mandatory provisions contained in the Manual are binding on you. We can modify the Manual at any time, but the modifications will not alter your status or fundamental rights under the Franchise Agreement. Any modification to the Manual is effective at the time we notify you of the change.

However, we may provide you with a reasonable period of time to implement certain changes (for example, implementing new software of technology). The Manual is confidential and remains our property. The Manual contains a total of 1,550 pages. A copy of the Table of Contents to the Manual is attached to this Disclosure Document as EXHIBIT "F".

Advertising and Marketing (§6.4, 6.5 & 10)

You must participate at your own expense in all advertising, promotional and marketing programs we require. We will also provide you with certain advertising and marketing support as further discussed below.

You are not required to participate in an advertising cooperative. There is currently no franchisee advertising council that advises us on marketing and advertising matters.

Grand Opening Marketing

You must spend at least $7,500 to promote the grand opening of your Restaurant. The grand opening period consists of a 90-day period that begins 30 days before your opening date. We may require that you utilize a company we designate to design and implement your grand opening marketing plan.

Ongoing Local Marketing by You

After the grand opening period, you must spend at least 1% of monthly Gross Sales on local advertising. We measure your compliance on a quarterly basis, meaning as long as your average monthly expenditure on local advertising over the 3-month period equals or exceeds 1% of Gross Sales, you are deemed in compliance even if your expenditure in any given month is less than 1% of Gross Sales.

You may develop your own advertising and marketing materials and programs, provided we approve them in advance. We must also approve the media you intend to use. You may not use any advertising materials, programs or media that we have not approved. We have 15 days to review and approve or disapprove advertising and marketing materials and programs you submit for approval. Our failure to approve them within the 15-day period constitutes our disapproval.

Local Marketing Assistance From Us

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 Brand 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 franchise term on an as needed basis.

Websites, Social Media and Digital Advertising

We provide you with a webpage that will be linked to our website. Your webpage will list certain information about your Restaurant that we designate (such as address, contact information and hours of operation). Except for the webpage we provide, you may not (a) develop, host, or otherwise maintain a website or other digital presence relating to your Restaurant (including any website bearing any of our Marks); or (b) utilize the Internet to conduct digital or online advertising or otherwise engage in ecommerce. However, we do permit you to market your Restaurant through approved social media channels (currently limited to Facebook), subject to the following requirements:

- you may only conduct social media utilizing the social media platforms that we approve
- you must strictly comply with our social media policy (as revised from time to time)
- you must immediately remove any post we disapprove (even if it complies with our social media policy)
- we may require that you utilize a supplier we designate for social media marketing services

- you provide us with full administrative rights to your social media accounts
- we retain ownership of all social media accounts relating to your Restaurant

We currently control all other social media relating to Native Grill and Wings restaurants.

Brand and System Development Fund

We administer the Brand Fund to promote public awareness of our brand and improve our System. We may use the Brand Fund to pay for any of the following in our discretion:

- developing maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions and programs
- conducting and administering promotions, contests or giveaways
- expanding public awareness of the Marks
- public and consumer relations and publicity
- brand development
- sponsorships
- charitable and nonprofit donations and events
- research and development of technology, products and services
- website development and search engine optimization
- development of an ecommerce platform
- development and implementation of quality control programs, including the use of mystery shoppers or customer satisfaction surveys
- conducting market research
- changes and improvements to the System
- the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts
- collecting and accounting for contributions to the Brand Fund
- preparing and distributing financial accountings of the Brand Fund
- any other programs or activities we deem appropriate to promote or improve the System
- direct and indirect labor, administrative, overhead and other expenses incurred by us and/or our affiliates in relation to any of these activities (including salary, benefits and other compensation of any of our, and any of our affiliate's, officers, directors, employees or independent contractors based upon time spent working on any Brand Fund matters described above)

We direct and have complete control and discretion over all advertising programs paid for by the Brand Fund, including the creative concepts, content, materials, endorsements, frequency, placement and media used for the programs, which may include digital, print, television, radio and billboard. Currently, most advertising is local or regional in coverage and includes print and broadcast media. The Brand Fund will not be used to pay for advertisements principally directed at selling additional franchises, although consumer advertising may include notations such as "franchises available" and one or more pages on our website may promote the franchise opportunity.

You must contribute 1% of Gross Sales to the Brand Fund. We may increase this amount, not to exceed 2% of Gross Sales, upon at least 30 days' prior written notice. We will deposit into the Brand Fund all contributions paid by you and other franchisees. Any company-owned Restaurant will contribute to the fund on the same basis as our franchisees. However, if we modify the amount or timing of the contributions that must be made to the Brand Fund, any company-owned Restaurant that is established or acquired after the modification may contribute to the

Brand Fund utilizing the modified amount or timing. Except as stated in this paragraph, we have no obligation to expend our own funds or resources for any marketing activities in your area.

All monies deposited into the Brand Fund that are not used in the fiscal year in which they accrue will be utilized in the following fiscal year. Any surplus of monies in the Brand Fund may be invested and we may lend money to the Brand Fund if there is a deficit. An unaudited financial accounting of the operations of the Brand Fund will be prepared annually and made available to you upon request. During the fiscal year ended December 31, 2023, we spent the marketing funds in the following manner:

Allocation of Marketing Expenditures (2023)				
Use of Funds	**Production**	**Media Placement**	**Administrative Expenses**	**Other***
Percentage Allocation	1%	41%	33%	25%

* Other includes loyalty program, website, R&D, public relations, printing, agency fees, and other miscellaneous expenses such as email marketing, SMS marketing, online ordering and media monitoring and distribution.

We assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Brand Fund. The Brand Fund is not a trust and we have no fiduciary obligations with respect to our administration of the Brand Fund. We may discontinue the Brand Fund at any time upon at least 30 days' prior notice.

Restaurant Development (§7.1, 7.2, 7.3, 11.11 & 19.2(vii))

Restaurants typically range in size from 3,800 to 4,200 square feet. However, Restaurants located in Captive Venues may be smaller (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 Restaurant 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 identify and obtain our approval of the site for your Restaurant within 60 days after signing the Franchise Agreement. If you fail to do so, we may terminate your Franchise Agreement.

The premises must be located within the Site Selection Area described in Part B of ATTACHMENT "A" to the Franchise Agreement (the "Site Selection Area") and conform to our minimum site selection criteria. We will provide the name of our recommended real estate broker who can assist you in finding a suitable site. Upon request, we offer our guidance and recommendations regarding sites you propose. We do not select the site for your Restaurant and we do not purchase the premises and lease it to you.

You must send us a complete site report for your proposed site (containing all demographic, commercial and other information, photographs and video tapes we reasonably require). We will use our best efforts to approve or disapprove sites you propose 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 consider factors such as:

- traffic counts and patterns
- parking
- size, condition and characteristics of the building
- traffic counts

- general location
- existence and location of competitive businesses
- general character of the neighborhood
- local demographic information
- various economic indicators

If we approve your site before signing the Franchise Agreement, we will list the address of your approved site in Part C of ATTACHMENT "A" to the Franchise Agreement. If we do not approve your site before signing, we will send you a Site Approval Notice (in the form attached to the Franchise Agreement as ATTACHMENT "B") within 15 days after approving your site, which will list the address of your approved site and identify your territory.

If you lease the premises for your Restaurant, you must use your best efforts to ensure your landlord signs the Lease Addendum attached to the Franchise Agreement as ATTACHMENT "C". The terms of the Lease Addendum are designed to protect our interests. For example, the landlord must notify us of your defaults, offer us the opportunity to cure your defaults, allow us to take an assignment of your lease in certain situations, permit us to enter the premises to remove items bearing our Marks if you refuse to do so and give us a right of first refusal to lease the premises upon the expiration or termination of your lease. If your landlord refuses to sign the Lease Addendum in substantially the form attached to the Franchise Agreement, we may either (a) waive the Lease Addendum requirement (or the provisions disapproved by the landlord) or (b) 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 90 days after you sign your Franchise Agreement.

After we approve your site, we will provide you with (a) layout and design criteria and architectural renderings for the layout and design of a Restaurant and (b) a décor package (either separately or in the Manual) that lists all items and specifications for the décor of a Restaurant (the "Prototype Plans"). You must hire a licensed and bonded architect to prepare initial design plans and detailed construction plans consistent with our Prototype Plans and the standards and specifications in the Manual. The architect must ensure these plans comply with all local ordinances, building codes, permit and lease requirements and restrictions applicable to the premises. You must submit the final plans to us for approval. Once approved, you must construct and equip your Restaurant according to the approved construction plans and the requirements of the Manual. You must purchase (or lease) and install the Technology Systems, equipment, fixtures, signs and other items we require.

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 standards and specifications. However, we will not require you to 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 System (§11.8, 11.9, 11.10, 14.3 & 15.1)

You must purchase and use all Technology Systems we designate from time to time. Our required Technology Systems may include computer systems, point-of-sale system, webcam systems, telecommunications systems, security systems, music systems, and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

One component of our Technology Systems is the Aloha point-of-sale system you must purchase and use. The system includes the following hardware components:

- File Server
- 1 Monitor, Keyboard and Mouse
- 5 Terminals

- 5 Thermal Receipt Printers
- 1 Kitchen Impact Printer
- Cash Drawers
- 1 Modem
- 1 Switch
- 1 Firewall
- 5 to 7 mobile handheld devices (optional)

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
- 1 Aloha third-party gift card interface

How Computer System Is Used

You will use the Aloha POS System for: (a) producing sales reports; (b) posting sales tax, refunds and credits (including the reasons for the refunds and credits); and (c) submitting all such information to us immediately upon our request.

You must utilize CTUIT, which is our designated software for managing food costs and maintaining optimal inventory levels.

We will provide you with one or more email addresses for use with your Restaurant. You must exclusively use the email address(es) we provide for all communications with us, customers, suppliers and other persons relating to your Business. You may not use any email address we provide for any purpose unrelated to your Business. We will own the email addresses and accounts but allow you to use them during the term of your Franchise Agreement.

Fees and Costs

We estimate the total cost to purchase your Aloha POS System will range from $32,000 to $35,000. The higher estimate assumes you choose to purchase and utilize optional handheld devices (a Restaurant would typically use between 5 and 7 optional handheld devices, which currently cost $600 per device). If you lease your Aloha POS System, we estimate the monthly lease payments to range from $850 to $1,200.

You pay the licensor of CTUIT a monthly fee that varies based on the modules selected. This fee is estimated to be $254 per month ($3,048 per year). The monthly fee is subject to annual increase based on price changes imposed by the licensor. At a minimum, you must 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 on the modules selected.

We may charge you a technology fee for certain software, technology and related services that we provide. As of the issuance date of this Disclosure Document, we do not charge a technology fee.

We may require that you sign the Brand Technology System Support Services Agreement and pay us, our affiliate or a third party we designate for mandatory and optional system support services. We estimate the fees for mandatory services (i.e., Help Desk Support) will range from $840 to $1,500 per year. These figures do not include premium optional services that may be offered, including:

- Premium Security Package ($900 per year)

- PCI Compliance Management ($480 per year)
- Additional WAPS ($216 per year)
- Additional Phone/Seat ($240 per year)
- Additional Cameras ($180 per year)
- Secured BOH Desktop/Laptop w/ maintenance and monitoring ($1,200 per year)

Maintenance, Support, Updates and Upgrades

In exchange for the monthly fees listed above, the licensor of CTUIT will provide all necessary support, maintenance, updates and upgrades.

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 you select. Service contracts may be included with the lease.

Except as otherwise disclosed above: (a) neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer system; and (b) we are not aware of any optional or required maintenance, updating, upgrading or support contracts relating to your computer system.

Collection and Sharing of Data

The Aloha POS System will be configured so that we have independent unlimited access to the information and data stored in it. There are no contractual limits imposed on our access. This access allows us to monitor your business and provide immediate on-line help. 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 update the information in your Aloha POS System so that it is current within 3 days of the close of business.

We will own all data collected relating your operations and customers. We will grant you a license to use this data solely for purposes of operating your Restaurant. You must protect all customer data with a level of control proportionate to the sensitivity of data. You must comply with all applicable data protection laws as well as our data processing and data privacy policies set forth in the Manual from time to time. You must also comply with the standards established by PCI-DSS to protect the security of credit card information.

Computer System Maintenance and Changes

You must maintain the computer system in good condition at your cost. We may require that you upgrade or update your POS system and other Technology Systems to conform to our then-current specifications. There are no contractual limitations on the frequency or cost of these updates or upgrades.

Opening Requirements (§7.4)

We anticipate a typical franchisee will open their Restaurant within 5 to 9 months after signing the Franchise Agreement. Factors that may affect this time include:

- the amount of time needed to find an approved site
- protracted lease negotiations with your landlord
- the amount of time needed to secure financing, insurance and permits
- the amount of time needed to secure a liquor license and other required licenses
- the condition of your building and extent of required upgrades, remodeling and renovations
- construction delays due to labor or materials shortages, inclement weather or other reasons
- delayed delivery or installation of equipment and fixtures

- the amount of time needed to comply with zoning requirements and other laws and regulations
- the amount of time needed to complete training
- the amount of time needed to hire and train your staff

You may not open your Restaurant prior to receipt of our written authorization to open. We will not issue our authorization to open until all of the following conditions are met:

- the initial trainees successfully complete the initial training program
- you purchase all required insurance policies and provide us with evidence of coverage
- you obtain all required licenses (including liquor license), permits and other governmental approvals
- we review and approve 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 verify compliance with our specifications (including décor, small wares, audio/visual, furniture, lighting and artwork). Before opening, you must fix any problems we identify.

Unless we agree to the contrary, you must open your Restaurant within 270 days after signing the Franchise Agreement. We may terminate the Franchise Agreement if you fail to open by this deadline.

ITEM 12 TERRITORY

Location of Your Restaurant

The Franchise Agreement grants you the right to operate one Restaurant from a site we approve. You must identify a location for your Restaurant within the Site Selection Area described in Part B of ATTACHMENT "A" 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: (a) obtain our approval of the site for your new Restaurant within the Site Selection Area (but outside any territory granted or reserved to us, our affiliate or any other franchisee); (b) comply with our then current site selection and development requirements; (c) pay us a $10,000 relocation fee at the time we grant approval (unless we waive the fee); and (d) open your Restaurant at the new site and resume operations within 270 days after closing your Restaurant at the former site.

Your Territory (Franchise Agreement)

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

We will grant you a protected territory. If we approve the site for your Restaurant before you sign the Franchise Agreement, then your territory will be identified in Part D of ATTACHMENT "A" to your Franchise Agreement. If we do not approve the site for your Restaurant before you sign the Franchise Agreement, then your territory will be identified in the Site Approval Notice that we send to you after we approve the site for your Restaurant. Your territory will include a minimum population of 70,000. Your territory may be defined in any number of ways, including a protected radius, zip codes, municipal boundaries or in any other manner we deem appropriate. Upon renewal, we reserve the right to modify the boundaries of your territory in accordance with our then-current territory guidelines and criteria.

Although we do not grant exclusive territories, we do grant you certain territorial protections. Specifically, we will not develop or operate, or authorize a third party to develop or operate, a Native Grill and Wings Restaurant using our Marks that is physically located within your territory during the term of your Franchise Agreement except as otherwise permitted below with respect to Captive Venues.

Your Development Territory (ADA)

You will not receive an exclusive development territory. You may face competition from other franchisees, from

outlets that we own, or from other channels of distribution or competitive brands that we control.

If you acquire area development rights, we will identify the boundaries of your development territory in Part C of ATTACHMENT "A" to your ADA. A development territory typically consists of a geographic area that coincides with the boundaries of a municipality, such as a city, county or state. There is no specific minimum or maximum size for a development territory. In determining the size of your development territory, we primarily consider the number of Restaurants you commit to develop and the number of existing Restaurants already located within the development territory.

Although we do not grant exclusive development territories, we do grant you certain territorial protections. Specifically, we will not develop or operate, or authorize a third party to develop or operate, a Restaurant using our Marks that is physically located within your development territory during the term of the ADA except: (a) for any Restaurants that are located within your development territory as of the date you sign the ADA (either open, under construction or for which a Franchise Agreement has been signed); and (b) as otherwise permitted below with respect to Captive Venues.

You must sign a separate Franchise Agreement for each Restaurant you develop under the ADA. All Restaurants you develop must be located within your development territory. We must approve the site for each Restaurant you develop according to our then-current site selection criteria. At least 7 days before signing, we will send you a complete execution copy of the ADA that includes your development territory, development fee and development schedule.

Limitations on Territorial Rights

We reserve the right to develop and operate, and authorize third parties to develop and operate, Native Grill and Wings restaurants that are located within Captive Venues, including Captive Venues located in your territory and development territory, if applicable. A "Captive Venue" means a non-traditional outlet for a Restaurant that is located within, or is a part of, another establishment or facility that consumers may visit for a purpose unrelated to the Restaurant. Examples of Captive Venues include Restaurants that are located within:

- hotels or casinos
- college campuses or universities
- airports, train stations, bus stations or cruise terminals
- stadiums or sporting arenas
- shopping malls
- military bases
- concert venues
- amusement parks

Before we grant a franchise to a third party to operate a Restaurant within a Captive Venue that is located in the territory under your Franchise Agreement, 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: (a) you meet all of our minimum qualifications to operate within a Captive Venue; and (b) you meet all qualifications and requirements imposed by the owner or manager of the Captive Venue. We are not required to grant you a right of first offer for a Captive Venue that is located within your development territory, unless the Captive Venue is located within a territory granted to you under a Franchise Agreement.

Alternative Channels of Distribution

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 Alternative Channels of Distribution, including within your territory and development territory, if applicable. An "Alternative Channel of Distribution" means any channel of distribution other than on-premises sales made to customers while present at a "sit-down" restaurant establishment operating under the Marks. Examples of Alternative Channels of Distribution include:

- sales through direct marketing, such as over the Internet or through catalogs or telemarketing
- sales through retail stores that do not operate under the Marks, such as grocery stores, supermarkets, or convenience stores
- sales made at wholesale
- sales through catering or other delivery services, including delivery and catering of food that is prepared at a facility (other than a Native Grill and Wings Restaurant) that is located in your territory
- sales through kiosks or mobile food trucks

Currently, we sell a variety of items over the Internet, including gift cards, bottled sauces, t-shirts, hats and other merchandise. You are not entitled to any compensation for sales that take place through Alternative Channels of Distribution within your territory or development territory, if applicable.

Restrictions on Your Sales and Marketing Activities

Your Restaurant may serve customers regardless of where they reside.

You can market and advertise outside of your territory and development territory, if applicable, as long as: (a) you comply with all policies and procedures in the Manual governing extra-territorial marketing; and (b) you do not engage in any targeted marketing directed into any territory or development territory assigned to us, our affiliate or another franchisee (except as otherwise noted below).

You may not engage in targeted marketing directed into a territory assigned to us, our affiliate or another franchisee unless the marketing is conducted as part of an advertising cooperative that includes the affected territory. Marketing that is distributed, circulated or received both within your territory and within another territory is not deemed to be "targeted marketing" if: (a) you use reasonable efforts to limit the circulation or distribution of the advertising to areas within your territory; and (b) the majority of the recipients of the advertising are located within your territory and there is only incidental circulation or distribution within a territory assigned to us, our affiliate, or another franchisee. The meaning of "targeted marketing" that is "directed into a territory" may be further defined in the Manual, but examples include direct mail sent to addresses within a given territory, digital advertising sent to devices with IP addresses registered within a given territory and setting up promotional events that take place within a given territory.

You may not market or sell using Alternative Channels of Distribution (such as the Internet, catalog sales, telemarketing or other direct marketing) either within or outside of your territory or development territory, if applicable. However, you may promote your Restaurant using social media (currently limited to Facebook) subject to the restrictions described in Item 11 under the Section entitled "Advertising and Marketing" (*Websites, Social Media and Digital Advertising*).

You must comply with any minimum advertised pricing policy that we establish from time to time.

There are no other restrictions on your right to solicit customers, whether from inside or outside of your territory and development territory, if applicable.

Minimum Performance Requirements

Your territorial protections do not depend on achieving a certain sales volume, market penetration, or other contingency, unless you sign an ADA. If you sign an ADA and fail to satisfy your development schedule by establishing the minimum number of Restaurants within the required period of time, we may terminate your ADA and you will lose the territorial protections associated with your development territory.

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: (a) your right and obligation to develop multiple Restaurants if you sign an ADA; and (b) 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.

Competitive Businesses Under Different Marks

We do not operate or franchise, or intend 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.

We have a number of affiliates that offer franchises in other lines of business. Currently, 3 of our affiliates offer franchises for restaurants that feature chicken wings (similar to a Native Grill and Wings restaurant), including Hurricane AMT, LLC ("Hurricane"), Buffalo's Franchise Concepts, Inc. ("BFCI") and Twin Peaks Franchise, LLC ("TPF").

Hurricane offers franchises for a restaurant that operates under the name "Hurricane Grill & Wings", "Hurricane Sports Grill", "Hurricane Dockside Grill" or "Hurricane BTW Burgers + Tacos + Wings" and offers jumbo, fresh wings paired with over 35 signature sauces, rubs and glazes and flavorful fan favorites including fries, tacos and burgers. BFCI offers franchises for a restaurant that operates under the name "Buffalo's Café" and offers chicken wings and distinctive homemade wing sauces, burgers, wraps, steaks, salads and other classic American cuisine. On occasion, BCFI may allow for co-branding with a Fatburger restaurant or Johnny Rockets restaurant. If this occurs, the Fatburger restaurant or Johnny Rockets restaurant may also offer chicken wings in competition with Native Grill and Wings restaurants. TPF offers franchises for a restaurant that operates under the name "Twin Peaks" and features a full bar and offers American-style menu items (including chicken wings) and alcoholic and non-alcoholic beverages.

Hurricane, BFCI and TPF each offer franchises and operate company-owned outlets. There are no restrictions imposed on our affiliates or their franchisees that prevent them from soliciting or accepting orders within the territories of Native Grill and Wings franchisees. Both Hurricane and BFCI share our principal place of business. We do not maintain (or plan to maintain) physically separate offices or training facilities for these competing brands. TPF's principal place of business is 5151 Beltline Rd., #1200, Dallas, TX 75254. We do not anticipate any conflicts between our franchisees and Hurricane, BFCI, TPF, or the franchisees of Hurricane, BFCI or TPF, with regard to territory, customers or franchise support because each brand offers a distinct experience and different menus. Any conflicts that do arise will be addressed on a case-by-case basis depending on the specific circumstances surrounding the dispute.

ITEM 13 TRADEMARKS

We grant you the right to operate a franchise under the name "NATIVE GRILL AND WINGS®" and logo shown on the cover page of this Disclosure Document. By trademark, we mean trade names, trademarks, service marks and logotypes used to identify your Restaurant or the products or services you sell. We may change the trademarks you may use from time to time (including by discontinuing use of the Marks listed in this Item 13). If this happens, you must change to the new trademark at your expense.

We own the following trademarks that have been registered on the principal register at the United States Patent and Trademark Office:

REGISTERED MARKS		
SERVICE MARK	REGISTRATION NUMBER	REGISTRATION DATE (RENEWAL DATE)
THE COOLEST PLACE FOR THE HOTTEST WINGS (Word Mark)	2853238	June 15, 2004 (June 14, 2024)
NATIVE TO GO (Word Mark)	3537699	November 25, 2008 (November 25, 2028)
NATIVE STYLE STRIPPERS (Word Mark)	4140627	May 15, 2012 (May 15, 2032)

REGISTERED MARKS		
SERVICE MARK	REGISTRATION NUMBER	REGISTRATION DATE (RENEWAL DATE)
native grill esk. 1979 wings	4498131	March 18, 2014 (March 18, 2024)
NATIVE GRILL AND WINGS	4744305	May 26, 2015 (May 26, 2025)
GO NATIVE (Word Mark)	4871136	December 15, 2015 (December 15, 2025)

All required affidavits for the registered Marks have been filed including all required renewals.

You must follow our rules when using the Marks. You cannot use our Marks as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You may not use our Marks in connection with the sale of any product or service that we have not authorized.

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 are not required to take any action if we do not feel it is warranted. We may require your assistance, but you may not control any proceeding or litigation relating to our Marks. You must not directly or indirectly contest our right to the Marks.

The Franchise Agreement does not require that we: (a) 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 (b) 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 currently no: (a) effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; (b) pending infringements, oppositions or cancellations; (c) pending material litigation proceedings involving any of the Marks; and/or (d) agreements that materially limit our right to use or sublicense the use 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.

Although we have not filed an application for copyright registration for our Manual, website, menu or marketing materials, we do claim a copyright to these items.

During the term of your Franchise Agreement, we will allow you to use certain confidential and proprietary information (some of which constitute "trade secrets") relating to the development, marketing and operation of a Restaurant. Examples include:

- architectural plans, drawings and specifications for a prototype Restaurant
- site selection criteria
- recipes
- methods and techniques
- standards and specifications
- policies and procedures
- supplier lists and information

- marketing strategies
- merchandising strategies
- financial information
- information comprising the System

We will own all operational and customer data relating to your Restaurant and you must treat this data as confidential and proprietary. We license you the right to utilize this data during the term of your Franchise Agreement. We consider all information in the Manual to be confidential.

We provide you with access to our confidential information through our Manual, training programs and other periodic support and guidance. You may use this information solely for purposes of developing, marketing and operating your Restaurant in compliance with the terms of the Franchise Agreement and Manual. You may not disclose our confidential information to any person (other than your employees on a need to know basis) without our prior permission.

You must promptly notify us if you discover any unauthorized use of our proprietary information. We are not obligated to act, but will respond to this information as we deem appropriate. You may not control any proceeding or litigation alleging the unauthorized use of our proprietary information. We have no obligation to indemnify you for any expenses or damages arising from any proceeding or litigation involving our proprietary information. There are no infringements known to us at this time.

All ideas, improvements, inventions, marketing materials, and other concepts you develop relating to the operation of your Restaurant will be owned by us.

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 on-premises supervision and management of your Restaurant. This person is referred to as your "General Manager." Each General Manager must:

- successfully complete all training programs we require
- 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
- sign the Confidentiality Agreement attached to the Franchise Agreement as ATTACHMENT "F"

You may hire additional managers (each a "Manager") to assist the Managing Owner and General Manager. All Managers must:

- successfully complete all training programs we require
- sign the Confidentiality Agreement attached to the Franchise Agreement as ATTACHMENT "F"

We do not require that your General Manager or 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 the Confidentiality Agreement attached to the Franchise Agreement as ATTACHMENT "F".

We do not require that any of your owners be actively involved with the onsite management of your Restaurant. However, an owner may serve in the capacity of a General Manager or Manager. You must designate one of your owners 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 onsite 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 all training programs we require.

If you are an entity, each owner (i.e., each person holding an ownership interest in you) and the spouse of each owner must sign the Franchise Owner Agreement attached to the Franchise Agreement as ATTACHMENT "D".

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We must approve all goods and services you sell. You must offer all goods and services we require. You may not sell any goods or services we have disapproved. We must approve all items on your menu.

You may only offer delivery and catering services with our prior written approval. You must follow all policies and procedures in the Manual with respect to catering and delivery services.

We may require you to participate in a gift card or other customer loyalty program in accordance with our policies and procedures.

At any time, we may change the goods and services you sell and you must comply with the change.

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise agreement (FA), Area Development Agreement (ADA) and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTION IN AGREEMENT**	**SUMMARY**
a. Length of franchise term	FA - §4.1	Term is equal to 10 years.
	ADA - §1 (Definition of "Term")	Term expires on required opening date for last Restaurant to be developed under development schedule.
b. Renewal or extension of the term	FA - §4.2	If you meet our conditions for renewal, you can enter into 2 consecutive successor franchise agreements. Each renewal term will be 5 years. The parties may mutually agree to further renewals but neither party is obligated to do so (subject to state law).
	ADA - §4.4	No renewal rights.
c. Requirements for you to renew or extend	FA - §4.2	You must: not be in default; give us timely notice; sign then-current form of franchise agreement and related documents (e.g., Franchise Owner Agreement, etc.); sign general release (subject to state law); pay renewal fee; remodel Restaurant and upgrade furniture, fixtures and equipment to current standards; and extend lease for duration of renewal term. If you renew, you may be required to sign a contract with materially different terms and conditions than the original contract.
	ADA - §4.4	You may not renew or extend the term of the ADA.
d. Termination by you	FA - §19.1	You can terminate only if we fail to cure a material default within the cure period.
	ADA - §8	You can terminate under any grounds permitted by applicable law.
e. Termination by us without cause	FA - §19.4	We can terminate without cause if you and we mutually agree to terminate.
	ADA - Not Applicable	We can terminate without cause if you and we mutually agree to terminate.
f. Termination by us with	FA - §19.2 & 19.3	We can terminate if you default.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTION IN AGREEMENT**	**SUMMARY**
cause	ADA - §8	We can terminate if you default.
g. "Cause" defined - curable defaults	FA - §19.2 & 19.3	You have 10 days to cure any monetary default. You have 30 days to cure any other default (other than defaults described below under "non-curable defaults").
	ADA - §8	You have 30 days to cure any default (other than defaults described below under "non-curable defaults").
h. "Cause" defined - non-curable defaults	FA - §19.2	The following defaults cannot be cured: insolvency, bankruptcy or seizure of assets; failure to successfully complete training; failure to find approved site, secure lease or open in timely manner; abandonment; failure to maintain required license or permit; conviction of certain types of crimes or subject of certain administrative actions; failure to comply with material law; commission of act that may adversely affect reputation of System or Marks; health or safety hazards; material misrepresentations; 2nd underreporting of any amount due by at least 2%; unauthorized transfers; unauthorized use of our intellectual property; violation of brand protection covenant; breach of Franchise Owner Agreement by owner or spouse; or termination of any other agreement between you and us (or your affiliate) due to your (or your affiliate's) default. However, the termination of an ADA due to your default is not grounds for termination of any Franchise Agreement that is otherwise in good standing.
	ADA - §8	You cannot cure any default relating to the termination of a franchise agreement based on your default. Any termination of a franchise agreement is a default under the ADA allowing us to terminate without cure period.
i. Your obligations on termination/non-renewal	FA - §20.1	Obligations include: remove trade dress and alter premises to eliminate any resemblance to a Native Grill and Wings Restaurant; cease use of intellectual property; return Manual and branded materials; assign telephone numbers, listings and domain names; cancel fictitious names; and pay amounts due (also see "r", below).
	ADA - Not Applicable	The ADA does not impose any specific obligations on you after it is terminated or expires.
j. Assignment of contract by us	FA - §18.1	No restriction on our right to assign.
	ADA - §7.1	No restriction on our right to assign.
k. "Transfer" by you - definition	FA - §1 (definition of "Transfer") & §18.2	Includes transfer of contract or assets, or ownership change.
	ADA - §1 (definition of "Transfer") & 7.2	Includes transfer of contract or assets, or ownership change.
l. Our approval of transfer by you	FA - §1 (definition of "Permitted Transfer"), 18.2 & 18.3	If certain conditions are met, you may transfer to a newly-formed entity owned by you, or in certain instances, to an existing owner, without our approval. We have the right to approve all other transfers but will not unreasonably withhold approval.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTION IN AGREEMENT**	**SUMMARY**
	ADA - §1 (definition of "Permitted Transfer"), 7.2 & 7.3	If certain conditions are met, you may transfer to a newly-formed entity owned by you, or in certain instances, to an existing owner, without our approval. We have the right to approve all other transfers but will not unreasonably withhold approval.
m. Conditions for our approval of transfer	FA - §18.2	Transferee must: meet our qualifications; successfully complete training (or arrange to do so) and pay any applicable training fee; obtain required licenses and permits; agree in writing to assume all your obligations under any agreements relating to the Business; sign then-current form of franchise agreement for remainder of term (or at our option, take assignment of existing franchise Agreement); and remodel Restaurant and upgrade furniture, fixtures and equipment to current standards within 12 months after completion of transfer. You must: be in compliance with Franchise Agreement; assign lease, if applicable; pay transfer fee; provide 2 weeks of onsite training to transferee prior to transfer in compliance with Manual; sign general release (subject to state law) and subordination agreement. We must notify you that we do not intend to exercise our right of first refusal.
	ADA - §7.2	Transferee must: meet our qualifications; successfully complete training (or arrange to do so); and sign then-current form of area development agreement for remainder of term (or at our option, take assignment of existing ADA). You must: be in compliance with all Franchise Agreements and ADA; assign all Franchise Agreements to same purchaser unless we agree to contrary (or at our option, transferee must sign our then-current form of franchise agreement); comply with transfer provisions under Franchise Agreements; and sign general release (subject to state law). We must notify you that we do not intend to exercise our right of first refusal.
n. Our right of first refusal to acquire your business	FA - §18.5	We can match any bona fide, arms-length offer for your Restaurant.
	ADA - §7.5	We can match any bona fide, arms-length offer for your area development rights.
o. Our option to purchase your business	FA - §18.5	We have the option to purchase your Restaurant or its assets at the expiration or termination of the Franchise Agreement.
	ADA - Not Applicable	We do not have a right to purchase your area development rights unless you attempt to transfer to a third-party transferee.
p. Your death or disability	FA - §18.4	Within 180 days, franchise must be assigned by estate to an assignee in compliance with conditions for other transfers. We may designate manager to operate the Restaurant prior to transfer.
	ADA - §7.4	Within 180 days, franchise must be assigned by estate to an assignee in compliance with conditions for other transfers.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTION IN AGREEMENT**	**SUMMARY**
q. Non-competition covenants during the term of the franchise	FA - §13.2	No involvement in competing business and comply with non-disclosure covenants.
	ADA - Not Applicable	The ADA does not impose any noncompetition covenants.
r. Non-competition covenants after the franchise is terminated or expires	FA - §13.2	No involvement for 2 years in competing business within 10-mile radius of any Native Grill and Wings Restaurant (including at, or within 10 miles of, your former Restaurant) and comply with non-disclosure covenants.
	ADA - Not Applicable	The ADA does not impose any noncompetition covenants.
s. Modification of the agreement	FA - §23.8	Requires writing signed by both parties (except for unilateral changes to Manual or unilateral reduction of scope of restrictive covenants by us). Other modifications primarily to comply with various state laws.
	ADA - §11.6	Requires writing signed by both parties. Other modifications primarily to comply with various states laws.
t. Integration/merger clause	FA - §23.8	Only the terms of the Franchise Agreement and its attachments 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. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
	ADA - §11.6	Only the terms of the ADA and its attachments 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. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
u. Dispute resolution by arbitration or mediation	FA - §21	Subject to state law, all disputes must be mediated before litigation, except certain disputes involving our intellectual property or compliance with restrictive covenants.
	ADA - §9	Subject to state law, all disputes must be mediated before litigation, except certain disputes involving our intellectual property or compliance with restrictive covenants.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTION IN AGREEMENT**	**SUMMARY**
v. Choice of forum	FA - §21	Subject to state law, all disputes must be mediated and then litigated in Phoenix, Arizona.
	ADA - §9	Subject to state law, all disputes must be mediated and then litigated in Phoenix, Arizona.
w. Choice of law	FA - §23.1	Subject to state law, Arizona law governs.
	ADA - §11.1	Subject to state law, Arizona law governs.

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.

System Statistics

This financial performance representation ("FPR") presents certain financial performance data achieved by 17 franchised Restaurants during the 2023 calendar year.

As of December 31, 2023, there were a total of 20 Restaurants in operation, all of which are owned by franchisees. This FPR presents financial performance data from the 17 franchised Restaurants that: (a) were open and operating the entire 2023 calendar year; and (b) provided us with required Profit and Loss Statements for the entire 2023 calendar year. This FPR excludes data from the following Restaurants that were open as of December 31, 2023:

- 3 Restaurants failed to provide us with required Profit and Loss Statements for the entire 2023 calendar year.

The following table identifies the total number of Restaurants open at any point during 2023, including the total number of Qualifying Stores.

2023 Restaurant Statistics				
Open Restaurants (Jan 1, 2023)	**Open Restaurants (Dec 31, 2023)**	**Restaurants Opened (During 2023)**	**Restaurants Closed (During 2023)**	**Restaurants Open all of 2023 and Submitting P&Ls**
21	20	0	1	17

There are no material differences between the 17 Restaurants whose financial performance data has been provided in this FPR and the franchised business offered under this Disclosure Document.

Subsets Utilized

This FPR presents the financial performance data for the following 5 subsets:

Subset	Classification	Number of Qualifying Restaurants
1	All Restaurants	17
2	Free-Standing Restaurants	12

Subset	Classification	Number of Qualifying Restaurants
3	In-Line Restaurants	2
4	End-Cap Restaurants	3
5	In-Line & End-Cap Restaurants	5

Financial Metrics Utilized

For purposes of this FPR, the following terms have the meanings given to them below:

"*Cost of Goods Sold*" or "*COGS*" means and includes all food, beverage and ingredient costs but excludes paper and packaging costs.

"*Gross Sales*" means and includes total gross revenues collected less taxes and employee tips.

"*Labor Costs*" means and includes employee salaries, wages, insurance, workers' compensation and employee meals. It does not include any owner salaries or draws.

Data Presented

This FPR presents Gross Sales, COGS and Labor Costs data for each of the 17 Qualifying Restaurants. The Gross Sales and COGS data has been broken down into the following categories:

1. "All Sales Categories" (includes food, non-alcoholic beverages, beer, wine and liquor)
2. "Food & Non-Alcohol Beverages" (includes food and non-alcoholic beverages)
3. "Alcohol Beverages" (includes beer, wine and liquor)
4. "Liquor Only" (includes liquor)

We provide the following data for each financial performance metric: (a) highest; (b) lowest; (c) median; (d) average; and (e) the number and percentage of Restaurants that achieved or surpassed the stated average. The financial performance data is limited to the operational results achieved during the 2023 calendar year.

Financial Performance Representation

This FPR is broken down into the following 3 Parts: (1) Part A presents Gross Sales data; (2) Part B presents COGS data; and (c) Part C presents Labor Costs data.

Part A: Gross Sales

This Part presents the 2023 Gross Sales data for each of the 5 subsets of franchised Restaurants. The data is presented in the following 5 tables:

Table 1: 2023 Gross Sales by Subset (All Sales Categories)

Table 2: 2023 Gross Sales by Sales Range (All Sales Categories)

Table 3: 2023 Gross Sales (Food & Non-Alcohol Beverages)

Table 4: 2023 Gross Sales (Alcohol Beverages)

Table 5: 2023 Gross Sales (Liquor Only)

TABLE 1 2023 GROSS SALES BY SUBSET - ALL SALES CATEGORIES					
Subset (Number of Restaurants in Subset)	**Highest**	**Lowest**	**Median**	**Average**	**Number & Percent that Achieved/Surpassed Average**
Subset 1 – All Restaurants (17 Restaurants)	$4,030,955	$1,286,854	$2,765,898	$2,618,262	10/58.82%
Subset 2 – Free-Standing (12 Restaurants)	$4,030,955	$1,286,851	$2,754,117	$2,594,381	7/58.33%
Subset 3 – In-Line (2 Restaurants)	$3,607,643	$1,376,077	$2,491,860	$2,491,860	1/50.00%
Subset 4 – End-Cap (3 Restaurants)	$3,207,057	$2,020,015	$3,167,090	$2,798,054	2/66.67%
Subset 5 – In-Line & End-Cap (5 Restaurants)	$3,607,643	$1,376,077	$3,167,090	$2,675,576	3/60.00%

TABLE 2 2023 GROSS SALES BY SALES RANGE - ALL SALES CATEGORIES			
Range of Gross Sales	**Number of Restaurants In Range**	**Minimum**	**Maximum**
Under $1,499,999	2	$1,286,851	$1,376,077
$1,500,000 to $1,999,999	1	$1,789,808	$1,789,808
$2,000,000 to $2,499,999	4	$2,020,015	$2,428,956
$2,500,000 to $2,999,999	5	$2,742,336	$2,845,399
$3,000,000 to $3,499,999	3	$3,018,079	$3,207,057
Over $3,500,000	2	$3,607,643	$4,030,955

TABLE 3 2023 GROSS SALES - FOOD & NON-ALCOHOL BEVERAGES					
Subset (Number of Restaurants in Subset)	**Highest**	**Lowest**	**Median**	**Average**	**Number & Percent that Achieved/Surpassed Average**
Subset 1 – All Restaurants (17 Restaurants)	$2,991,872	$964,867	$2,178,951	$2,035,653	10/58.82%
Subset 2 – Free-Standing (12 Restaurants)	$2,991,872	$1,084,012	$2,159,188	$2,034,859	7/58.33%
Subset 3 – In-Line (2 Restaurants)	$2,944,287	$964,867	$1,954,577	$1,954,577	1/50.00%
Subset 4 – End-Cap (3 Restaurants)	$2,431,977	$1,540,310	$2,306,346	$2,092,878	2/66.67%
Subset 5 – In-Line & End-Cap (5 Restaurants)	$2,944,287	$964,867	$2,306,346	$2,037,557	3/60.00%

TABLE 4 2023 GROSS SALES - ALCOHOL BEVERAGES					
Subset (Number of Restaurants in Subset)	**Highest**	**Lowest**	**Median**	**Average**	**Number & Percent that Achieved/Surpassed Average**
Subset 1 – All Restaurants (17 Restaurants)	$1,039,083	$202,839	$556,847	$582,609	8/47.06%
Subset 2 – Free-Standing (12 Restaurants)	$1,039,083	$202,839	$547,685	$559,521	5/41.67%
Subset 3 – In-Line (2 Restaurants)	$663,356	$411,210	$537,283	$537,283	1/50.00%
Subset 4 – End-Cap (3 Restaurants)	$900,711	$479,705	$735,113	$705,176	2/66.67%
Subset 5 – In-Line & End-Cap (5 Restaurants)	$900,711	$411,210	$663,356	$638,019	3/60.00%

TABLE 5 2023 GROSS SALES - LIQUOR ONLY					
Subset (Number of Restaurants in Subset)	**Highest**	**Lowest**	**Median**	**Average**	**Number & Percent that Achieved/Surpassed Average**
Subset 1 – All Restaurants (17 Restaurants)	$416,379	$62,143	$183,693	$187,221	6/35.29%
Subset 2 – Free-Standing (12 Restaurants)	$416,379	$62,143	$182,755	$184,057	5/41.67%
Subset 3 – In-Line (2 Restaurants)	$169,444	$95,684	$132,564	$132,564	1/50.00%
Subset 4 – End-Cap (3 Restaurants)	$303,407	$185,228	$220,316	$236,317	1/33.33%
Subset 5 – In-Line & End-Cap (5 Restaurants)	$303,407	$95,684	$185,228	$194,816	2/40.00%

Part B: Cost of Goods Sold

This Part presents the 2023 Cost of Goods Sold data for each of the 5 subsets of franchised Restaurants. The data is presented in the following 4 tables:

Table 6: 2023 COGS as Percentage of Gross Sales (All Sales Categories)

Table 7: 2023 COGS as Percentage of Gross Sales (Food & Non-Alcohol Beverages)

Table 8: 2023 COGS as Percentage of Gross Sales (Alcohol Beverages)

TABLE 6 2023 COGS AS PERCENTAGE OF GROSS SALES - ALL SALES CATEGORIES					
Subset (Number of Restaurants in Subset)	**Highest**	**Lowest**	**Median**	**Average**	**Number & Percent that Achieved/Surpassed Average**
Subset 1 – All Restaurants (17 Restaurants)	34.58%	26.48%	28.61%	29.13%	8/47.06%
Subset 2 – Free-Standing (12 Restaurants)	34.58%	26.80%	28.88%	29.40%	5/41.67%
Subset 3 – In-Line (2 Restaurants)	31.19%	28.41%	29.80%	29.80%	1/50.00%
Subset 4 – End-Cap (3 Restaurants)	29.25%	26.48%	27.15%	27.63%	1/33.33%
Subset 5 – In-Line & End-Cap (5 Restaurants)	31.19%	26.48%	28.41%	28.50%	2/40.00%

TABLE 7 2023 COGS AS PERCENTAGE OF GROSS SALES - FOOD & NON-ALCOHOL BEVERAGES					
Subset (Number of Restaurants in Subset)	**Highest**	**Lowest**	**Median**	**Average**	**Number & Percent that Achieved/Surpassed Average**
Subset 1 – All Restaurants (17 Restaurants)	27.90%	20.15%	22.79%	23.65%	8/47.06%
Subset 2 – Free-Standing (12 Restaurants)	27.90%	22.05%	24.36%	24.30%	6/50.00%
Subset 3 – In-Line (2 Restaurants)	25.58%	20.15%	22.87%	22.87%	1/50.00%
Subset 4 – End-Cap (3 Restaurants)	22.31%	20.78%	21.50%	21.53%	1/33.33%
Subset 5 – In-Line & End-Cap (5 Restaurants)	25.58%	20.15%	21.50%	22.06%	2/40.00%

TABLE 8 2023 COGS AS PERCENTAGE OF GROSS SALES - ALCOHOL BEVERAGES					
Subset (Number of Restaurants in Subset)	**Highest**	**Lowest**	**Median**	**Average**	**Number & Percent that Achieved/Surpassed Average**
Subset 1 – All Restaurants (17 Restaurants)	8.26%	4.34%	4.84%	5.49%	7/41.18%
Subset 2 – Free-Standing (12 Restaurants)	6.68%	4.34%	4.77%	5.09%	4/33.33%
Subset 3 – In-Line (2 Restaurants)	8.26%	5.61%	6.94%	6.94%	1/50.00%
Subset 4 – End-Cap (3 Restaurants)	7.75%	4.84%	5.70%	6.10%	1/33.33%

TABLE 8 2023 COGS AS PERCENTAGE OF GROSS SALES - ALCOHOL BEVERAGES					
Subset (Number of Restaurants in Subset)	**Highest**	**Lowest**	**Median**	**Average**	**Number & Percent that Achieved/Surpassed Average**
Subset 5 – In-Line & End-Cap (5 Restaurants)	8.26%	4.84%	5.70%	6.43%	2/40.00%

Part C: Labor Costs

This Part presents the 2023 Labor Costs data for each of the 5 subsets of franchised Restaurants for All Sales Categories.

TABLE 9 2023 LABOR COSTS AS PERCENTAGE OF GROSS SALES - ALL SALES CATEGORIES					
Subset (Number of Restaurants in Subset)	**Highest**	**Lowest**	**Median**	**Average**	**Number & Percent that Achieved/Surpassed Average**
Subset 1 – All Restaurants (17 Restaurants)	41.46%	28.18%	33.58%	33.95%	8/47.06%
Subset 2 – Free-Standing (12 Restaurants)	41.46%	28.58%	32.86%	34.04%	5/41.67%
Subset 3 – In-Line (2 Restaurants)	38.37%	28.18%	33.28%	33.28%	1/50.00%
Subset 4 – End-Cap (3 Restaurants)	36.87%	29.64%	35.57%	34.03%	2/66.67%
Subset 5 – In-Line & End-Cap (5 Restaurants)	38.37%	28.18%	35.57%	33.73%	3/60.00%

Notes to Gross Sales Tables:

1. We obtained the financial performance data from the Profit and Loss Statements submitted by the franchisees. This data has not been audited.

2. The data in this financial performance representation is historical and represents the financial results of these Restaurants for the 2023 calendar year.

3. This FPR does not reflect all operating costs and expenses incurred by the 17 Restaurants whose data has been presented. Instead, the expense data is limited to COGS and Labor Costs. As a franchisee, you will incur additional expenses such as rent, marketing expenses, technology fees, insurance premiums, utilities, etc. These figures also do not include depreciation, amortization, taxes or the fees imposed under the Franchise Agreement.

Some Restaurants have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

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 Warren Christiansen at 9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212 or by phone: (310) 402-0594 or email: christiansen@fccgi.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2021 TO 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	23	22	-1
	2022	22	21	-1
	2023	21	20	-1
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	23	22	-1
	2022	22	21	-1
	2023	21	20	-1

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2021 TO 2023

State	Year	Number of Transfers
Arizona	2021	2
	2022	7
	2023	0
Texas	2021	0
	2022	1
	2023	0
Total	2021	2
	2022	8
	2023	0

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2021 TO 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Arizona	2021	21	0	1[1]	0	0	0	20
	2022	20	1[1]	0	0	0	2[2]	19
	2023	19	0	0	0	0	0	19
Illinois	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2021 TO 2023								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Terminations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations - Other Reasons**	**Outlets at End of Year**
	2023	1	0	0	0	0	0	0
Texas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	1
Totals	2021	23	0	1	0	0	0	22
	2022	22	1	0	0	0	2	21
	2023	21	0	0	0	0	0	20

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2021 TO 2023							
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired From Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of Year**
Totals	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2023			
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**
Arizona	0	2	0
Total	0	2	0

Notes:

1. The Arizona Restaurant that was terminated in 2021 was subsequently reopened by a new franchisee in 2022.
2. One of these closures (Show Low, Arizona) resulted from a fire destroying the premises. The other closure (Tucson, Arizona) was due to problems associated with the local homeless population that led to numerous break-ins and assaults. The franchisee is considering rebuilding the Restaurant at a new site in Tucson.

Our fiscal year ends on December 31st. A list of all current 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, 2023. 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 the last 3 fiscal years, some franchisees have signed confidentiality agreements with us. 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 "I" (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 "I" (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 25, 2023, December 26, 2022 and December 27, 2021.

ITEM 22 CONTRACTS

Attached to this Disclosure Document (or the Franchise Agreement attached to this Disclosure Document) are copies of the following 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"-1	General Release
EXHIBIT "E"-2	Franchisee Disclosure Questionnaire **(Questionnaire may not be signed or used if the franchisee resides within, or the franchised business will be located within, a franchise registration state)**
EXHIBIT "E"-3	State Addenda and Amendments
EXHIBIT "E"-4	Brand Technology System Support Services Agreement

Attachments to Franchise Agreement

ATTACHMENT "B"	Site Approval Notice
ATTACHMENT "C"	Lease Addendum
ATTACHMENT "D"	Franchise Owner Agreement
ATTACHMENT "E"	Form of Electronic Funds Transfer Agreement
ATTACHMENT "F"	Form of Confidentiality Agreement

ITEM 23 RECEIPT

EXHIBIT "K" 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

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA
Commissioner of Financial Protection & Innovation
Department of Financial Protection & Innovation
320 West 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
1-866-275-2677
Website: www.dfpi.ca.gov
Email: Ask.DFPI@dfpi.ca.gov

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

Agent for Service of Process:
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN
Franchise Section
Consumer Protection Division
525 W. Ottawa Street, G. Mennen Williams Building, 1st Floor
Lansing, MI 48913
(517) 335-7567

MINNESOTA
Commissioner of Commerce
Director of Registration
85 Seventh Place East, #280
St. Paul, Minnesota 55101-3165
(651) 539-1500

NEW YORK
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
Phone: (212) 416-8222

Agents for Service of Process:
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231

NORTH DAKOTA
North Dakota Securities Department
State Capitol, 5th Floor, Dept 414 600 East Boulevard Avenue
Bismarck, North Dakota 58505
(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 Insurance Securities Regulation
124 S Euclid, 2nd Floor
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Agents for Service of Process:
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

WASHINGTON
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501
(360) 902-8760

Mailing Address:
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507

WISCONSIN
Department of Financial Institutions
Division of Securities
201 W Washington Avenue, Suite 500, Madison, WI 53703
(608) 261-9555

EXHIBIT "B"

TO DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS

Bret Seltzer, Attorney at Law
Warshawsky Seltzer, PLLC
9943 East Bell Road
Scottsdale, Arizona 85260

In states listed in EXHIBIT "A", the additional agent
for Service of Process is listed in EXHIBIT "A"

EXHIBIT "C"

TO DISCLOSURE DOCUMENT

Franchise Agreement

[See Attached]

FRANCHISE AGREEMENT

Franchisee: _____
Effective Date: _____
Restaurant Location: _____
Store Number: _____

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ATTACHMENT "B" Site Approval Notice
ATTACHMENT "C" Lease Addendum
ATTACHMENT "D" Form of Franchise Owner Agreement
ATTACHMENT "E" Form of Electronic Funds Transfer Agreement
ATTACHMENT "F" 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 _____, 202__ (the "Effective Date") between Native Grill and Wings Franchising, LLC, a Delaware limited liability company ("we" or "us") and _____, a(n) _____ ("you").

1. DEFINITIONS. Capitalized terms used in this Agreement shall have the meanings given to them below:

"*Account*" means the checking account you designate from which we deduct fees and other amounts owed to us and our affiliates in accordance with §12.5.

"*ACH Agreement*" means the Electronic Funds Transfer Agreement attached to this Agreement as ATTACHMENT "E", which authorizes us to electronically debit your Account for amounts owed to us and our affiliates.

"*Acquired Assets*" means any assets associated with your Restaurant that we elect to purchase upon termination or expiration of this Agreement, as further described in §20.2(a).

"*Alternative Channel of Distribution*" means any channel of distribution other than on-premises sales made to customers while present at a "sit-down" Restaurant, including, but not limited to: (a) sales through direct marketing, such as over the Internet or through catalogs or telemarketing; (b) sales through retail stores that do not operate under the Marks, such as grocery stores, supermarkets, or convenience stores; (c) sales made at wholesale; (d) sales through catering or other delivery services, including delivery and catering of food that is prepared at a facility (other than a Restaurant) located in your territory; and (e) sales through kiosks or mobile food trucks.

"*Anti-Terrorism Law*" means Executive Order 13224 issued by the President of the United States of America (or any successor Order), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (or any successor legislation) and all other present and future federal, state and local Laws, ordinances, regulations, policies, lists, orders and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war.

"*Appraised Value*" is defined in §20.2(d).

"*Business*" means the franchised business you operate pursuant to this Agreement.

"*Business Data*" means, collectively or individually, Customer Data and Operational Data.

"*Captive Venue*" means a non-traditional outlet for a Restaurant that is located within, or is a part of, another establishment or facility that consumers may visit for a purpose unrelated to the Restaurant. Examples of Captive Venues include Native Grill and Wings restaurants that are located within: hotels or casinos; college campuses or universities; airports, train stations, bus stations or cruise terminals; stadiums or sporting arenas; shopping malls; military bases; concert venues; amusement parks; 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 business that meets at least one of the following criteria: (a) any competitive sports-themed sit-down restaurant that includes a bar and features pizza and/or chicken wings; (b) any business that solicits, offers or sells franchises or licenses for a business that meets the criteria in clause (a) of this definition; and/or (c) any business that services, trains, supports, consults with, advises or otherwise assists any Person with respect to the development, management and/or operation of a business that meets the criteria in clause (a) of this definition. A Competitive Business does not include any Native Grill & Wings Restaurant operated pursuant to a valid franchise agreement or license agreement with us or our affiliate.

"*Confidential Information*" means and includes: (a) the Know-How; (b) the Business Data; (c) the terms of

the Definitive Agreements and all attachments thereto and amendments thereof; (d) the components of the System; (e) all information within or comprising the Manual; and (f) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, customer information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that: (i) are designated as confidential; (ii) are known by you to be considered confidential by us; and/or (iii) are by their nature inherently or reasonably to be considered confidential. Confidential Information does not include any information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you or your Owners, employees or other constituents); (b) you can demonstrate was rightfully in your possession, without obligation of nondisclosure, before we disclosed the information to you; (c) is independently developed by you without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose such information to you without breaching any obligation of confidentiality imposed on such third party.

"*Confidentiality Agreement*" means the Confidentiality Agreement that must be signed by certain of your employees pursuant to §13.5, the current form of which is attached hereto as ATTACHMENT "F".

"*Copyrighted Materials*" means all copyrightable 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 Restaurant, whether now in existence or created in the future.

"*Customer Data*" means and includes any and all data that pertains to a Native Grill and Wings Restaurant, including, without limitation, name, address, contact information, date of birth, purchase history and any information collected in connection with any loyalty program or for any other purpose.

"*Definitive Agreements*" means, collectively, this Agreement, the Area Development Agreement pursuant to which this Agreement is executed (if applicable), any other Franchise Agreement between you (or your affiliate) and us (or our affiliate) for a Restaurant or any other franchised concept, and all ancillary agreements executed in connection with any of the foregoing, including, without limitation, each related Franchise Owner Agreement.

"*Dispute*" means any Claim, dispute or disagreement between the parties, including any matter pertaining to: (a) the interpretation or enforcement of this Agreement; (b) the offer or sale of the franchise; or (c) the relationship between the parties.

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

"*Equity Interest*" means a direct or indirect ownership or beneficial interest in the capital stock of, partnership or membership interest in, or other equity, ownership or beneficial interest in an Entity (including voting rights).

"*Executive Training Program*" means our executive training program described in §5.1.

"*Force Majeure*" means acts or circumstances that are beyond a party's control, including fire, storm, flood, earthquake, explosion or accident, acts of war or terrorism, rebellion, insurrection, sabotage, epidemic, failures or delays of transportation and strikes, provided that: (a) the non-performing party provides written notice to the other party of the Force Majeure event within three (3) days of becoming aware of the occurrence of such event; (b) the non-performing party is without fault and the delay or failure could not have been prevented by reasonable precautions by the non-performing party; (c) nothing herein shall excuse or permit any delay or failure to pay fees or other amounts owed on the applicable due date; (d) insolvency, lack of required funds or financing, currency fluctuations, currency devaluations, foreign exchange controls or inflation shall never be deemed Force Majeure; and (e) an epidemic or pandemic of a contagious illness or disease, or economic or financial changes caused by an epidemic or pandemic of a contagious illness or disease, shall never be deemed Force Majeure except to the extent a Governmental Authority mandates

closure (or prevents the opening) of the Restaurant as a result of such epidemic or pandemic.

"*Franchisee Entity*" means the Entity, if applicable, that: (a) signs this Agreement as the franchisee (i.e., "you") if this Agreement is signed by an Entity; or (b) assumes this Agreement subsequent to its execution by the original Owners.

"*Franchise Owner Agreement*" means the Franchise Owner Agreement that must be signed by the Owners (and their spouses, if applicable) pursuant to §9, the current form of which is attached hereto as ATTACHMENT "D".

"*General Manager*" means a Person you hire in accordance with §8.2 who is responsible for onsite supervision and management of your Restaurant.

"*General Release*" means our then-current form of Waiver and Release of Claims that you and your Owners must sign pursuant to §4.2 (in connection with a renewal of your franchise rights), §12.1 (in connection with a partial refund of the initial franchise fee) or §18.2 (in connection with a Transfer).

"*Government Official*" means any: (a) officer or employee of a Governmental Authority; (b) commercial or similar entity owned or controlled by a Governmental Authority, including state-owned and state-operated companies or enterprises; (c) public international organization (e.g., United Nations, World Bank); (d) political party or official thereof; or (e) candidate for political office.

"*Governmental Authority*" means any national, provincial, state, county, local, municipal or other government, or any ministry, department, agency or subdivision thereof, whether administrative or regulatory, or any other body that exercises similar functions, and including any court or taxing authority.

"*Gross Sales*" 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 Business, including, without limitation, any advertising revenues, rebates or commissions, revenues from catering or delivery service, sponsorship fees or business interruption insurance proceeds. Gross Sales does not include: (a) any sales or use taxes you collect from a customer and remit to a taxing authority; (b) any revenues you collect and later refund to the customer in a bona fide refund transaction; *provided, however*, that Gross Sales shall include the amount of any refunds you provide in excess of 0.5% of your Gross Sales for the applicable reporting period; or (c) proceeds derived from the sale of gift cards that are transferred to an account we control. From time to time, we may establish policies governing the manner in which the proceeds from the sale of gift cards are treated for purposes of calculating Gross Sales. The Manual may also provide details on the calculation of Gross Sales relating to qualifying purchases and redemptions made by customers under any loyalty program we implement.

"*Improvement*" means any idea, addition, modification or improvement to (a) the goods or services offered or sold at a Restaurant, including, without limitation, any new or modified recipes or menu items, (b) the method of operation of a Restaurant, (c) the processes, systems or procedures utilized by a Restaurant, (d) the marketing, advertising or promotional materials, programs or strategies utilized by a Restaurant or (e) the trademarks, service marks, logos or other intellectual property utilized by a Restaurant, whether developed by you, your Owners, your employees or any other Person associated with you or your Restaurant.

"*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 parents, subsidiaries and affiliates, and each of their past, present and future owners, members, officers, directors, employees and agents.

"*Intellectual Property*" means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how, Marks and System.

"*Interim Term*" means a month-to-month extension of the Term under the circumstances described in §4.3.

"*Know-how*" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a Restaurant, including, but not limited to: architectural plans, drawings and specifications for a Restaurant; site selection criteria; recipes; methods and techniques;

standards and specifications; policies and procedures; suppliers lists and information; marketing strategies; merchandising strategies; and information comprising the System and the Manual.

"*Losses and Expenses*" means and includes any or all of the following: 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 reputation or goodwill; and all other costs, damages, liabilities and expenses associated with any of the foregoing losses and expenses or otherwise incurred by an Indemnified Party as a result of a Claim.

"*Manager*" means a Person you hire in accordance with §8.2 to assist the Managing Owner or General Manager with onsite supervision and management of your Restaurant.

"*Managing Owner*" means the Owner you designate and we approve who is primarily responsible for the overall management and supervision of the Restaurant in accordance with §8.1.

"*Manual*" means our confidential specifications and operational manuals for the development and operation of a Restaurant, as further described in §11.2.

"*Marks*" means and includes all service marks, trademarks, trade names and logos that we designate from time to time and authorize Restaurants to use, including "NATIVE GRILL AND WINGS®" and the associated logo. The Marks also include any distinctive trade dress used to identify a Restaurant.

"*MIT Training Program*" means our manager-in-training program, as further described in §5.3.

"*Onsite Training Fee*" means the per diem fee described in §5.8 that you must pay for trainers we send to your Restaurant to provide onsite training.

"*Operational Data*" means and includes all data and information pertaining to the operation of your Restaurant, including, without limitation, employee data, expense data, financial accounting data and Gross Sales data.

"*Owner*" means a Person who either: (a) directly signs this Agreement as the franchisee (either alone or in conjunction with one or more other Persons); or (b) directly or indirectly (through one or more intermediaries) owns any Equity Interest in the Franchisee Entity (if the franchisee under this Agreement is an Entity).

"*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.

"*PCI-DSS*" means the payment card industry data security standard, which is a set of security requirements established by the following major credit card brands from time to time: American Express, Discover Financial Services, JCB International, MasterCard Worldwide, and Visa Inc., which standards are set forth at https://www.pcisecuritystandards.org as of the Effective Date.

"*Permitted Transfer*" means: (a) a Transfer from one Owner to another Owner who was an approved Owner prior to such Transfer, other than a Transfer by the Managing Owner; and/or (b) a Transfer by the Owners to a newly established Franchisee Entity for which such Owners collectively own and control 100% of the Equity Interests.

"*Person*" means an individual, Entity, unincorporated organization, joint venture, Governmental Authority, estate (or executor thereof) or trust (or trustee thereof).

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

"*Post-Term Restricted Period*" means, with respect to an Owner, a period of two (2) years after the earlier to occur of: (a) the termination, expiration or Transfer of this Agreement; or (b) the Owner's Transfer of his or her entire ownership interest in the Business or the Franchisee Entity, as applicable; *provided, however*, that if a court of competent jurisdiction determines the two-year Post-Term Restricted Period is too long to be enforceable, then Post-Term Restricted Period means a period of one (1) year after the earlier to occur of: (a) the termination, expiration or Transfer of this Agreement; or (b) the Owner's Transfer of his or her entire ownership interest in the Business or the Franchisee Entity, as applicable.

"*Program Participation Rules*" means the policies, procedures, fees and other requirements pertaining to any gift card, loyalty, or other program we implement pursuant to §11.12.

"*Prohibited Activities*" means and includes any of the following: (a) 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; (b) disparaging or otherwise making negative comments about us, any of our affiliates, the System and/or any Restaurant; (c) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); or (d) inducing any customer of ours (or of one of our affiliates or franchisees) to transfer their business to a competitor.

"*Restaurant*" means a Native Grill and Wings restaurant that operates using our Marks and our System, and includes Restaurants owned by us, our affiliates, you and our other franchisees.

"*Restricted Territory*" means the geographic area within: (a) a 10-mile radius from your Restaurant (and including from or within your Restaurant); and (b) a 10-mile radius from all other Restaurant that are operating or under construction as of the Effective Date and remain in operation or under construction during all or any part of the Post-Term Restricted Period.

"*Site Approval Notice*" means the Site Approval Notice attached hereto as ATTACHMENT "B" that we issue to you in accordance with §3.1 and §7.1 to identify the approved site for your Restaurant and designate the boundaries of your Territory

"*Site Selection Area*" means the geographic area described in Part B of ATTACHMENT "A".

"*Successor Agreement*" means our then-current form of Native Grill and Wings Franchise Agreement you must sign pursuant to §4.2 in order to renew your franchise rights.

"*System*" means our system for the operation of a Native Grill and Wings restaurant, the distinctive characteristics of which include, among other things: distinctive interior and exterior design, décor, color schemes, graphics, fixtures and furnishings; proprietary products and recipes; operational and customer service standards and procedures; advertising and marketing strategies, programs, specifications and requirements; operating system; and other standards, specifications, techniques and procedures we designate from time to time for a Restaurant.

"*Technology Systems*" means and includes all information and communication technology systems we specify from time to time, including, without limitation, computer systems, point-of-sale systems, ordering systems, webcam systems, telecommunications systems, security systems, music systems and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps, and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

"*Term*" means the period of time beginning on the Effective Date and expiring on the earlier to occur of: (a) the 10th anniversary of the Effective Date; or (b) the date this Agreement is effectively terminated for any reason.

"*Territory*" is defined in §3.1.

"*Training Fee*" means the training fee described in §5.8 in connection with certain training programs.

"*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:

(a) this Agreement (or any interest therein);

(b) the franchise rights or intellectual property rights granted by this Agreement (or any interest therein);

(c) the Business conducted by you pursuant to this Agreement (or any interest therein);

(d) the right to manage the Restaurant or occupy the Restaurant's premises;

(e) the Restaurant's assets (other than the sale of fixtures or equipment in the ordinary course of business); or

(f) an Equity Interest in the Franchisee Entity;

including by merger or consolidation, by issuance of additional Equity Interests in the Franchisee Entity, or by operation of Law, will or a trust upon the death of an Owner (including the Laws of intestate succession).

2. GRANT OF FRANCHISE . We hereby grant you the right and license to own and operate one (1) Restaurant using our Intellectual Property from a site that we approve. As a franchisee, you will establish and operate a causal dining restaurant emphasizing a variety of quality food and spirits in a relaxed, sports-themed, family-friendly surrounding. We reserve all rights not expressly granted to you.

3. TERRITORIAL RIGHTS AND LIMITATIONS.

3.1 Designation of Territory. We will grant you a territory (your "Territory") that includes a minimum population of 70,000 (as of the date the Territory is determined). If we approve the site for your Restaurant prior to execution of this Agreement, then Part D of ATTACHMENT "A" shall identify the geographic area that comprises your Territory. If we do not approve the site for your Restaurant prior to execution of this Agreement, then within 15 days after we approve the site for your Restaurant we will send you a Site Approval Notice that will identify: (a) the approved site for your Restaurant; and (b) the geographic area that comprises your Territory.

3.2 Territorial Protections. During the Term, we will not develop or operate, or grant a franchise or license to a third party to develop or operate, a Restaurant that is physically located within your Territory except as otherwise provided in §3.3 with respect to Captive Venues. We reserve the right to sell, or grant franchises or licenses to third parties to sell, competitive or identical goods or services (including under the Marks) through Alternative Channels of Distribution, irrespective of whether the sales take place in your Territory.

3.3 Captive Venues. We reserve the right to develop and operate, and grant franchises or licenses to third parties to develop and operate, Restaurants in Captive Venues that are located in your Territory. Before we do so, 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: (a) you satisfy our minimum qualifications to operate within a Captive Venue; and (b) the owner or manager of the Captive Venue approves you to own and operate the Restaurant within 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: (a) a written notice of your intention to establish the Restaurant within the Captive Venue; (b) 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 (c) a check or wire transfer for the full amount of the initial franchise fee required by the franchise agreement. You are deemed to decline your option to acquire the franchise if either: (a) you fail to satisfy any of the foregoing conditions within the 30-day period; or (b) you notify us that you do not wish to exercise your 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 Restaurant within the Captive Venue.

4. TERM AND RENEWAL.

4.1 **Generally**. This Agreement grants you the right to operate your Restaurant only during the Term. Provided that you satisfy all conditions for renewal specified below, you may enter into a maximum of two (2) Successor Agreements following the expiration of the Term. The Successor Agreement shall be the current form of franchise agreement we use in granting Native Grill and Wings franchises as of the expiration of the Term or renewal term, as applicable, the terms of which may vary materially and substantially from the terms of this Agreement. Upon renewal, we also reserve the right to modify the boundaries of your Territory in accordance with our then-current territory guidelines and criteria. Each renewal term will be five (5) years. The parties may agree to further renewals after expiration of the second (2^{nd}) renewal term, but neither party is obligated to do so. 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 any Definitive Agreement at the time you send the renewal notice or the time you sign the Successor Agreement;

(iii) sign the Successor Agreement and all ancillary agreements we require franchisees to sign;

(iv) sign a General Release;

(v) pay us a $5,000 renewal fee;

(vi) remodel your Restaurant and upgrade its furniture, fixtures and equipment to comply with then-current standards and specifications; *provided, however*, that you will not be required to spend more than $300,000 for any such remodeling or upgrades;

(vii) extend the term of your lease for the duration of the renewal term.

If we elect not to renew or offer you the right to renew, we will send you a written notice of non-renewal at least 180 days prior to the expiration date, which shall set forth the basis for our decision not to renew or offer you the right to renew. Our failure to send you a notice of non-renewal at least 180 days prior to the expiration date shall constitute our offer to renew your franchise in accordance with, and subject to, the renewal terms and conditions set forth above. If you have any objections to our notice of non-renewal, including any dispute as to the basis for our decision not to renew, you must send us a written notice of objection that sets forth the basis for your objections. Your notice of objection must be sent to us no later than 30 days after you receive our notice of non-renewal. Your failure to send us a written notice of objection during such 30-day period shall constitute your agreement to the non-renewal of your franchise.

4.3 **Interim Term.** If you do not sign a Successor Agreement after the expiration of the Term and you continue to accept the benefits of this Agreement, then at our option, this Agreement may be treated either as: (a) expired as of the date of the expiration with you then operating without a franchise to do so and in violation of our rights; or (b) continued on a month-to-month basis (the "Interim Term") until either party provides the other party with 30 days' prior written notice of the party's intention to terminate the Interim Term. In the latter case, all of your obligations will remain in full force and effect during the Interim Term as if this Agreement had not expired, and all obligations and restrictions imposed on you upon the expiration or termination of this Agreement will be deemed to take effect upon the termination of the Interim Term.

5. TRAINING AND CONFERENCES

5.1 **Executive Training Program**. Each of your Owners (other than Passive Owners) and General Managers must successfully complete our executive training program (the "Executive Training Program") prior

to assuming responsibility for the management or supervision of your Restaurant. The Executive Training Program, which consists of franchise and business management training, takes place at our corporate headquarters, at a Restaurant we designate and/or any other location we designate. Your initial Owners (other than Passive Owners) and General Manager(s) must successfully complete the Executive Training Program before you open your Restaurant.

5.2 On-Site Training. We will send an opening unit training team to your Restaurant to provide onsite 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 occurs before opening and the remainder occurs immediately after opening.

5.3 Manager-In-Training Program. Each of your Owners (other than Passive Owners), General Managers and Managers must successfully complete our manager-in-training program ("MIT Training Program") prior to assuming responsibility for the management of your Restaurant. The MIT Training Program, which is specifically designed to train restaurant managers, will take place, at our option, either at your Restaurant or another Restaurant we designate. Your initial Owners (other than Passive Owners), General Manager(s) and Managers must successfully complete the MIT Training Program before you open your Restaurant.

5.4 Periodic Training. From time to time, we may conduct system-wide refresher or advanced training courses. Attendance at these training programs is mandatory.

5.5 Additional Training Upon Request. Upon your written request, we may provide additional assistance or training to you at a mutually convenient time.

5.6 Remedial Training. If we determine you are not operating your Restaurant in full compliance with this Agreement and/or the Manual, or if your Gross Sales are less than the average Gross Sales generated by other similarly situated Restaurants, we may, at our option, require that your Managing Owner, General Manager and Managers attend remedial training relevant to your operational deficiencies.

5.7 Conferences. We may hold periodic conferences or seminars to discuss various business issues and operational and general business concerns affecting franchisees. Attendance at these conferences is mandatory.

5.8 Training Fees and Expenses. We provide our pre-opening Executive Training Program and MIT Training Program at no additional charge. You must pay us a training fee of $300 per trainee per day (the "Training Fee") for: (a) each Person that attends the Executive Training Program or MIT Training Program after you open your Restaurant (including new Managing Owners, General Managers and Managers); and (b) any Person who retakes the Executive Training Program or MIT Training Program after failing a prior attempt. If we send one or more of our certified trainers to your Restaurant to provide onsite training (including pursuant to §5.2, §5.5, or §5.6), you must pay a per diem fee (the "Onsite Training Fee") for each certified trainer we send. The Onsite Training Fee currently ranges from $250 to $350 per certified trainer per day. In addition to the Onsite Training Fee, you are responsible for all costs incurred by our trainers for meals, travel and lodging to provide onsite training. We currently require that you pay the Onsite Training Fee and expense reimbursements directly to the certified trainer, but we may require that you pay us these amounts in the future. We do not charge a training fee for any system-wide refresher or additional training program we conduct at our headquarters or at an affiliate-owned Restaurant. We do not charge any registration fee to attend our conferences. You are responsible for all expenses and costs your trainees incur for training or attending conferences, including wages, travel and living expenses. All training fees and expense reimbursements are due 10 days after invoicing.

6. OTHER FRANCHISOR ASSISTANCE.

6.1 Manual. We will provide you with access to our Manual in text or electronic form during the Term. The Manual will help you establish and operate your Restaurant. The information in the Manual is confidential and proprietary and may not be disclosed to third parties without our prior approval.

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

Restaurant. We will be available to render advice, discuss problems and offer general guidance to you during normal business hours by telephone, e-mail or similar methods of communication.

6.3 Field Visits. We have the right, but not the obligation, to conduct periodic field visits for purposes of providing onsite consultation, assistance and guidance pertaining to the operation and management of your Restaurant. We may prepare and provide you with a report detailing any problems or concerns observed during the field visit together with required or suggested changes or improvements to address or resolve such problems or concerns. You must implement all required changes or improvements in the time and manner we specify.

6.4 Website. We will maintain a corporate website for our brand that will include a local webpage for your Restaurant. Your local webpage will include the information about your Restaurant that we deem appropriate, including location, contact information, hours of operation and events. We may modify the content of and/or discontinue the website at any time in our sole discretion. We will own the website (including your webpage) and domain name at all times.

6.5 Email Addresses. At no additional charge, we will provide you with a limited number of Native Grill and Wings email addresses for use with your Business. You must exclusively use the email address or addresses we provide for all communications with us, customers, suppliers and other Persons relating to your Business. You may not use any email address we provide for any purpose unrelated to your Business. We will own the email addresses and accounts but allow you to use them during the Term.

6.6 Purchase Agreements. We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for us and our 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 we negotiate (subject to any rebates the supplier pays to us).

7. ESTABLISHING YOUR RESTAURANT

7.1 Site Selection. 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. You agree to locate and obtain our approval of the site for your Restaurant within 60 days after the Effective Date. The premises must be located within the Site Selection Area and conform to our minimum site selection criteria. You must send us a complete site report for your proposed site, which must include all demographic, commercial and other information, photographs and video tapes we require. We have the right to accept or reject all proposed sites in our commercially reasonable judgment. We will use our best efforts to 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. If we approve the site for your Restaurant prior to execution of this Agreement, then the address of the approved site will be listed in Part C of ATTACHMENT "A". If we do not approve the site for your Restaurant prior to execution of this Agreement, then within 15 days after we approve your site, we will send you a Site Approval Notice that identifies: (a) the address of your approved site; and (b) the geographic area that comprises your Territory. Within five (5) business days after we send you the Site Approval Notice, you must sign and date the franchisee acknowledgment section of the Site Approval Notice and send us a copy for our records. Our approval of the site and designation of your Territory in the Site Approval Notice shall be deemed immediately effective and binding on you at the time we issue such notice, regardless of whether you sign and/or send us the signed acknowledgment. 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 Restaurant. Our approval of the site indicates only that we believe the site meets our minimum criteria.

7.2 Lease / Purchase. You must sign the lease or purchase agreement for your premises, as applicable, within 90 days after the Effective Date. If you lease the premises, you must use your best efforts to ensure your landlord signs the Lease Addendum attached to this Agreement as ATTACHMENT "C". If your landlord refuses to sign the Lease Addendum in substantially the form attached to this Agreement we may either: (a) waive the

Lease Addendum requirement (or the provisions disapproved by the landlord); or (b) require that you find a new site for your Restaurant. We must approve the terms of your lease before you sign it. We will have 10 days after receipt of your lease (and all other related information we request) to approve or disapprove your lease. Once signed, you may not renew, extend, modify or amend your lease without our prior approval. You must promptly send us a fully executed copy of your lease and Lease Addendum (and all renewals, extensions, modifications and amendments thereto). Our approval of your lease: (a) is not a representation by us that your Restaurant will be successful or that your lease contains favorable terms; and (b) does not constitute a legal review and only signifies that it meets our minimum requirements for our protection. The scope and purpose of our review of your lease is limited to ensuring it meets our system standards.

7.3 **Construction**. After we approve your site, we will provide you with (a) layout and design criteria and architectural renderings for the layout and design of a Restaurant and (b) a décor package (either separately or in the Manual) that lists all items and specifications for the décor of a Restaurant (the "Prototype Plans"). You must hire a licensed and bonded architect to prepare initial design plans and detailed construction plans. The architect must ensure the construction plans: (a) are consistent with our Prototype Plans; (b) satisfy all required standards and specifications in the Manual; and (c) comply with all Laws (including, without limitation, the Americans with Disabilities Act), building codes, permit and lease requirements and and restrictions applicable to the premises. You must submit the final plans to us for approval. Once approved, you must, at your expense, construct and equip your Restaurant according to the approved construction plans and the requirements of the Manual. You must also purchase (or lease) and install the Technology Systems, equipment, fixtures, signs and other items we require. We must approve the architects, contractors and other suppliers you use to construct your Restaurant.

7.4 **Opening**. You must open your Restaurant to the public within 270 days after the Effective Date. You may not open your Restaurant prior to receipt of a written authorization to open issued by us. We will not issue an authorization to open before:

(i) your Managing Owner, General Manager and Managers successfully complete training;

(ii) you purchase all required insurance and furnish us with evidence of coverage;

(iii) you obtain all required licenses, permits and other governmental approvals; and

(iv) we review and approve the construction, build-out and layout of your Restaurant.

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 and you agree to make any changes we require before opening. BY VIRTUE OF OPENING YOUR BUSINESS, 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: (a) locate a new site for your Restaurant within the Site Selection Area (but outside any territory granted or reserved to us, our affiliate or any other franchisee); (b) comply with §7.1 through §7.4 of this Agreement with respect to your new Restaurant; (c) pay us a $10,000 relocation fee at the time we grant our approval of your request, unless we choose to waive the fee; and (d) open your Restaurant at the new site and resume operations within 270 days (or such shorter period of time we reasonably specify) after closing your Restaurant at the former site.

8. MANAGEMENT OF BUSINESS.

8.1 **Owner Participation**. You must designate an Owner to serve as your Managing Owner. The Managing Owner must: (a) be approved by us; (b) successfully complete all training programs we require; and (c) dedicate commercially reasonable efforts to monitoring, supervising and managing your General Manager and other Managers to ensure the Restaurant is operated in compliance with this Agreement and the Manual.

8.2 **General Manager**. You must hire at least one general manager (a "General Manager") who will be primarily responsible for the daily onsite supervision and management of your Restaurant. Your Managing Owner may, but need not, serve as a General Manager. Each General Manager must: (a) successfully complete all training programs we require; (b) 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 (c) sign a Confidentiality Agreement. The Managing Owner must assume responsibility for the onsite management and supervision 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. Each Manager must: (a) successfully complete all training programs we require; and (b) sign a Confidentiality Agreement.

8.4 **Employees**. You must determine appropriate staffing levels for your Restaurant to ensure full compliance with this Agreement and our system standards. You may hire, train and supervise employees to assist you with the proper operation of the Business. 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. We do not control the day to day activities of your employees or the manner in which they perform their assigned tasks. You must inform your employees that you exclusively supervise their activities and dictate the manner in which they perform their assigned tasks. In this regard, you must use your legal business entity name (not our Marks or a fictitious name) on all employee applications, paystubs, pay checks, employment agreements, time cards, and similar items. We also do not control the hiring or firing of your employees. 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. We will not provide you any advice or guidance on these matters. You must require that your employees review and sign the acknowledgment form we prescribe that explains the nature of the franchise relationship and notifies the employee that you are his or her sole employer. You must also post a conspicuous notice for employees in the back-of-the-house area explaining your franchise relationship with us and that you (and not we) are the employee's sole employer. We may prescribe the form and content of this notice.

8.5 **Interim Manager.** We have the right, but not the obligation, to appoint an interim manager of our choosing to manage your Restaurant on a temporary basis if either: (a) your Managing Owner ceases to perform the responsibilities of a Managing Owner (whether due to retirement, death, disability, or for any other reason) and you fail to appoint an approved replacement Managing Owner within 30 days; or (b) you are in material breach. You must compensate the interim manager at a rate we establish in our commercially reasonable discretion (not to exceed 20% of Gross Sales) and reimburse us for all travel and living expenses incurred by the interim manager. The interim manager will cease to manage your Restaurant at such time that you appoint an approved replacement Managing Owner who has completed training or you cure the material breach, as applicable. The interim manager will have no liability to you except for gross negligence or willful misconduct. We will have no liability to you for the activities of an interim manager unless we are grossly negligent in appointing the interim manager.

9. **FRANCHISEE AS ENTITY**. You represent that Part A of ATTACHMENT "A" includes a complete and accurate list of your Owners. Upon our request, you must provide us with a resolution of the Franchisee Entity authorizing the execution of this Agreement, a copy of the Franchisee Entity's organizational documents and a current Certificate of Good Standing (or the functional equivalent thereof). All Owners of the Franchisee Entity (whether direct or indirect) and their spouses must sign a Franchise Owner Agreement.

10. ADVERTISING & MARKETING.

10.1 **Brand and System Development Fund**.

(a) Administration. We administer a brand and system development fund to promote public awareness of our brand and improve our System. We may use the fund to pay for any of the following in our sole discretion:

(i) developing, maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions and programs;

(ii) conducting and administering promotions, contests or giveaways;

(iii) improving public awareness of the Marks;

(iv) public and consumer relations and publicity;

(v) brand development;

(vi) sponsorships;

(vii) charitable and non-profit donations and events;

(viii) research and development of technology, products and services;

(ix) website development and search engine optimization;

(x) development of an ecommerce platform;

(xi) development and implementation of quality control programs, including the use of mystery shoppers or customer satisfaction surveys;

(xii) conducting market research;

(xiii) changes and improvements to the System;

(xiv) the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts;

(xv) collecting and accounting for contributions to the fund;

(xvi) preparing and distributing financial accountings of the fund;

(xvii) any other programs or activities we deem appropriate to promote or improve the System; and

(xviii) direct or indirect labor, administrative, overhead and other expenses incurred by us and/or our affiliates in relation to any of these activities, including salary, benefits and other compensation of any of our (and any of our affiliate's) officers, directors, employees or independent contractors based upon time spent working on any brand fund matters described above.

We have sole discretion in determining the content, concepts, materials, media, endorsements, frequency, placement, location and all other matters pertaining to any of the foregoing marketing or advertising activities. Any surplus of monies in the fund may be invested and we may lend money to the fund if there is a deficit. The fund is not a trust and we have no fiduciary obligations to you with respect to our administration of the fund. A financial accounting of the operations of the fund, including deposits into and disbursements from the fund, will be prepared annually and made available to you upon request. In terms of marketing activities paid for by the fund, we do not ensure that these expenditures in or affecting any geographic area are proportionate or equivalent to the fund contributions by franchisees operating in that geographic area or that any franchisee benefits directly or in proportion to their fund

contributions. We reserve the right to discontinue the fund at any time in our sole discretion upon at least 30 days' prior notice.

(b) Contributions. On the day of each week we specify from time to time (currently Wednesday), you must pay us a brand and system development fund contribution in the amount we specify (not to exceed 2% of your Gross Sales for the prior week's operations). We will provide at least 30 days' prior written notice of any change to the amount of the brand and system development fund contribution. We will deposit into the fund all fund contributions paid by you and other franchisees.

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 brand and system development 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. You must participate at your expense in all advertising, promotional and marketing programs we require. In addition to your required contribution to the brand fund, you must spend, on a monthly basis, at least 1% of Gross Sales on local advertising to promote your Restaurant after your grand opening period. We 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 Gross Sales on local advertising. You may, with our prior written consent, coordinate or consolidate advertising or promotional efforts with other Restaurants.

(b) Grand Opening. During the period beginning 30 days before opening and ending 60 days after opening, you must spend at least $7,500 on advertising and other marketing activities to promote the grand opening of your Restaurant.

(c) Standards for Advertising. All advertisements and promotions you create or use must be completely factual, conform to the highest standards of ethical advertising and comply with all Laws. You must ensure your advertisements and promotional materials do not infringe upon the intellectual property rights of others. You must comply with any minimum advertised pricing policy we establish from time to time. You must comply with our marketing policy to promote Native Grill and Wings as a "neighborhood brand".

(d) Extraterritorial Advertising. You can market and advertise outside of your Territory as long as you: (i) comply with all policies and procedures in the Manual governing extra-territorial marketing; and (ii) do not engage in targeted marketing directed into any territory or development territory assigned to us, our affiliate or another franchisee (except as otherwise noted below). You may not engage in targeted marketing directed into a territory assigned to us, our affiliate or another franchisee unless the marketing is conducted as part of an advertising cooperative that includes the affected territory. Marketing that is distributed, circulated or received both within your Territory and within another territory is not deemed to be "targeted marketing" if: (i) you use reasonable efforts to limit the circulation or distribution of the advertising to areas within your Territory; and (ii) the majority of the recipients of the advertising are located within your Territory and there is only incidental circulation or distribution within a territory assigned to us, our affiliate, or another franchisee. The meaning of "targeted marketing" that is "directed into a territory" may be further defined in the Manual, but examples include direct mail sent to addresses within a given territory, digital advertising sent to devices with IP addresses registered within a given territory and setting up promotional events that take place within a given territory.

(e) Approval of Advertising. Prior to use, we must approve all advertising and marketing materials and programs you intend to use, including all advertising and marketing materials we did not prepare or previously approve (and including materials we prepare or approve and you modify). We must also approve the

media you intend to use. You may not use any advertising materials, programs or media we have not approved (including materials, programs or media we previously approved and later disapprove). We have 15 days to review and approve advertising and marketing materials and programs you submit for approval. Our failure to issue our approval within the 15-day period constitutes our disapproval.

(f) Social Media. You may use social media to advertise and market your Restaurant provided that:

(i) you only utilize social media platforms we approve (currently limited to Facebook);

(ii) you strictly comply with our social media policy (as revised from time to time);

(iii) you immediately remove any post we disapprove (even if it complies with our social media policy);

(iv) you use any supplier we designate for social media marketing;

(v) you provide us with full administrative rights to your social media account; and

(vi) we retain ownership of all social media accounts relating to your Restaurant.

We currently retain exclusive control over all social media platforms other than Facebook.

(g) Internet and Websites. Without our prior approval, which we may withhold in our sole discretion, you may not:

(i) develop, host, create or otherwise maintain a website or other online or digital presence in connection with your Restaurant, including any website bearing our Marks;

(ii) conduct digital or online advertising or marketing; or

(iii) engage in ecommerce.

11. OPERATING STANDARDS.

11.1 Generally. You agree to operate your Restaurant: (a) in a manner that will promote the goodwill of the Marks; and (b) in full compliance with our System standards as set forth in this Agreement and the Manual. In addition to the standards specified in §11 below, our System standards may relate to and regulate any of the following:

(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 all Technology Systems we designate, including electronic cash register with availability of modem for us to obtain daily sales audits and electronic mail (e-mail) capability.

11.2 Manual. You agree to establish and operate your Restaurant in accordance with the Manual. The Manual may contain, among other things:

(i) a description of the authorized goods and services you may offer at your Restaurant;

(ii) specifications, operating procedures, and quality standards for food, products, services and procedures we prescribe from time to time for Restaurants (including ingredients, methods of preparation and service, weight and dimensions of food served, packaging and similar matters);

(iii) accounting, reporting and insurance requirements;

(iv) architectural plans and specifications for the design and layout of a Restaurant;

(v) policies and procedures pertaining to any gift card or loyalty program we establish;

(vi) policies and procedures for catering and delivery services;

(vii) policies and procedures pertaining to marketing and advertising;

(viii) policies and procedures relating to data ownership, protection, sharing and use; and

(ix) a list of (a) the goods and services (or specifications for goods and services) you must purchase to develop and operate your Restaurant and (b) any designated or approved suppliers for these goods and services.

The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered by our franchisees. We can modify the Manual at any time. The modifications will become binding at the time we notify you of the modification (subject to any "grace period" we provide to implement the change). All mandatory provisions contained in the Manual (whether they are included now or in the future) are binding on you.

11.3 Authorized Goods and Services. You agree to offer for sale at your Restaurant all food, beverage, merchandise, gift cards and other goods and services we require from time to time. You must offer dine-in and take-out services. 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). We may, without obligation to do so, add, modify or delete authorized goods and services, and you must do the same upon notice from us. Our addition, modification or deletion of one or more goods or services shall not constitute a termination of this Agreement.

11.4 Preparation of Menu Items. All menu items and food products must be prepared only by properly trained personnel and strictly in accordance with our recipes, techniques and processes (including the handling and storage of both ingredients and fully prepared menu items). These requirements are integral to the System and necessary in order to: (a) ensure all menu items prepared at your Restaurant meet our high standards for health and wellness, taste, texture, appearance and freshness; and (b) protect the goodwill associated with our Marks. Your failure to adhere to these requirements will be detrimental to the System and the Marks.

11.5 Sales Restrictions. You may only sell to retail customers while they are present at the Restaurant. Unless you receive our prior written approval, you may not: (a) offer or sell food, beverage, merchandise or other goods or services from any location other than your Restaurant's premises; (b) produce, sell or provide food, beverage, merchandise or other goods or services through any other channel of distribution, including via catering or delivery service (unless otherwise approved by us), utilizing the services of a ghost kitchen or through an ecommerce site; (c) sell food, beverage, merchandise or other goods or services to any Person for purposes of resale; or (d) use, or allow any other Person to use, the kitchen in your Restaurant as a ghost kitchen (or in any

similar capacity) for purposes of preparing menu items for other brands or culinary concepts. If we authorize you to provide catering and/or delivery services, you must strictly comply with all associated policies and procedures in the Manual, including, without limitation, use of designated third-party delivery service providers, pricing policies and restrictions on delivery service areas.

11.6 Pricing. Upon request, we will provide you with our suggested retail pricing. You may deviate from our suggested retail pricing in your discretion; *provided, however*, that we may set maximum or minimum prices on the goods and services you offer to the extent permitted by applicable Law.

11.7 Customer Payments. You must, at your expense, lease or purchase the necessary equipment and/or software and have arrangements in place with Visa, MasterCard, American Express and all other credit card issuers we designate, in order for you to be able to accept such methods of payment from customers. You must accept debit cards, credit cards, stored value cards, and other non-cash systems (including, for example, APPLE PAY and/or GOOGLE WALLET) that we specify. You must acquire and install all necessary hardware and/or software used in connection with these non-cash systems.

11.8 Suppliers and Purchasing. You must purchase or lease all products, supplies, equipment, services and other items specified in the Manual from time to time. If required by the Manual, you must purchase certain goods and services only from suppliers we designate or approve (which may include, or be limited exclusively to, us or our affiliate). Our right to specify the suppliers you may use is necessary so we can control the uniformity and quality of goods and services used, sold or distributed in connection with the development and ongoing operation of Restaurants, protect our trade secrets, obtain discounted prices for our franchisees if we choose to do so, and protect the reputation and goodwill associated with the System and the Marks. 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 you propose, you must send us a written notice specifying the supplier's name and qualifications and provide any additional information we request. We will approve or reject your request within 30 days after we receive your notice and all additional information (and samples) we require. We shall be deemed to have rejected your request if we fail to issue our approval within the 30-day period. You must reimburse us for all costs and expenses we incur in reviewing a proposed supplier within 10 days after invoicing.

11.9 Equipment Maintenance and Changes. You must maintain 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. 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 we reasonably specify.

11.10 Technology Systems.

(a) Generally. You must acquire and utilize all Technology Systems we require from time to time. Technology Systems may relate to matters such as purchasing, pricing, accounting, order entry, inventory control, security, information storage, retrieval and transmission, customer information, customer loyalty, marketing, communications, copying, printing and scanning, or any other business purpose we deem appropriate. We may require that you, at your expense, acquire new or substitute Technology Systems, and/or replace, upgrade or update existing Technology Systems, upon reasonable prior notice.

(b) Use and Access. You must utilize your Technology Systems in accordance with the Manual. You must record all sales and other information we require on the designated aspects of the Technology Systems and on any forms and equipment prescribed in the Manual. You may not load or permit any unauthorized programs or games on your Technology Systems. You must ensure your employees are adequately trained in the use of the Technology Systems. You agree to take all steps necessary to provide us with independent and unlimited access to data collected through your Technology Systems, including your Gross Sales information for purposes of

calculating fees owed. Upon request, you must provide us with the user IDs and passwords for your Technology Systems, including upon termination or expiration of this Agreement.

(c) Disruptions. You are solely responsible for protecting against computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Upon our request, you must obtain and maintain cyber insurance and business interruption insurance for technology disruptions.

(d) Support Agreement. You must enter into a maintenance and/or support agreement with us, our affiliate or one or more suppliers we designate or approve for purposes of maintaining and supporting the Technology Systems, or any part thereof. We, our affiliate or the supplier(s) we designate may charge you a fee for the maintenance, support and other services provided to you. Currently, we require that you sign our current form of Brand Technology System Support Services Agreement (or any replacement thereof) (the "Support Agreement"), pursuant to which we or our affiliate will provide you with certain help-desk support services. You must timely perform all of your obligations under the Support Agreement.

(e) Fees and Costs. You are responsible for all fees, costs and expenses associated with acquiring, licensing, utilizing, updating and upgrading the Technology Systems. Certain components of the Technology Systems must be purchased or licensed from third-party suppliers. We and/or our affiliate may develop proprietary software, technology or other components of the Technology Systems that will become part of our System. If this occurs you agree to: (i) pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees; and (ii) upon request, enter into a license agreement with us (or our affiliate) in a form we prescribe governing your use of the proprietary software, technology or other component of the Technology Systems. We may also enter into master agreements with third-party suppliers relating to any components of the Technology Systems and charge you for all amounts we pay to these suppliers based on your use of their software, technology, equipment, or services. Although we do not currently do so, we reserve the right to include within the technology fee a commercially reasonable administrative fee to compensate us for the time, money and resources we invest in administering the technology platform and the associated constituent components, negotiating with third-party licensors and managing those relationships, and collecting and remitting technology fees owed to third-party licensors on behalf of franchisees under master license arrangements. The "technology fee" includes all amounts you pay us and/or our affiliates relating to the Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to third-party suppliers based on your use of their systems, software, technology or services. The amount of the technology fee may change based on changes to the Technology Systems or prices charged by third-party suppliers with whom we enter into master agreements. The technology fee does not include any amounts you pay directly to third-party suppliers for any component of the Technology Systems. The technology fee is due 10 days after invoicing or as otherwise specified by us from time to time.

11.11 Remodeling and Maintenance. You must remodel, renovate and make all improvements to your Restaurant that we reasonably require from time to time to reflect our then-current standards and 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 standards and specifications. 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. Without limiting the generality of the foregoing, you agree to take the following actions at your sole expense: (a) thorough cleaning, repainting, redecorating of the interior and exterior of the Restaurant's premises at the intervals we may prescribe (or at such earlier times that such actions are required or advisable); and (b) interior and exterior repair of the Restaurant's premises as needed. You agree to comply with any maintenance, cleaning or facility upkeep schedule that we prescribe from time to time.

11.12 System Programs.

(a) Generally. We may periodically develop and implement membership programs, loyalty programs, gift card programs or other programs for Restaurants. You must fully participate in all programs we designate as mandatory. In order to participate, you must: (a) comply with all policies and procedures we establish for participation in the program; (b) purchase (or license) and utilize all equipment, software, mobile applications (Apps), technology and others items we designate as being necessary for participation in the program, and pay all associated fees and costs; and (c) pay us, our affiliate, or a third party designated by us, all program fees and other amounts we designate as being necessary for participation in the program (collectively, "Program Participation Rules"). The Program Participation Rules may be set forth in the Manual. We may amend the Program Participation Rules at any time and you must immediately comply with all such amendments. We may develop and implement new or successor programs and/or modify or terminate existing programs at any time in our discretion.

(b) Loyalty Programs. You must fully participate and implement all required customer loyalty, rewards and other affinity programs designed to increase customer loyalty, generate new customers and/or improve overall demand for Restaurants.

(c) Gift Card Programs. You must participate in any gift card program we establish and honor gift cards, even if purchased from us or from a different Restaurant. You may not offer or sell any gift cards we have not approved. We may determine how gift card proceeds are divided or otherwise accounted for and we may retain proceeds from unredeemed gift cards. We may require that gift card proceeds be paid to us or deposited into a trust account we control for subsequent disbursement to the Restaurant or Restaurants where gift cards are redeemed.

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

11.14 Quality Assurance Programs. For quality control purposes, we may: (a) periodically inspect your Restaurant in accordance with §6.3 or §15.1; and/or (b) engage the services of a "mystery shopper" or quality assurance firm to inspect your Restaurant. Restaurant inspections may address a variety of issues, including customer service, food safety, sanitation, inventory rotation, etc. You must fully cooperate with all inspections. If we engage a mystery shopper or quality assurance firm, we may require that you directly pay the mystery shopper or firm for the cost of the inspection. Alternatively, we may pay for the cost of the inspection, in which case you must reimburse us for the cost within 10 days after invoicing. We may implement a scoring system pursuant to which each Restaurant receives a "grade" or "score" based on the results of the inspection. Your failure to achieve a passing grade or score constitutes a default under this Agreement. You must take all actions we specify within the period of time we prescribe in order to rectify any non-compliance issues revealed during an inspection..

11.15 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 (including, without limitation, failure to provide required reports in a timely manner) and you fail to correct the non-compliance within the period of time 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 occurrence. We may impose an additional fine for every 48 hours the same non-compliance issue remains uncured following our imposition of the initial fine. If we takes steps to cure any default committed by you after the expiration of any applicable cure period, including, without limitation, obtaining required insurance coverage on your behalf or paying amounts you owe to approved or designated suppliers, then within 10 days of invoicing you must reimburse us for all costs and expenses we incur, either directly or indirectly, in connection with our efforts to cure your default. Our acceptance of these amounts shall not be construed as a waiver of any of our rights or remedies under this Agreement, including, without limitation, our right to terminate this Agreement in accordance with §19.2.

12. FEES.

12.1 Initial Franchise Fee. You shall pay us a $50,000 initial franchise fee in one lump sum when you sign this Agreement (or, if applicable, any alternative initial franchise fee specified in an area development agreement signed by you and us). The initial franchise fee is fully earned by us and nonrefundable once this Agreement has been signed, except we will refund $5,000 if you and your Owners sign a General Release after we terminate this Agreement pursuant to §19.2(vi).

12.2 Royalty Fee. On the day of each week we specify from time to time (currently Wednesday), you agree to pay us a royalty fee equal to 6% of your Gross Sales generated during the immediately preceding reporting period (our current reporting period is 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 §12. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based on goods or services you sell or goods or services 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: (a) a late fee equal to the greater of $150 or 10% of the amount past due; and (b) if such amount is more than 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 applicable Law.

12.5 Method of Payment. Before opening you must send us a completed and fully executed ACH Agreement. We will electronically debit the banking account you designate (the "Account") for all amounts owed to us and our affiliates (other than the initial franchise fee) on the applicable due date. You must sign any other documents required by us or your bank to enable us to debit your Account for amounts owed. You must deposit all Gross Sales into the Account and ensure sufficient funds are available for withdrawal before each payment due date. If there are insufficient funds in your Account, any excess amounts you owe will be payable upon demand, together with any late charge imposed pursuant to §12.4. We may also impose a $50 NSF fee for each instance where either (a) there are insufficient funds in your Account to cover amounts owed or (b) a check you issue to us is returned due to insufficient funds.

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. The Intellectual Property, training and assistance we provide would not be acquired except through implementation of this Agreement. You agree 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 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 the Intellectual Property and our franchise system.

13.2 Know-how and Confidential Information. You and the Owners agree to:

(i) refrain from using the Know-how in any business or capacity other than the operation of your Restaurant pursuant to this Agreement;

(ii) maintain the confidentiality of the Know-how and other Confidential Information at all times;

(iii) take all reasonable steps we require to prevent unauthorized use or disclosure of Know-how or other Confidential Information;

(iv) refrain from making unauthorized copies of documents containing any Know-how or other Confidential Information; and

(v) 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 must stop using the Know-how immediately at the time he or she ceases to be an Owner).

13.3 Unfair Competition. You and the Owners may not engage in any Prohibited Activities during the Term or Post-Term Restricted Period. Notwithstanding the foregoing, you and the 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 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 permitted by 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.

13.4 Family Members. Because an Owner could circumvent the intent of §13 by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild) and it would be difficult for us to prove any such breach, each Owner agrees that he/she will be presumed to have violated the terms of §13 if a member of his/her immediate family engages in any Prohibited Activities during the Term or Post-Term Restricted Period or uses or discloses Know-how. However, the Owner may rebut this presumption with evidence conclusively showing he or she did not disclose Know-how to the family member.

13.5 Employees. You must ensure 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 sign and send us a Confidentiality Agreement before having access to our Know-how. You must: (a) use best efforts to ensure these individuals comply with the Confidentiality Agreements, as applicable; (b) immediately notify us of any breach that comes to your attention; and (c) reimburse us for all expenses we incur to enforce a Confidentiality Agreement, including attorneys' fees and court costs.

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

13.7 Breach of Covenants. You and the Owners agree that: (a) any failure to comply with §13 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at Law; and (b) we are entitled to injunctive relief if you or an Owner breaches §13, together with any other relief available at equity or Law. We will notify you if we intend to seek injunctive relief, but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the required amount of the bond may not exceed $1,000. If an injunction is wrongfully issued, you may seek dissolution of the injunction as your sole remedy. You hereby waive all Claims for damages resulting from a wrongfully issued injunction. 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. No Claim held by you or an Owner against us or our affiliate may be used as a defense against our enforcement of this §13.

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 must provide us with proof of coverage before taking occupancy, prior to opening, within 10 days of any renewal of a policy, and at any other time upon request.

(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 §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 §14.1(a)(i) and §14.1(a)(ii);

(ix) Cyber Liability Coverage with minimum limits of $25,000 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 we specify in the Manual or otherwise require from time to time.

(b) Insurance During Construction. At all times during the construction or remodeling of your Restaurant, you must carry premises liability insurance and ensure that the insurance is endorsed to name us (and our members, officers, directors, and employees) as additional insureds. You must utilize the services of a general contractor. You must have a written contract with the general contractor that includes an indemnification and hold harmless provision in your favor. The general contractor must carry and maintain: (i) 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; (ii) business auto liability coverage for vehicles owned or leased by the general contractor, or if there are no owned or leases vehicles, Non-Owned and Hired Auto liability coverage, with minimum required coverage of $1,000,000 combined single limit; and (iii) commercial umbrella coverage with minimum coverage of $5,000,000. The insurance maintained by the general contractor must be primary and non-contributory, include a waiver of subrogation rights, and expressly include coverage for injuries to the general contractor's and subcontractors' employees. You must carry "Course of Construction" (builder's risk) which includes 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. At our discretion, we may require that we be included as loss payee. This coverage may be carried by the general contractor, 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 must purchase your 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 where your Restaurant is located. All insurance policies must be endorsed to: (i) name us and our members, officers, directors, and employees as additional insureds (except under your worker's compensation policy); (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 this criteria, we may disapprove the policy and you must immediately find additional coverage with an alternative carrier satisfactory to us. Upon 10 days' notice to you, we may increase the minimum liability coverage amount of any policy and/or require different or additional types of insurance, 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 must send 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, within 10 days after invoicing, all costs and premiums we incur.

(d) Disclaimer. We make no representations regarding the adequacy of coverage or limits of insurance that we require. If you believe additional coverage is necessary (for example, under the terms of your lease) or desirable, you must purchase such additional coverage at your cost and expense.

14.2 Books and Records. You must prepare complete and accurate books, records, accounts and tax returns pertaining to your Business and keep copies for at least five (5) years after their preparation. 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. If we require that you utilize accounting software (such as QuickBooks Online), you must provide us with independent access to your account with permission to read all reports.

14.3 Reports. You must prepare and send us weekly statements of your Gross Sales for the immediately preceding reporting period and monthly statements of your expenditures on local advertising required by §10.3 incurred during the prior month (which shall be accompanied by copies of receipts for such expenditures). You also agree to prepare all other reports we require in the form and manner we specify. Weekly Gross Sales reports are due on the day of each week we specify from time to time. Monthly advertising reports are due by the 10th day of each month for expenditures incurred during the immediately preceding month. You must send us a copy of any report required by this Section upon request. If you miscalculate Gross Sales, you must notify us of the error no later than the end of the next Gross Sales reporting period. Otherwise, you will not be entitled to any refund or credit of any fees paid to us based upon the Gross Sales previously reported. We may independently access your Technology Systems to retrieve and compile any Business Data we deem appropriate, including to generate Gross Sales reports. 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: (a) verified and signed by you certifying to us that the information is true, complete, and accurate; (b) prepared in compliance with Generally Accepted Accounting Principles; and (c) submitted in any format we reasonably require. We may require that your financial statements be reviewed or audited by a certified public accountant if you submit materially inaccurate financial statements on a prior occasion. You must send us a copy of any financial statement required by this Section upon request. You authorize us to disclose Operational Data to prospective franchisees, Governmental Authorities and others for any reasonable business purpose, 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 need not approve any financing or merchant cash advance arrangement that: (a) is secured by a lien on any of the assets associated with your Restaurant (other than a purchase money security interest), the Franchise Agreement or any Equity Interest in the Franchisee Entity (if you are an Entity); or (b) requires you to subordinate any payments owed to us under this Agreement to any payments owed to a third party.

14.6 Legal Compliance. You must secure and maintain in force all required licenses, permits and regulatory approvals and operate your Restaurant in full compliance with all applicable Laws. 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 Governmental Authority that may adversely affect the operation of your Restaurant or your financial condition. You must immediately send us a copy of any inspection report, warning, certificate or rating from a Governmental Authority alleging a violation of any health or safety Law.

14.7 Ownership and Protection of Data. We are the exclusive owner of all Business Data, regardless of whether such Business Data is collected by you, us or another Person. We hereby grant you a license to utilize the Business Data solely for purposes of operating your Restaurant in compliance with this Agreement. You must protect all Customer Data with a level of control proportionate to the sensitivity of data. You must adhere to applicable privacy Laws with respect to data which, if compromised, could have a negative impact on our image or consumer confidence. You agree: (a) to comply with all applicable data protection Laws as well as our data

processing and data privacy policies in the Manual (if any); and (b) upon our request, to sign any data processing and/or data privacy agreement required by us or by Law. You further agree to:

(i) obtain, maintain and adhere to all applicable compliance standards established by PCI-DSS;

(ii) establish appropriate administrative, technical and physical controls consistent with Law and PCI-DSS to preserve the security and confidentiality of any credit card information, in any form whatsoever, that you store, process, transmit, or come in contact with;

(iii) promptly notify us if you suspect that there is, or has been, a security breach or potential compromise of any such credit card information;

(iv) provide us with updates regarding the status of PCI-DSS, which update may be through a completed PCI AOC (Attestation of Compliance), PCI-DSS SAQ (Self-Assessment Questionnaire) or other method mutually agreed; and

(v) promptly notify us of any noncompliance PCI-DSS requirements to discuss your remediation efforts and timeline.

15. INSPECTION AND AUDIT

15.1 **Inspections**. For quality control purposes and to ensure compliance with this Agreement, we (or our representative) may enter your Restaurant, evaluate your operations and inspect or examine your books, records, accounts and tax returns. We will determine the scope of the inspection, which may include, among other things:

(i) examining and copying your books, records, accounts and tax returns;

(ii) inspecting and testing your equipment;

(iii) monitoring and speaking with your staff;

(iv) sampling and testing your menu items;

(v) removing samples of your food, beverage and other inventory items for testing purposes;

(vi) evaluating the physical condition of your Restaurant for cleanliness, sanitation and state of repair; and

(vii) contacting your landlord and customers.

We may conduct the inspection at any time and without prior notice. During the inspection, we (or our representative) will use reasonable efforts to minimize any interference with the operation of your Restaurant. You and your employees must cooperate and not interfere with the inspection. You consent to us accessing your Technology Systems and retrieving any Business Data we deem appropriate in connection with the inspection. We may require you to reimburse us for all costs we incur to conduct an inspection to determine if you remedied: (a) a health or safety issue identified by a Governmental Authority; or (b) a breach of our system standards we brought to your attention. We will bear the cost of all other inspections.

15.2 **Audit**. We may audit your books and records at any time. You must fully cooperate with us and any third party we hire to conduct the audit. If an audit reveals an understatement of Gross Sales, you must immediately pay us all additional fees you owe together with any late fee imposed pursuant to §12.4. Each audit will be performed at our cost unless the audit (a) is required due to your failure to provide information we request, preserve records or file reports as required by this Agreement or (b) reveals an understatement of Gross Sales by at least 2% over the period of the audit (which period shall not be less than three (3) months), in which case you must pay us a $2,500 fee and reimburse us for the cost of the audit, including all reasonable accounting and attorneys' fees and travel and lodging expenses that we or our representatives incur. The audit fee and cost reimbursements are

due 10 days after invoicing. We shall not be deemed to have waived our right to terminate this Agreement by accepting reimbursements of our audit costs.

16. INTELLECTUAL PROPERTY

16.1 Ownership and Use. You acknowledge that: (a) we are (or our affiliate is) the exclusive owner of the Intellectual Property and the associated goodwill; (b) your right to use the Intellectual Property is derived solely from this Agreement; and (c) your right to use the Intellectual Property is limited to a license to operate your Restaurant during the Term pursuant to, and only in compliance with, this Agreement and the Manual. You may not use the Intellectual Property in connection with the sale of any unauthorized 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 must comply with all provisions in the Manual governing use of the Intellectual Property. You will not acquire any goodwill, title or interest in or to the Intellectual Property.

16.2 Changes to Intellectual Property. We may change the Intellectual Property at any time in our sole discretion, including by changing the Copyrighted Materials, Know-how, Marks and/or System. You must, at your expense, implement all Intellectual Property changes we require in accordance with our instructions. We are not liable for any expenses, losses or damages 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 we prescribe. You agree to: (a) prominently display the Marks in the manner we prescribe on or in connection with any advertising, promotional materials, displays, receipts, stationery and forms we designate to give notice of trade and service mark registrations and copyrights; and (b) obtain any fictitious or assumed name registrations required by applicable Law. You may not: (a) use the Marks in any modified form or as part of a corporate or trade name or with any prefix, suffix, or other modifying words, designs or symbols (other than logos licensed to you by this Agreement); (b) use the Marks when signing a contract, lease, check or other agreement or in any other manner that may cause confusion or imply we are liable for your obligations; (c) register, or attempt to register, any Marks (or other trademarks confusingly similar to the Marks) with any Governmental Authority; or (d) challenge or contest the validity of our Marks.

16.4 Use of Know-how. We will disclose the Know-how to you in the initial training program, the Manual, and in other guidance furnished to you during the Term. 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. You acknowledge the Know-how is proprietary and is disclosed to you solely for use in the development and operation of your Business during the Term.

16.5 Improvements. If you or any of your Owners or employees conceives of or develops an Improvement, you must send us a written notice describing the Improvement. You must obtain our approval prior to using any such Improvement. Any Improvement we approve may be used by us and any third parties we authorize to operate a Restaurant, without any obligation to pay royalties or other fees to you or any other Person. You or your Owner or employee, as applicable, must assign to us or our designee, without charge, all rights to the Improvement, including the right to grant sublicenses. In return, we will authorize you to use Improvements developed by other Persons that we approve for use in connection with the operation of a Restaurant.

16.6 Infringements and Claims. You must immediately notify us of any: (a) apparent infringement of the Intellectual Property; (b) challenge to your use of the Intellectual Property; or (c) claim by any Person of any rights in the 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 have sole discretion in deciding what action, if any, to take in response to the infringement, challenge or claim. We may exclusively control any litigation or other proceeding relating to the infringement, challenge or claim. You must execute all documents, render all assistance, and perform all acts that are, in our counsel's opinion, necessary or advisable to protect or maintain our interest in the litigation or proceeding and/or protect 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:

(i) the marketing, use or operation of your Restaurant;

(ii) the breach of any Definitive Agreement committed by you or your Owners or affiliates;

(iii) the breach of any agreement with a third party committed by you or your Owners or affiliates;

(iv) any Claim relating to taxes or penalties assessed by any Governmental Authority against us that are directly related to your failure to pay or perform functions required of you under this Agreement;

(v) libel, slander or disparaging comments made by you or any of your Owners, officers, employees or independent contractors regarding the System, a Restaurant or an Indemnified Party;

(vi) any labor, employment or similar type of Claim pertaining to your employees (including Claims alleging we are a joint employer of your employees) or our relationship with you or your Owners (including Claims alleging we are an employer of you and/or any of your Owners); or

(vii) any actions, investigations, rulings or proceedings conducted by any Governmental Authority (including the United States Department of Labor, Equal Employment Opportunity Commission or National Labor Relations Board) relating to your employees.

You and your Owners must immediately notify us of any Claim or proceeding described above. The Indemnified Parties shall have the right, in their sole discretion to: (a) retain counsel of their choosing to represent them with respect to any Claim; and (b) control the response thereto and the defense thereof, including the right to enter into an agreement to settle the Claim. You may participate in such defense at your expense. You must fully cooperate and assist the Indemnified Parties with the defense of the Claim. You must reimburse the Indemnified Parties for all of their costs and expenses in defending such Claim, including court costs and reasonable attorneys' fees, within 10 days of receipt of an invoice itemizing such costs and expenses.

18. TRANSFERS

18.1 By Us. This Agreement is fully assignable by us (without prior notice to you) and shall inure 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 any obligations incurred by us prior to the effective date of the assignment. We may also delegate our obligations under this Agreement to one or more Persons without assigning the Agreement.

18.2 By You. The rights and duties created by this Agreement are personal to you and the Owners. We are granting you franchise rights in reliance upon the character, skill, attitude, business ability and financial resources of you and your Owners. Because this Agreement is a personal services contract, neither you nor any Owner may engage in a 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 a Transfer if all of the following conditions are satisfied:

(i) we believe the proposed transferee has sufficient business experience, aptitude and financial resources to own and operate a Restaurant and meets our minimum criteria for franchisees;

(ii) you and your affiliates and Owners are in full compliance with all Definitive Agreements;

(iii) prior to the Transfer, you provide the transferee (and, if requested, certain of transferee's management personnel) with a minimum of two (2) weeks of onsite training at your Restaurant at no charge in compliance with the Manual (training must be provided by your Managing Owner or General Manager and must include at least 40 hours of training per week);

(iv) all of the owners of the transferee successfully complete, or make arrangements to attend, the initial training program (and the transferee pays us the Training Fee for each new Person who must attend the Executive Training Program and/or MIT Training Program and the Onsite Training Fee for the onsite portion of initial training);

(v) 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;

(vi) the transferee and its owners obtain all licenses and permits required by applicable Law in order to own and operate the Restaurant;

(vii) the transferee agrees to discharge and guarantee all of your obligations under this Agreement and any other agreement relating to the Business, including, without limitation, supplier contracts, and signs any agreement we require to confirm the foregoing;

(viii) the transferee and its owners sign our then-current form of franchise agreement (unless we, in our sole discretion, instruct you to assign this Agreement to the transferee), 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;

(ix) the transferee must remodel the Restaurant and upgrade all furniture, fixtures and equipment to comply with our then-current standards and specifications within 12 months after the date of the Transfer or by such earlier date that we require (the cost to comply with the remodeling and upgrades required by this subsection shall not exceed $300,000);

(x) you or the transferee pay us a transfer fee equal to 50% of our then current initial franchise fee (applicable to the purchase of a first franchise without any discount) to defray expenses we incur in connection with the Transfer (if the transferee is found by a broker we engage, you must also reimburse us for all commissions we pay to the broker, which amount shall be in addition to the transfer fee);

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

(xii) you agree to subordinate the transferee's financial obligations to you to the transferee's financial obligations owed to us pursuant to the franchise agreement (we may require you to enter into a written subordination agreement);

(xiii) we choose not to exercise our right of first refusal described in §18.5; and

(xiv) 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 agreement by the transferee.

18.3 **Permitted Transfers**. You may engage in a Permitted Transfer without our prior approval, but you must: (a) give us at least 10 days' prior written notice; and (b) upon our request, cause any Entity that was the Franchisee Entity immediately prior to the Permitted Transfer to sign a corporate guarantee in the format we require to secure performance of the new Franchisee Entity's financial obligations under all Definitive Agreements. You and the Owners (and the transferee) must sign all documents we reasonably request to effectuate and document the Permitted Transfer.

18.4 **Death or Disability of an Owner**. Within 180 days after 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 we approve. Any assignment to a third party will be subject to all of the terms and conditions of §18.2 unless the assignment qualifies as a Permitted Transfer. 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 Manual for a continuous period of at least three (3) months.

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 (and send us) a bona-fide offer executed by the purchaser after completion of due diligence. We have 30 days after receipt of the offer to decide whether to purchase the interest for the same price and upon the same terms contained in the offer, except we may substitute cash for any non-cash form of payment proposed in the offer. If we notify you within the 30-day period that we intend to purchase the interest, you or the Owner, as applicable, must sell the interest to us. We will have 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 the terms of the offer, subject to the requirements of §18.2 (including our approval of the transferee). However, if the sale is not completed within 120 days after delivery of the offer to us, or there is a material change to the terms of sale, we will again have the right of first refusal specified in this Section. Our right of first refusal shall not apply to a Permitted Transfer.

19. TERMINATION

19.1 By You. You may terminate this Agreement if we commit a material breach and fail to cure within 90 days after receipt of a default notice specifying the nature of the breach. If you terminate pursuant to §19.1, you must still comply with your post-termination obligations described in §20 (other than payment of liquidated damages) 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 and "good cause" for termination:

(i) if you become insolvent by reason of your inability to pay your debts as they become due;

(ii) if 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 you are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978);

(iii) 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;

(iv) if a final judgment against you remains unsatisfied for 30 days (unless a supersedes or other appeal bond has been filed);

(v) if a levy of execution has been made upon the license granted by this Agreement or any property used in your Business and is not discharged within five (5) days of the levy;

(vi) if the Managing Owner or General Manager fails to satisfactorily complete the Executive Training Program or MIT Training Program in the time and manner required by §5;

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

(viii) if you abandon or fail to operate your Restaurant for three (3) consecutive business days, unless the failure is due to an event of Force Majeure or another reason we approve;

(ix) if a Governmental 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;

(x) 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 Law applicable to your Restaurant;

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

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

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

(xiv) if you fail to pay any amount owed to us or an affiliate of ours within 10 days after receipt of a demand for payment;

(xv) if you fail to pay any third-party approved or designated supplier for goods or services purchased within 10 days after receipt of a demand for payment, unless the demand for payment is disputed by you in good faith;

(xvi) 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 §19.3;

(xvii) if you make an unauthorized Transfer;

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

(xix) if you breach any of the brand protection covenants described in §13;

(xx) if any Owner, or the spouse of any Owner, breaches a Franchise Owner Agreement;

(xxi) if the lease for your premises is terminated due to your default; or

(xxii) if we or any affiliate of ours terminates any Definitive Agreement (other than an area development agreement) due to a default by you or your affiliate.

19.3 Additional Conditions of Termination. In addition to our termination rights in §19.2, 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 (including any mandatory provision in the Manual) or any other Definitive Agreement, which shall constitute "good cause" for termination, unless such default is cured, as determined by us in our sole discretion, within such 30-day notice period.

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 any required notice period.

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) immediately cease to use the Intellectual Property;

(ii) pay us all amounts you owe (including, if applicable, liquidated damages pursuant to §20.3);

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

(iv) comply with our instructions to return or destroy all copies of the Manual, all Copyrighted Materials and all signs, brochures, menus, recipes, advertising and promotional materials, forms and other materials bearing the Marks or containing Confidential Information;

(v) cancel all fictitious or assumed name registrations relating to your use of any of the Marks;

(vi) comply with our data retention policies pertaining to the Business Data;

(vii) alter the interior and exterior of the premises to the extent necessary (or to the extent we require) to prevent any further resemblance to or connection with a Native Grill and Wings restaurant or our System, including, without limitation, repainting the exterior and interior with new colors, removing trade dress, fixtures and décor items associated with a Restaurant, removing all signage and discontinuing use of approved wall décor items and window decals;

(viii) notify all telephone, listing and domain name registration companies of the termination or expiration of your right to use: (a) any telephone numbers and/or domain names associated with your Restaurant; and (b) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the foregoing companies 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 these companies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and

(ix) 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.

Subsections (iv), (vii) and (viii) above shall not apply if you Transfer your Restaurant to an approved transferee or we exercise our right to purchase your Restaurant.

20.2 Right to Purchase Facility and Assets.

(a) Generally. Upon the termination or expiration of this Agreement, we have the option to purchase your Restaurant and/or its assets at fair market value. If we exercise this option, fair market value shall be determined as of the effective date of the termination or expiration of this Agreement. We will notify you of the specific items we wish to purchase (the "Acquired Assets"). We may require you to assign your lease to us at no additional charge..

(b) Selecting Qualified Appraisers. Each party shall appoint an appraiser with experience appraising businesses comparable to a Restaurant in the United States. This appointment of the appraisers shall be made within 30 days after the termination or expiration of this Agreement by giving written notice to the other party of the name and address of the appraiser. If either party fails to appoint an appraiser within the 30-day period, the appraisal shall be made by the sole appraiser appointed within that period. If each party appoints an appraiser within the 30-day period, then within 30 days after that, the two (2) appraisers shall appoint a third (3rd) appraiser. If the two (2) appraisers fail to agree on the third (3rd) appraiser within the 30-day period, then a third (3rd) 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 party. Nothing in this provision shall prohibit the parties from jointly approving a single appraiser.

(c) Information for Appraisal. You must furnish to the appraisers a copy of your current financial statements and your financial statements for the prior three (3) years (or the period of time you have operated your Restaurant if less than three (3) years), together with the work papers and other financial data, documents or information that the appraisers request. The appraisers may take into account any other information and factors they deem relevant.

(d) Appraisal Process. Within 60 days after the appointment of the third appraiser, the three (3) appraisers shall appraise the assets at fair market value without taking into account any value for goodwill (the "Appraised Value"). If the three (3) 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) appraisers. If two (2) of the three (3) appraisers agree on a single value, these two (2) appraisers shall issue a joint report, and the dissenting appraiser may (but need not) issue a separate report, and the value determined by agreement of the two (2) appraisers who shall agree shall be the Appraised Value. If none of the appraisers are able to agree on a single value, each 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 appraiser, each 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 appraiser is made with knowledge of the values determined by the other appraisers. If for any reason there shall be only a single appraiser, then the Appraised Value shall be the value determined by the single appraiser. You and we shall equally bear the cost of the appraisal.

(e) Closing. Once the Appraised Value has been determined, we have 60 additional 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 we agree to. We may deduct from the Appraised Value all amounts you owe us or our affiliates under this Agreement or any other Definitive Agreement, including, if applicable, liquidated damages.

20.3 Liquidated Damages. You must pay us liquidated damages in the amount calculated below if either: (a) we terminate this Agreement due to your default; or (b) you terminate this Agreement without cause or in any manner other than as permitted by §19.1 or §19.4. The amount of liquidated damages shall be calculated by multiplying: (a) the combined average weekly royalty fee and brand fund contribution (without regard to any fee waivers or other reductions, and regardless of collection) imposed on you pursuant to this Agreement during the prior 52-week period (or during the period of time you have operated your Restaurant if less than 52 weeks); and (b) the lesser of: (i) 104 (representing two (2) years or fees); or (ii) the total number of full weeks remaining under the Term of this Agreement as of the effective date of termination. Liquidated damages must be paid in full within 30 days after receipt of an invoice from us detailing our calculation of the amount of liquidated damages owed. The liquidated damages set forth in this Section are in addition to, and not in lieu of: (a) any fees and payments incurred by you prior to the termination of this Agreement, all of which must be paid by you in accordance with the terms of this Agreement; or (b) any damages we or our affiliate incur as a result of your breach of this Agreement; *provided, however*, that we may not pursue a claim against you for recovery of lost future profits if you pay us the full amount of liquidated damages. The parties acknowledge and agree that the amount of liquidated damages set forth in this Section is in proportion to, and is necessary to protect, our legitimate interests, including: (a) encouraging our franchisees to commit to the 10-year franchise relationship, in which both parties have already invested time and expense in developing; (b) the time and expense we will incur in recruiting a new franchisee to acquire franchise rights to the Territory; (c) the time and expense we will incur to ensure your timely and orderly departure from the Native Grill and Wings franchise network; (d) protecting the reputation and goodwill associated with our Marks; and (e) partially compensating us for the financial damages we will incur as a result of your breach and the resulting termination of this Agreement or your unlawful termination of this Agreement.

21. DISPUTE RESOLUTION.

21.1 Negotiation and Mediation. Except as otherwise provided below with respect to Excluded Claims, the parties shall attempt in good faith to resolve any Dispute through informal discussions and negotiations. If these efforts are unsuccessful, the parties agree to submit the Dispute to mediation before a mutually-agreeable mediator prior to litigation. All negotiations and mediation proceedings (including without limitation, discovery conducted therein, as well as all statements and settlement offers made by either party or the mediator in connection with the mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose (except evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply

because of its use in mediation). The mediator may not be called as a witness in any court or arbitration proceeding for any purpose. Any Dispute involving claims alleging a breach of §13 and/or §16 (referred to as "Excluded Claims") will not be subject to mediation unless otherwise agreed to by both parties.

21.2 Litigation. If (a) a Dispute is not successfully resolved by mediation within 60 days after either party makes a demand for mediation or (b) the Dispute involves an Excluded Claim, then either party may file a lawsuit in any state or federal court of general jurisdiction in accordance with the choice of venue provision set forth below. The parties hereby express their clear and unequivocal intent that a court, rather than a mediator, shall have exclusive jurisdiction to decide the threshold issue of whether a Dispute involves an alleged Excluded Claim (i.e., whether there are any claims alleging a breach of §13 and/or §16).

21.3 Venue. All mediation and litigation shall take place in the county in which we maintain our principal place of business at the time the Dispute arises (currently, Maricopa County, Arizona). The parties irrevocably waive any objection to such venue and, with respect to litigation proceedings, submit to the jurisdiction of such courts.

21.4 Attorney's Fees and Costs. 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 or an Owner breach any term of a Definitive Agreement, you must 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 commencement of formal dispute resolution proceedings.

21.5 Waivers. UNLESS PROHIBITED BY APPLICABLE LAW, ANY DISPUTE (OTHER THAN FOR PAYMENT OF MONIES OWED OR A VIOLATION OF §13 OR §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: (a) TRIAL BY JURY; AND (b) 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. REPRESENTATIONS.

22.1 Corporate Representations. You and the Owners jointly and severally represent and warrant to us that the execution and delivery of this Agreement, and the performance of your obligations hereunder, does not: (a) conflict with, breach or constitute a default under any other agreement to which you are (or any affiliate of yours is) a party or by which your (or your affiliate's) assets may be bound; (b) violate any order, writ, injunction, decree, judgment or ruling of any Governmental Authority; or (c) violate any applicable Law. If the franchisee is an Entity, you and the Owners also jointly and severally represent and warrant to us that: (a) the Franchisee Entity is duly organized, validly existing and in good standing under the Laws of the state of its formation and has the requisite power and authority to enter into this Agreement and perform each of its obligations hereunder; and (b) the execution and delivery of this Agreement have been duly authorized by all requisite corporate action and this Agreement shall constitute the legal, valid and binding obligation of the Franchisee Entity and shall be enforceable against the Franchisee Entity in accordance with its terms.

22.2 Franchise Compliance Representations. You and the Owners jointly and severally represent and warrant to us that you received: (a) an exact copy of this Agreement and its attachments, with all material terms filled in, at least seven (7) calendar days before you signed this Agreement; and (b) our Franchise Disclosure Document at the earlier of (i) 14 calendar days before you signed a binding agreement or paid any money to us or our affiliates or (ii) such earlier time in the sales process that you requested a copy.

22.3 General Representations. You and the Owners jointly and severally represent and warrant to us that you and the Owners are aware that: (a) other franchisees may operate under different forms of agreement and our obligations and rights with respect to franchisees differs materially in certain circumstances; and (b) we may

negotiate terms or offer concessions to other franchisees and we have no obligation to offer you the same or similar negotiated terms or concessions.

22.4 Anti-Terrorism Compliance. You and the Owners jointly and severally represent and warrant to us that, to the best of your and their knowledge: (a) no property or interest owned by you or any Owner is subject to being "blocked" under any Anti-Terrorism Law; (b) neither you nor any Owner, nor any of their respective funding sources (including any legal or beneficial owner of any Equity Interest in you) or related parties is, or has ever been: (i) a terrorist or suspected terrorist within the meaning of the Anti-Terrorism Law; or (ii) identified by name (or alias, pseudonym or nickname) or address on any Terrorist List, including on the list of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.home.treasury.gov); and(c) you and the Owners are in compliance with, and shall continue to comply with, the Anti-Terrorism Law and all other Laws (either currently in effect or enacted in the future) prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government that are in effect within the United States of America. The foregoing representations and warranties are 'continuing' representations and warranties for the duration of the franchise relationship. Accordingly, you agree to notify us immediately in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

23. GENERAL PROVISIONS

23.1 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.

23.2 Relationship of the Parties. Nothing in this Agreement creates a fiduciary relationship between the parties 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. Throughout the Term you must, in all dealings with third parties, conspicuously identify yourself as a franchisee and the independent owner of your Restaurant. We may require that you display a written notice of independent ownership, in the form we prescribe, at any location within your Restaurant that we specify. You must also include a written indication of independent ownership on all agreements, forms, letterhead, advertising materials, business cards and other materials that we specify. Neither party is 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 party will be obligated by any agreements or representations made by the other that are not expressly authorized by this Agreement.

23.3 Severability and Substitution. Each section and subsection of this Agreement, and any portion thereof, shall be considered severable. If applicable 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. If a court or arbitrator concludes that any promise or covenant in this Agreement is unreasonable or unenforceable: (a) the court or arbitrator may modify such promise or covenant to the minimum extent necessary to make it enforceable; or (b) we may unilaterally modify such promise or covenant to the minimum extent necessary to make it enforceable..

23.4 Waivers. Each party may waive any obligation imposed on the other party in writing. Neither party shall be deemed to have waived or impaired any of its contractual rights under this Agreement (including the right to require strict compliance with all terms of this Agreement or terminate this Agreement due to the other party's failure to comply with such terms) by virtue of: (a) any custom or practice of the parties at variance with the terms of this Agreement; (b) any failure, refusal or neglect by either party to exercise any right under this Agreement or require the other party to strictly comply with its obligations under this Agreement; (c) our waiver, failure or

refusal to exercise any of our rights with respect to other franchisees; or (d) our acceptance of payments from you after your breach.

23.5 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.

23.6 Force Majeure. Neither party shall be liable for loss or damage or deemed to be in breach of this Agreement if such party's failure to perform its obligations results from an event of Force Majeure; *provided, however*, that an event of Force Majeure shall not excuse or permit any failure to perform for more than 180 days. If the period of non-performance exceeds 180 days from receipt of notice of the Force Majeure event, the party whose ability to perform has not been affected may immediately terminate this Agreement by giving written notice of termination to the other party.

23.7 Binding Effect. This Agreement is binding on the parties hereto 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 not a party to this Agreement; *provided, however*, that the additional insureds listed in §14.1 and the Indemnified Parties are intended third party beneficiaries under this Agreement with respect to §14.1 and §17, respectively.

23.8 Integration. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT, EXCEPT AS PERMITTED BY §11.2 AND §23.3, BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. In addition, our issuance of the Site Approval Notice attached hereto as ATTACHMENT "B" shall be deemed to amend this Agreement to identify the approved site and Territory for your Restaurant, regardless of whether you countersign and/or return the Site Approval Notice. Any email or other informal electronic communication shall not be deemed to modify this Agreement unless it is signed by both parties and specifically states 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 Manual 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. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other Person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

23.9 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.

23.10 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 Business or Franchisee Entity) 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 limitation, §12, §13; §15, §17, §20, §21 and §23.

23.11 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, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

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

23.13 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.

23.14 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 in Part A of ATTACHMENT "A"

US: Native Grill and Wings Franchising, LLC
9720 Wilshire Blvd., Suite 500
Beverly Hills, California 90212
Email: CEO@fatbrands.com; CFO@fatbrands.com; Legal@fatbrands.com

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 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. Any notice sent to us by email must also be sent by mail in accordance with the provisions above.

* * *

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

FRANCHISOR:

Native Grill and Wings Franchising, LLC, a Delaware 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: _____

ATTACHMENT "A"

TO NATIVE GRILL AND WINGS FRANCHISE AGREEMENT

DEAL TERMS

A. Franchisee Details.

Name of Franchisee: [_____]

Is the franchisee one or more natural persons signing in their individual capacity? **Yes**: _____ **No**: _____

Type of Entity and State of Formation* (if applicable): [_____]

* *If the franchisee is a business Entity, each natural person holding a direct or indirect ownership interest in the business Entity, and spouse of each such person, must sign the Franchise Owner Agreement concurrently with the execution of this Agreement.*

The following table includes the full name of each natural person holding a direct or indirect ownership interest in the franchise (or the franchisee business entity if applicable) along with a description of their ownership interest.

Owner's Name	% Ownership Interest	Direct or Indirect (if indirect, include description of nature of interest)

Notice Address: [_____]

B. 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.*

C. Approved Site.

We hereby approve the site listed below for the operation of your Restaurant.

Approved Address: [_____]

* *If we have not approved the site of your Restaurant at the time the Franchise Agreement is signed, we will send you a Site Approval Notice in accordance with §7.1 listing the address of your approved site.*

D. <u>Territory</u>.

The Territory referenced in the Franchise Agreement shall consist of the following geographic area (as further depicted on the map attached below, if applicable):

[_____]

If there are any changes to the zip codes or other boundaries that define your Territory during the term of the Franchise Agreement or any renewal term, then, unless otherwise agreed to by you and us in writing, the boundaries of your Territory shall remain defined by the zip codes or other boundaries in effect as of the Effective Date and depicted on the map on the following page.

* *If we have not approved the site of your Restaurant at the time the Franchise Agreement is signed, then we will send you a Site Approval Notice in accordance with §3.1 that will identify the geographic area that comprises your Territory. Your Territory will include a minimum population of 70,000 as of the date of determination.*

[Insert Map Below (if applicable)]

ATTACHMENT "B"

TO NATIVE GRILL AND WINGS FRANCHISE AGREEMENT

SITE APPROVAL NOTICE

[See Attached]

SITE APPROVAL NOTICE

Native Grill and Wings Franchising, LLC, a Delaware limited liability company ("we" or "us") is issuing this Site Approval Notice (this "Notice") to _____ ("you"), effective _____, 202___, in connection with the Native Grill and Wings Franchise Agreement (the "Franchise Agreement") that we executed with you on _____, 202___. The purpose of this Notice is to confirm our approval of the site you have proposed for your Restaurant's premises and our designation of the boundaries of your "Territory".

Approved Address:

Pursuant to §7.1 of the Franchise Agreement, we hereby approve the site listed below for the operation of your Restaurant:

_____
_____
_____

Territory:

Pursuant to §3.1 of the Franchise Agreement, we hereby designate the following geographic area as your "Territory" under the Franchise Agreement (as may be further depicted on the map attached on the following page):

[_____]

If there are any changes to the zip codes or other boundaries that define your Territory during the term of the Franchise Agreement or any renewal term, then, unless otherwise agreed to by you and us in writing, the boundaries of your Territory shall remain defined by the zip codes or other boundaries in effect as of the Effective Date and depicted on the map on the following page.

* * *

By signing below, you and we agree that: (a) the address identified in this Notice shall be deemed your approved site for your Restaurant established and operated pursuant to the Franchise Agreement; and (b) the geographic area described in this Notice under "Territory" shall be deemed your Territory under the Franchise Agreement. You acknowledge and agree that our acceptance of the site you proposed is in no way a representation by us that your site will be successful. Rather, our acceptance merely indicates the site meets our minimum standards and requirements.

We request that you sign below and send us an executed copy of this Notice to acknowledge your receipt. However, your failure or refusal to sign below will not invalidate or otherwise affect our designation of your approved site or Territory. Our designation of your approved site and Territory, as set forth in this Notice, shall be binding on you effective as of the effective date listed in the first paragraph in this Notice.

Franchisor	**Franchisee**
Native Grill and Wings Franchising, LLC	_____
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date: _____

[Insert Territory Map Below (if applicable)]

ATTACHMENT "C"

TO NATIVE GRILL AND WINGS FRANCHISE AGREEMENT

LEASE ADDENDUM

[See Attached]

Lease Addendum

This Lease Addendum (this "Agreement") dated this ___ day of _____, 202__ among Native Grill and Wings Franchising, LLC, a Delaware limited liability company ("Franchisor"), [_____], a(n) [_____], with principal offices located at [_____] ("Landlord"), and [_____], a(n) [_____], with principal offices located at [_____] ("Tenant").

Background

A. On [_____], 202[__], Franchisor and Tenant executed a Native Grill and Wings Franchise Agreement (the "Franchise Agreement"), pursuant to which Franchisor granted Tenant the right and obligation to develop, open and operate a Native Grill and Wings restaurant (the "Franchised Business") at the Premises (defined below).

B. Concurrently with the execution of this Agreement, Landlord and Tenant are executing a lease agreement (the "Lease"), pursuant to which Landlord will lease to Tenant the premises described in Exhibit "A" (the "Premises").

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

Agreement

1. Exclusivity. 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.

2. Authorized Menu Items. 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 Landlord.

3. Default Notices. Landlord agrees to provide Franchisor with copies of all written default notices sent to Tenant at the same time such notices are sent to Tenant. Landlord agrees to send such copies to Franchisor by email and registered mail as set forth below (Franchisor may change the notice email and address from time to time by sending written notice to Landlord):

   Email: CEO@fatbrands.com; CFO@fatbrands.com; Legal@fatbrands.com

   Mail: Native Grill and Wings Franchising, LLC
   9720 Wilshire Blvd., Suite 500
   Beverly Hills, California 90212
   Attention: Chief Executive Officer

4. Right to Cure. If Tenant defaults under the Lease, 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, Franchisor may immediately commence occupancy of the Premises as the tenant under the Lease without obtaining Landlord's or Tenant's consent. Franchisor may thereafter assign the Lease to another Native Grill and Wings franchisee or to an entity owned and/or controlled by Franchisor. If it does, Franchisor must first obtain Landlord's written approval of the assignee. Landlord, however, must neither unreasonably withhold nor delay its approval thereof. 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.

5. Right to Assign. At any time (including, without limitation, upon the expiration or sooner termination of the Franchise Agreement), and without Landlord's prior consent, Tenant may assign the Lease to Franchisor. In such event, Franchisor may thereafter assign the Lease to another Native Grill and Wings franchisee or to an entity owned and/or controlled by Franchisor. If it does, Franchisor must first obtain Landlord's written approval of the assignee. Landlord, however, must neither unreasonably withhold nor delay its approval thereof. 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.

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

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

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

9. Modification of Lease. Without Franchisor's prior written consent, Landlord and Tenant will 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.

[Signature Page Follows]

In witness whereof, this Agreement has been executed the date and year first above written.

FRANCHISOR:

Native Grill and Wings, a Delaware limited liability company

By:_____
Name:_____
Its:_____

LANDLORD:

_____, (a)n _____
_____

By:_____
Name:_____
Its:_____

TENANT:

_____, (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: (a) each of the undersigned owners of Franchisee (defined below); and (b) the spouse of each such owner, in favor of Native Grill and Wings Franchising, LLC, a Delaware 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:

"*Business Data*" means all data pertaining to Franchisee's Restaurant, customers and business operations, whether collected by you, Franchisee, us or any other person.

"*Competitive Business*" means any business that meets at least one of the following criteria: (a) any competitive sports-themed sit-down restaurant that includes a bar and features pizza and/or chicken wings; (b) any business that solicits, offers or sells franchises or licenses for a business that meets the criteria in clause (a) of this definition; and/or (c) any business that services, trains, supports, consults with, advises or otherwise assists any Person with respect to the development, management and/or operation of a business that meets the criteria in clause (a) of this definition. A Competitive Business does not include any Native Grill & Wings Restaurant operated pursuant to a valid franchise agreement or license agreement with us or our affiliate.

"*Confidential Information*" means and includes: (a) the Know-How; (b) the Business Data; (c) the terms of the Franchise Agreement and all related agreements signed by Franchisee in connection with the Restaurant, and all attachments thereto and amendments thereof; (d) the components of the System; (e) all information within or comprising the Manual; and (f) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, customer information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that: (i) are designated as confidential; (ii) are known by you to be considered confidential by us; and/or (iii) are by their nature inherently or reasonably to be considered confidential. Confidential Information does not include any information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you, Franchisee or Franchisee's owners, employees or other constituents); (b) you can demonstrate was rightfully in your possession, without obligation of nondisclosure, before we, any person associated us, Franchisee, or any person associated with Franchisee, disclosed the information to you; (c) is independently developed by you without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose such information to you without breaching any obligation of confidentiality imposed on such third party.

"*Copyrighted Materials*" means all copyrightable 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 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 _____, 202__.

"*Franchisee*" means _____.

"*Improvement*" means any idea, addition, modification or improvement to (a) the goods or services offered or sold at a Restaurant, (b) the method of operation of a Restaurant, (c) the processes, systems or procedures utilized by a Restaurant, (d) the marketing, advertising or promotional materials, programs or strategies utilized by a Restaurant or (e) the trademarks, service marks, logos or other intellectual property utilized by a Restaurant, whether developed by you, Franchisee, us or any other person.

"*Intellectual Property*" means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how, Marks 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 Restaurant, including, but not limited to: architectural plans, drawings and specifications for a Restaurant; site selection criteria; recipes; methods and techniques; standards and specifications; policies and procedures; suppliers lists and information; marketing strategies; merchandising strategies; and information comprising the System and the Manual.

"*Manual*" means our confidential brand standards manual for the operation of a Restaurant.

"*Marks*" means and includes all service marks, trademarks, trade names and logos that we designate from time to time and authorize Restaurants to use, including "NATIVE GRILL AND WINGS®" and the associated logo. The Marks also include any distinctive trade dress used to identify a Restaurant.

"*Prohibited Activities*" means any or all of the following: (a) 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); (b) disparaging or otherwise making negative comments about us, any of our affiliates, the System and/or any Restaurant; (c) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (d) inducing any customer of ours (or of one of our affiliates or franchisees) to transfer their business to a competitor.

"*Restaurant*" means a Native Grill and Wings restaurant that operates using our Marks and our System, and includes Restaurants owned by us, our affiliates, Franchisee and our other franchisees..

"*Restricted Period*" means the two (2) year period after the earliest to occur of the following: (a) the termination or expiration of the Franchise Agreement; (b) 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 (c) 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 Restricted Period means the one (1) year period after the earliest to occur of the following: (a) the termination or expiration of the Franchise Agreement; (b) 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 (c) 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 geographic area within: (a) a 10-mile radius from Franchisee's Restaurant (and including from or within such Restaurant); and (b) a 10-mile radius from all other Restaurant that are operating or under construction as of the date of this Agreement and remain in operation or under construction during all or any part of the Restricted Period.

"*System*" means our system for the operation of a Restaurant, the distinctive characteristics of which include, among other things: distinctive interior and exterior design, décor, color schemes, graphics, fixtures and furnishings; proprietary products and recipes; operational and customer service standards and procedures; advertising and marketing strategies, programs, specifications and requirements; operating system; and other standards, specifications, techniques and procedures we designate from time to time for a Restaurant.

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 or misuse our Intellectual Property. 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: (a) avoid damaging our System by engaging in unfair competition; and (b) bind yourself to the terms of the Franchise Agreement applicable to owners.

3. Brand Protection Covenants.

(a) Intellectual Property. You agree to:

(i) refrain from using the Intellectual Property in any capacity or for any purpose other than the operation of Franchisee's Restaurant in compliance with the Franchise Agreement and Manual;

(ii) maintain the confidentiality of the Know-how and other Confidential Information at all times;

(iii) take all reasonable steps we require to prevent unauthorized use or disclosure of Know-how or other Confidential Information;

(iv) refrain from making unauthorized copies of documents containing any Know-how or other Confidential Information; and

(v) immediately stop using the Intellectual Property at such time that you are no longer an owner of Franchisee or your spouse is no longer an owner of Franchisee, as applicable.

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. You may not engage in any Prohibited Activities at any time: (i) that you are an owner of Franchisee or while your spouse is an owner of Franchisee, as applicable; or (ii) during the Restricted Period. Notwithstanding the foregoing, you may have an interest in a Competitive Business during the Restricted Period as long as the Competitive Business is not located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period (other than having an interest in a Competitive Business permitted by this Section), 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).

(c) Family Members. Because you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., parent, sibling, child, or grandchild) and it would be difficult for us to prove any such breach, you will be presumed to have breached this Agreement if a member of your immediate family engages in any Prohibited Activities at any time that you are prohibited from engaging in the Prohibited Activities. However, you may rebut this presumption with evidence conclusively showing you did not disclose Know-how to the family member.

(d) Covenants Reasonable. You 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, business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE §3 OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR UNENFORCEABLE.** Although you and we both believe the covenants in this Agreement are reasonable, we may at any time unilaterally modify the terms of the brand protection covenants in §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 §3 of this Agreement to ensure that the terms and covenants are enforceable under applicable law.

(e) Breach. You agree that: (i) any failure to comply with §3 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at law; and (ii) we are entitled to injunctive relief if you breach §3 together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief, but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the required amount of

the bond may not exceed $1,000. If an injunction is wrongfully issued, you may seek dissolution of the injunction as your sole remedy. You hereby waive all claims for damages resulting from a wrongfully issued injunction. 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. No claim held by you against us, our affiliate or Franchisee may be used as a defense against our enforcement of this §3.

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 §18.2 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 Agreements; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements. You waive:

   (i) acceptance and notice of acceptance by us of the foregoing undertakings;

   (ii) notice of demand for payment of any indebtedness guaranteed;

   (iii) protest and notice of default to any party with respect to the indebtedness guaranteed;

   (iv) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and

   (v) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed.

   You agree that: (a) your direct and immediate liability under this guaranty shall be joint and several with Franchisee and all other signatories to this Agreement; (b) you will render any payment required under the Secured Agreements upon demand if Franchisee fails to promptly do so; (c) your liability shall not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (d) 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 of 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 in the Franchise Agreement. Notwithstanding the

foregoing, if any dispute resolution procedures in the Franchise Agreement conflict with any 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.

(a) If either party hires an attorney or files suit against the other party for breach of this Agreement, the losing party must reimburse the prevailing party for its reasonable attorneys' fees and costs.

(b) This Agreement will be governed by, construed and enforced under the laws 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 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. If any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion. The parties agree 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.

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: _____

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

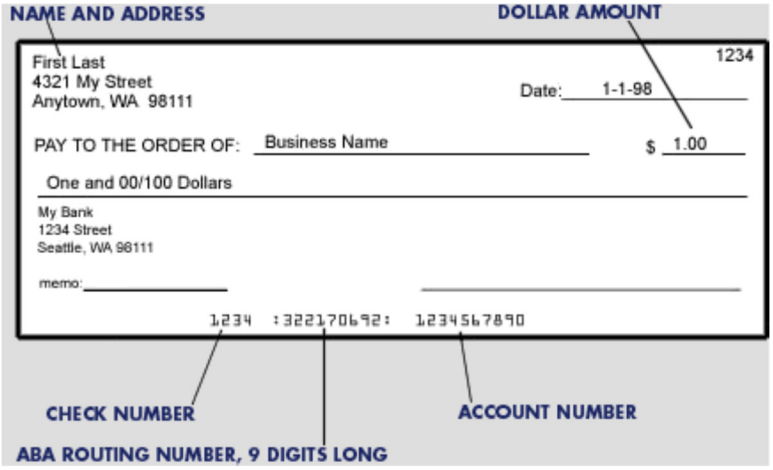
Mailing address (if different from restaurant address):

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 Native Grill and Wings Franchising, LLC franchise royalties and brand fund contributions 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 the franchisor prior to using this form.**

Your E-Mail Address

Signature | Date

Routing Number for Native Grill and Wings Franchising, LLC's Bank: 122101706

Franchising Number: 457036144376

Brand Fund Number: 457036144389

ATTACHMENT "F"

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 Native Grill and Wings Franchising, LLC, a Delaware 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:

"*Business Data*" means and includes all operational, financial and customer data regarding Franchisee's Restaurant and its operations.

"*Confidential Information*" means and includes: (a) the Know-How; (b) the Business Data; (c) the terms of the Franchise Agreement and all related agreements signed by Franchisee in connection with the Restaurant, and all attachments thereto and amendments thereof; (d) the components of the System; (e) all information within or comprising the Manual; and (f) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, customer information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that: (i) are designated as confidential; (ii) are known by you to be considered confidential by us; and/or (iii) are by their nature inherently or reasonably to be considered confidential. Confidential Information does not include any information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you, Franchisee or Franchisee's owners, employees or other constituents); (b) you can demonstrate was rightfully in your possession, without obligation of nondisclosure, before the information was disclosed to you by us or Franchisee (or any person associated with us or Franchisee); (c) is independently developed by you without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose such information to you without breaching any obligation of confidentiality imposed on such third party.

"*Copyrighted Materials*" means all copyrightable 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 Restaurant, whether now in existence or created in the future.

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

"*Improvement*" means any idea, addition, modification or improvement to (a) the goods or services offered or sold at a Restaurant, (b) the method of operation of a Restaurant, (c) the processes, systems or procedures utilized by a Restaurant, (d) the marketing, advertising or promotional materials, programs or strategies utilized by a Restaurant or (e) the trademarks, service marks, logos or other intellectual property utilized by a Restaurant, whether developed by you, Franchisee, us or any other person.

"*Intellectual Property*" means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how, Marks 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 Restaurant, including, but not limited to: architectural plans, drawings and specifications for a Restaurant; site selection criteria; recipes; methods and techniques; standards and specifications; policies and procedures; suppliers lists and information; marketing strategies; merchandising strategies; and information comprising the System and the Manual.

"*Manual*" means our confidential brand standards manual for the operation of a Restaurant.

"*Marks*" means and includes all service marks, trademarks, trade names and logos that we designate from time to time and authorize Restaurants to use, including "NATIVE GRILL AND WINGS®" and the associated logo. The Marks also include any distinctive trade dress used to identify a Restaurant.

"*Restaurant*" means a Native Grill and Wings restaurant that operates using our Marks and our System, and

includes Restaurants owned by us, our affiliates, Franchisee and our other franchisees.

"*System*" means our system for the operation of a Restaurant, the distinctive characteristics of which include, among other things: distinctive interior and exterior design, décor, color schemes, graphics, fixtures and furnishings; proprietary products and recipes; operational and customer service standards and procedures; advertising and marketing strategies, programs, specifications and requirements; operating system; and other standards, specifications, techniques and procedures we designate from time to time for a Restaurant.

2. **Background.** You are an officer, director, employee 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 to:

   (i) refrain from using the Intellectual Property in any capacity or for any purpose other than the operation of Franchisee's Restaurant;

   (ii) maintain the confidentiality of the Know-how and other Confidential Information at all times;

   (iii) take all reasonable steps we require to prevent unauthorized use or disclosure of Know-how or other Confidential Information;

   (iv) refrain from making unauthorized copies of documents containing any Know-how or other Confidential Information; and

   (v) immediately stop using the Intellectual Property at such time that you are no longer an officer, director, employee or independent contractor of Franchisee.

   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.

4. **Family Members**. Because you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., parent, sibling, child, or grandchild) and it would be difficult for us to prove any such breach, you will be presumed to have breached this Agreement if a member of your immediate family uses or disclosed the Know-how. However, you may rebut this presumption with evidence conclusively showing you did not disclose Know-how to the family member.

5. **Covenants Reasonable**. You acknowledge and agree that: (a) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (b) you have sufficient resources, 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: (a) any failure to comply with this Agreement is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at law; and (b) we are entitled to injunctive relief if you breach this Agreement together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief, but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the required amount of the bond may not exceed $1,000. If an injunction is wrongfully issued, you may seek dissolution of the injunction as your sole remedy. You hereby waive all claims for damages resulting from a wrongfully issued injunction. 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. No claim held by you against us, our affiliate or

Franchisee may be used as a defense against our enforcement of this Agreement.

7. Miscellaneous.

(a) If we hire an attorney or file suit against you for breach of this Agreement and we prevail, you must reimburse us for our reasonable attorneys' fees and costs.

(b) This Agreement will be governed by, construed and enforced under the laws 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. If any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion. The parties agree 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.

By: _____

Name: _____

Date: _____

EXHIBIT "D"

TO DISCLOSURE DOCUMENT

AREA DEVELOPMENT AGREEMENT

[See Attached]

AREA DEVELOPMENT AGREEMENT

Developer: _____
Effective Date: _____
Number of Restaurants: _____

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ATTACHMENT "A" Deal Terms

AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (this "Agreement") is entered into as of _____, 202__ (the "Effective Date") between Native Grill and Wings Franchising, LLC, a Delaware limited liability company ("we" or "us") and _____, a(n) _____ ("you").

1. DEFINITIONS. Capitalized terms used in this Agreement shall have the meanings given to them below. Any capitalized term used in this Agreement that is not defined below shall have the meaning given to such term in the Initial Franchise Agreement (as defined below).

"*Alternative Channels of Distribution*" has the meaning given to such term in the Initial Franchise Agreement.

"*Anti-Terrorism Law*" has the meaning given to such term in the Initial Franchise Agreement.

"*Captive Venue*" has the meaning given to such term in the Initial Franchise Agreement.

"*Definitive Agreements*" has the meaning given to such term in the Initial Franchise Agreement.

"*Developer Entity*" means the Entity that: (a) signs this Agreement as the area developer (i.e., "you") if this Agreement is signed by an Entity; or (b) assumes this Agreement subsequent to its execution by the original Owners.

"*Development Schedule*" means the schedule described in §4.1 and Part D of ATTACHMENT "A" for the development of the Restaurants within the Development Territory.

"*Development Territory*" means the geographic area described in Part C of ATTACHMENT "A".

"*Dispute*" means any Claim, dispute or disagreement between the parties, including any matter pertaining to: (a) the interpretation or enforcement of this Agreement; (b) the offer and sale of the area development rights; or (c) the relationship between the parties.

"*Entity*" has the meaning given to such term in the Initial Franchise Agreement.

"*Equity Interest*" has the meaning given to such term in the Initial Franchise Agreement.

"*Force Majeure*" has the meaning given to such term in the Initial Franchise Agreement.

"*Franchise Agreement*" means a Native Grill and Wings Franchise Agreement executed by us and you (or an affiliate of yours) for the development and operation of a Restaurant pursuant to this Agreement.

"*General Release*" means our then-current form of Waiver and Release of Claims that you and your Owners must sign pursuant to §7.2 in connection with a Transfer.

"*Governmental Authority*" has the meaning given to such term in the Initial Franchise Agreement.

"*Government Official*" has the meaning given to such term in the Initial Franchise Agreement.

"*Initial Franchise Agreement*" means the Franchise Agreement executed by you concurrently with the execution of this Agreement for the first Restaurant to be developed pursuant to this Agreement.

"*Intellectual Property*" has the meaning given to such term in the Initial Franchise Agreement.

"*Law*" has the meaning given to such term in the Initial Franchise Agreement.

"*Managing Owner*" has the meaning given to such term in the Initial Franchise Agreement.

"*Owner*" or "*Owners*" means a Person who meets any of the following criteria: (a) the Person directly signs this Agreement as the area developer (either alone or in conjunction with one or more other Persons); (b) the Person directly or indirectly (through one or more intermediaries) owns any Equity Interest in the Developer Entity (if the area developer under this Agreement is an Entity); (c) the Person directly signs a Franchise Agreement as the franchisee (either alone or in conjunction with one or more other Persons); and/or (d) the Person directly or indirectly (through one or more intermediaries) owns any Equity Interest in any affiliate of yours that executes a Franchise Agreement as authorized by §6.

"*Permitted Transfer*" means: (a) a Transfer from one Owner to another Owner who was an approved Owner prior to such Transfer, other than a Transfer by the Managing Owner; and/or (b) a Transfer by the Owners

to a newly established Developer Entity for which such Owners collectively own and control 100% of the Equity Interests.

"*Person*" has the meaning given to such term in the Initial Franchise Agreement.

"*Restaurant*" means a Native Grill and Wings restaurant that operates using our Marks and our System, and includes Restaurants owned by us, our affiliates, you and our other franchisees.

"*Term*" means the period of time beginning on the Effective Date of this Agreement and expiring on the earlier to occur of: (a) the date by which you are required to open the last Restaurant to be developed under the Development Schedule; or (b) the date this Agreement is effectively terminated for any reason.

"*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:

(a) this Agreement (or any interest therein);

(b) the area development rights granted by this Agreement (or any interest therein);

(c) the business conducted by you pursuant to this Agreement (or any interest therein);

(d) the right to manage a Restaurant or occupy the Restaurant's premises; or

(e) an Equity Interest in the Developer Entity (including public and private offerings);

including by merger or consolidation, by issuance of additional Equity Interests in the Developer Entity, or by operation of Law, will or a trust upon the death of an Owner of the Developer Entity (including the Laws of intestate succession).

2. GRANT OF DEVELOPMENT RIGHTS. Subject to the terms and conditions of this Agreement, we hereby grant you the right and obligation to develop, open and operate each of the Restaurants referred to in the Development Schedule. Each Restaurant must be located within the Development Territory and at a specific site we approve in accordance with the terms of the applicable Franchise Agreement. This Agreement does not grant you any right or license to use our Intellectual Property.

3. TERRITORIAL PROTECTIONS AND LIMITATIONS. During the Term we will not develop or operate, or license a third party to develop or operate, a Restaurant that is physically located within the Development Territory other than: (a) any Restaurant that is operating, under development, or for which a franchise agreement has been executed, in each case as of the Effective Date, and that is (or will be) located within the Development Territory; and (b) any Restaurant otherwise permitted by this Section in connection with Captive Venues. We also reserve the right to sell, and license third parties to sell, competitive or identical goods and services (including under the Marks) through Alternative Channels of Distribution, irrespective of whether the sales take place in the Development Territory.

4. DEVELOPMENT OBLIGATIONS

4.1. Development Schedule. You must develop, open and operate all Restaurants referred to in the Development Schedule. You must develop and open each Restaurant in strict compliance with the opening dates set forth in the Development Schedule. We may, in our sole discretion, extend the time periods listed in the Development Schedule, but only if you demonstrate to our reasonable satisfaction you used best efforts in attempting 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 lack of funding. The opening date listed in the Development Schedule for a given Restaurant may be earlier than the opening date required under the terms of the associated Franchise Agreement. In order to comply with the Development Schedule, you must open each Restaurant by the opening date listed in the Development Schedule even if such date is earlier than the opening date required by the associated Franchise Agreement.

4.2. Site Selection. You must select a specific site within the Development Territory for each Restaurant in accordance with our then-current site selection criteria. Each site you select is subject to our prior approval in accordance with the applicable Franchise Agreement.

4.3. Franchise Agreements. You must sign a separate Franchise Agreement for each Restaurant. You

must sign the Initial Franchise Agreement for your first Restaurant at the time you sign this Agreement. We will not review or approve a proposed site until you sign the applicable Franchise Agreement for the proposed site. Each Franchise Agreement shall be our then-current form of Native Grill and Wings Franchise Agreement (modified to reflect the initial franchise fee set forth in Part B of ATTACHMENT "A"), the terms of which may vary materially and substantially from the terms of the Initial Franchise Agreement. You will not pay us any additional initial franchise fee when you sign the Franchise Agreement for each new Restaurant you develop under the Development Schedule. You have no right to construct or operate a Restaurant until the parties have signed the Franchise Agreement and all ancillary agreements for that Restaurant. You must develop, open and operate each Restaurant in compliance with the Franchise Agreement and the Manual.

4.4. Additional Locations. You have no right to develop any Restaurant other than the Restaurants listed in the Development Schedule unless we, in our sole discretion, permit you to enter into a new area development agreement, which will be on such terms that we specify, after you develop all Restaurant listed in the Development Schedule.

5. DEVELOPMENT FEE. At the time you sign this Agreement, you must pay us: (a) the initial franchise fee for your first Restaurant in the amount set forth in Part B of ATTACHMENT "A"; and (b) the development fee set forth in Part B of ATTACHMENT "A" for the right to develop the additional Restaurants referred to in the Development Schedule. The development fee is fully earned and nonrefundable upon execution of this Agreement. The development fee includes, and is deemed to satisfy, the initial franchise fee associated with each Restaurant you develop under the Development Schedule (other than the first Restaurant).

6. AREA DEVELOPER AS ENTITY. You represent that Part A of ATTACHMENT "A" includes a complete and accurate list of your Owners. Upon our request, you must provide us with a resolution of the Developer Entity authorizing the execution of this Agreement, a copy of the Developer Entity's organizational documents and a current Certificate of Good Standing (or the functional equivalent thereof). You may form a separate Entity to enter into each Franchise Agreement provided that: (a) the Person or Persons owning the Equity Interests (and the percentage of the Equity Interests owned) in each such Entity must be the same Person or Persons owning the Equity Interests (with the same percentage of the Equity Interests owned) in the Developer Entity; and (b) each such Entity guarantees the performance of all other Entities formed under the authority of this §6. All direct and indirect Owners of the Developer Entity and any Entity formed under this §6 and their spouses must sign a Franchise Owner Agreement.

7. TRANSFERS

7.1. By Us. This Agreement is fully assignable by us (without prior notice to you) and shall inure 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.

7.2. By You. The rights and duties created by this Agreement are personal to you and the Owners. We are granting you area development rights in reliance upon the character, skill, attitude, business ability and financial capacity of you and your Owners. Therefore, neither you nor any Owner may engage in a 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 if all of the following conditions are satisfied:

(i) we believe the proposed transferee has sufficient business experience, aptitude and financial resources to develop, own and operate all of the remaining Restaurants to be developed under this Agreement and meets our minimum criteria for area developer franchisees;

(ii) you and your Owners and affiliates are in full compliance with all Definitive Agreements;

(iii) the transferee's owners successfully complete, or make arrangements to attend, the initial training program;

(iv) the transferee and its owners sign our then-current form of area development agreement (unless we, in our sole discretion, instruct you to assign this Agreement to the transferee), 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);

(v) you assign all Franchise Agreements to the transferee in accordance with the transfer provisions under each such Franchise Agreement (including payment of any transfer fee imposed under each such Franchise Agreement);

(vi) you and your Owners sign a General Release;

(vii) we choose not to exercise our right of first refusal described in §7.5; and

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

You may not: (a) transfer less than your entire remaining area development rights under this Agreement (i.e., you may not retain the right to develop any Restaurant); or (b) 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 the transferee fully comply with all terms of the area development agreement.

7.3. Permitted Transfers. You may engage in a Permitted Transfer without our prior approval, but you must: (a) give us at least 10 days' prior written notice; and (b) upon our request, cause any Entity that was the Developer Entity immediately prior to the Permitted Transfer to sign a corporate guarantee in the format we require to secure performance of the new Developer Entity's financial obligations under this Agreement and all related agreements. You and the Owners (and the transferee) agree to sign all documents we reasonably request to effectuate and document the Permitted Transfer.

7.4. Death or Disability of an Owner. Within 180 days after 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 we approve. Any assignment to a third party will be subject to all of the terms and conditions of §7.2 unless the assignment qualifies as a Permitted Transfer. 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 for a continuous period of at least three (3) months.

7.5. Our Right of First Refusal. If you or an Owner desires to engage in a Transfer, you or the Owner, as applicable, must obtain (and send us) a bona-fide offer executed by the purchaser after completion of due diligence. We have 30 days after receipt of the offer to decide whether to purchase the interest for the same price and upon the same terms contained in the offer (however, we may substitute cash for any non-cash form of payment proposed in the offer). If we notify you within the 30-day period that we intend to purchase the interest, you or the Owner, as applicable, must sell the interest to us. We will have 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 the terms of the offer, subject to the requirements of §7.2 (including our approval of the transferee). However, if the sale is not completed within 120 days after delivery of the offer to us, or there is a material change to the terms of sale, we will again have the right of first refusal specified in this Section. Our right of first refusal shall not apply to a Permitted Transfer.

8. TERMINATION OF DEVELOPMENT RIGHTS

8.1. Reasonableness. You represent that you: (a) have conducted your own independent investigation and analysis of the prospects for the establishment of the Restaurants within the Development Territory; (b)

approve the Development Schedule as being reasonable and viable; and (c) recognize that any failure to comply with the Development Schedule constitutes 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 fully cure the default within such 30-day period. Any such termination will end all of your rights and development obligations under this Agreement, including without limitation, your interests in the Development Territory and right to open additional Restaurants. In the event of a termination, you will not receive any refund of the development fee but you will not be obligated to pay the remaining balance of the Discounted Initial Franchise Fee for any Restaurant with respect to which, as of the effective date of termination of this Agreement, you had not executed a Franchise Agreement.

8.3. Cross Default. Our termination of a Franchise Agreement due to your default constitutes a default under this Agreement permitting us to terminate this Agreement immediately upon notice to you.

9. DISPUTE RESOLUTION. Any Dispute between the parties relating to this Agreement shall be resolved pursuant to the dispute resolution provisions set forth in the Initial Franchise Agreement. All such dispute resolution provisions are incorporated herein by reference as if full set forth in this Agreement.

10. REPRESENTATIONS.

10.1. Corporate Representations. You and your Owners jointly and severally represent and warrant to us that the execution and delivery of this Agreement, and the performance of your obligations hereunder, does not: (a) conflict with, breach or constitute a default under any other agreement to which you are (or any affiliate of yours is) a party or by which your (or your affiliate's) assets may be bound; (b) violate any order, writ, injunction, decree, judgment or ruling of any Governmental Authority; or (c) violate any applicable Law. If the developer is an Entity, then you and your Owners also jointly and severally represent and warrant to us that: (a) the Developer Entity is duly organized, validly existing and in good standing under the Laws of the state of its formation and has the requisite power and authority to enter into this Agreement and to perform each of its obligations hereunder; and (b) the execution and delivery of this Agreement have been duly authorized by all requisite corporate action and this Agreement shall constitute the legal, valid and binding obligation of the Developer Entity and shall be enforceable against the Developer Entity in accordance with its terms.

10.2. Franchise Compliance Representations. You and your Owners jointly and severally represent and warrant to us that you received: (a) an exact copy of this Agreement and its attachments, with all material terms filled in, at least seven (7) calendar days before you signed this Agreement; and (b) our Franchise Disclosure Document at the earlier of (i) 14 calendar days before you signed a binding agreement or paid any money to us or our affiliates or (ii) such earlier time in the sales process that you requested a copy.

10.3. General Representations. You and your Owners jointly and severally represent and warrant to us that: (a) other area developers may operate under different forms of agreement and our obligations and rights with respect to area developers differs materially in certain circumstances; and (b) we may negotiate terms or offer concessions to other area developers and we have no obligation to offer you the same or similar negotiated terms or concessions.

10.4. Anti-Terrorism Compliance. You and your Owners jointly and severally represent and warrant to us that, to the best of your knowledge: (a) no property or interest owned by you or any Owner is subject to being "blocked" under any Anti-Terrorism Law; (b) neither you nor any Owner, nor any of their respective funding sources (including any legal or beneficial owner of any Equity Interest in you) or related parties is, or has ever been: (i) a terrorist or suspected terrorist within the meaning of the Anti-Terrorism Law; or (ii) identified by name (or alias, pseudonym or nickname) or address on any Terrorist List, including on the list of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.home.treasury.gov); and(c) you and the Owners are in compliance with, and shall continue to comply with, the Anti-Terrorism Law and all other Laws (either currently in effect or enacted in the future) prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government that are in effect within the United States of America. The foregoing representations and warranties are 'continuing' representations and warranties for the duration of the franchise

relationship. Accordingly, you agree to notify us immediately in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

11. GENERAL PROVISIONS

11.1. Governing Law. 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.

11.2. Severability . Each section and subsection of this Agreement, and any portion thereof, shall be considered severable.

11.3. Waivers. Each party may waive any obligation imposed on the other party in writing. Neither party shall be deemed to have waived or impaired any of its contractual rights under this Agreement (including the right to require strict compliance with all terms of this Agreement or terminate this Agreement due to the other party's failure to comply with such terms) by virtue of: (a) any custom or practice of the parties at variance with the terms of this Agreement; (b) any failure, refusal or neglect by either party to exercise any right under this Agreement or require the other party to strictly comply with its obligations under this Agreement; (c) our waiver, failure or refusal to exercise any of our rights with respect to other area developers; or (d) our acceptance of payments from you after your breach.

11.4. Force Majeure. Neither party shall be liable for loss or damage or deemed to be in breach of this Agreement if such party's failure to perform its obligations results from an event of Force Majeure; *provided, however*, that an event of Force Majeure shall not excuse or permit any failure to perform for more than 180 days. If the period of non-performance exceeds 180 days from receipt of notice of the Force Majeure event, the party whose ability to perform has not been affected may immediately terminate this Agreement by giving written notice of termination to the other party.

11.5. Binding Effect. This Agreement is binding on the parties hereto 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 not a party to this Agreement.

11.6. Integration. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. Any email or other informal electronic communication shall not be deemed to modify this Agreement unless it is signed by both parties and specifically states 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. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

11.7. Covenant of Good Faith. If applicable Law implies into this Agreement a covenant of good faith and fair dealing, the covenant shall not imply any rights or obligations that are inconsistent with the express terms of this Agreement. This Agreement (and the relationship of the parties inherent in this Agreement) grants us 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 favorably or adversely affect your interests. 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 (including ourselves and our affiliates if applicable), but without considering the individual interests of you or any other particular franchisee.

11.8. 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.

11.9. 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 business or Developer Entity) 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.

11.10. 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, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

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

11.12. 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.

11.13. Notice. All notices given under this Agreement must be provided in accordance with the Notice Provision of the Initial Franchise Agreement.

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

FRANCHISOR:

Native Grill and Wings Franchising, LLC, a Delaware limited liability company

By:_____
Name:_____
Its:_____

YOU (If you are an Entity):

_____,
a(n)_____

YOU (If you are not an Entity):

_____
Name:_____

_____
Name: _____

_____
Name: _____

_____
Name: _____

ATTACHMENT "A"

TO AREA DEVELOPMENT AGREEMENT

DEAL TERMS

A. Area Developer Details.

Name of developer: [_____]

Is the franchisee one or more natural persons signing in their individual capacity? **Yes**: ____ **No**: ____

Type of Entity and State of Formation* (if applicable): [_____]

* *If the franchisee is a business Entity, each natural person holding a direct or indirect ownership interest in the business Entity, and spouse of each such person, must sign a Franchise Owner Agreement concurrently with the execution of this Agreement.*

The following table includes the full name of each natural person holding a direct or indirect ownership interest in the area developer franchise (or the franchisee business Entity if applicable) along with a description of their ownership interest.

Owner's Name	% Ownership Interest	Direct or Indirect (if indirect, include description of nature of interest)

Notice Address: [_____]

B. Fees.

- The initial franchise fee for each Restaurant to be developed pursuant to this Agreement shall be $50,000.
- The development fee shall be $_____.

C. Development Territory.

The Development Territory shall include the following geographic area:

_____

_____

If the boundaries that define the Development Territory change during the term, the boundaries of your Development Territory will remain unaffected and will continue to be defined by the boundaries that were in effect as of the Effective Date.

D. Development Schedule.

You agree to comply with the following minimum development obligations as specified in §4 of the Agreement:

DEVELOPMENT PERIOD ENDING	NUMBER OF RESTAURANTS OPENED DURING DEVELOPMENT PERIOD	CUMULATIVE NUMBER OF RESTAURANTS OPENED AND IN OPERATION
1 year after Effective Date		
2 years after Effective Date		
3 years after Effective Date		
4 years after Effective Date		
5 years after Effective Date		
6 years after Effective Date		
7 years after Effective Date		
8 years after Effective Date		
9 years after Effective Date		
10 years after Effective Date		
Total Number of Restaurants to be Developed: [_____]		

EXHIBIT "E"

TO DISCLOSURE DOCUMENT

OTHER AGREEMENTS

EXHIBIT "E-1"

TO DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

[See Attached]

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (this "Agreement") is made as of _____, 202__ (the "Effective Date") by _____, a(n) _____ ("you") and each individual holding a direct or indirect ownership interest in you (collectively "Owner") in favor of Native Grill and Wings Franchising, LLC, a Delaware limited liability company ("us," and together with you and Owner, the "Parties").

Background

A. We signed a Franchise Agreement with you, dated _____, 202____ (the "Franchise Agreement") pursuant to which we granted you the right to own and operate a Native Grill and Wings restaurant;

B. You have notified us of your desire to transfer the Franchise Agreement and all rights related thereto, or an ownership interest in the franchisee entity, to a transferee, [**enter into a successor franchise agreement**] and we have consented to such transfer [**agreed to enter into a successor franchise agreement**]; and

C. As a condition to our consent to the transfer [**your ability to enter into a successor franchise agreement**], you and Owner have agreed to execute this Agreement upon the terms and conditions stated below.

D. In consideration of our consent to the transfer [**our 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, you and Owner hereby agree as set forth below.

Agreement

1. Release. Owner, you, and each of your officers, directors, shareholders, members, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them (the "Franchisee Parties"), hereby release, acquit and forever discharge us, any and all of our past and present affiliates, parents, subsidiaries and related companies, divisions and partnerships, consultants, advisors and franchise sellers and its and their respective past and present officers, directors, shareholders, members, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and the spouses of such individuals (collectively, the "Franchisor Parties"), from any and all claims, liabilities, damages, expenses, actions or causes of action which any of the Franchisee Parties may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, directly or indirectly arising out of or relating to the execution and performance (or lack thereof) of the Franchise Agreement or the offer, sale or acceptance of the franchise related thereto (including, but not limited to any disclosures and representations made in connection therewith). The foregoing release shall not be construed to apply with respect to any obligations contained within this Agreement.

2. California Law. You and Owner hereby express your intention to release all existing claims, whether known or unknown, against the Franchisor Parties. Accordingly, you and Owner hereby waive Section 1542 of the California Civil Code, which provides the following:

   "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

   [Section 2 only applies for California franchisees; otherwise it is omitted]

3. Washington Franchise Law. The General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

   [Section 3 only applies for Washington franchisees; otherwise it is omitted]

4. Nondisparagement. Each of the Franchisee Parties expressly covenant and agree not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Franchisor Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Franchisor

Parties, the business conducted by any of the Franchisor Parties or the reputation of any of the Franchisor Parties. For purposes of clarity, the obligations in this Section apply to all methods of communications, including the making of statements or representations through direct verbal or written communication as well as the making of statements or representations on the Internet, through social media sites or through any other verbal, digital or electronic method of communication. The obligations in this Section also prohibit the Franchisee Parties from indirectly violating this Section by influencing or encouraging third parties to engage in activities that would constitute a violation of this Section if conducted directly by a Franchisee Party.

5. Representations and Warranties. You and Owner each represent and warrant that: (a) [Insert franchisee entity name] is duly authorized to execute this Agreement and perform its obligations hereunder; (b) neither you nor Owner has assigned, transferred or conveyed, either voluntarily or by operation of law, any of their rights or claims against any of the Franchisor Parties or any of the rights, claims or obligations being terminated or released hereunder; (c) you and Owner have not and shall not (i) institute or cause to be instituted against any of the Franchisor Parties any legal proceeding of any kind, including the filing of any claim or complaint with any state or federal court or regulatory agency, alleging any violation of common law, statute, regulation or public policy premised upon any legal theory or claim whatsoever relating to the matters released in this Agreement or (ii) make any verbal, written or other communication that could reasonably be expected to damage or adversely impact any Franchisor Party's reputation or goodwill; and (d) the individuals identified as Owners on the signature pages hereto together hold 100% of the legal and beneficial ownership interests in [Insert franchisee entity name].

6. Miscellaneous.

   (a) The Parties agree that each has read and fully understands this Agreement and that the opportunity has been afforded to each Party to discuss the terms and contents of said Agreement with legal counsel and/or that such a discussion with legal counsel has occurred.

   (b) This Agreement shall be construed and governed by the laws of the State of Arizona.

   (c) 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 Agreement, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

   (d) All of the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective current and future directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, successors, affiliates, and assigns.

   (e) This Agreement contains the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes and is in lieu of all prior and contemporaneous agreements, understandings, inducements and conditions, expressed or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. This Agreement may not be modified except in a writing signed by each of the Parties.

   (f) If one or more of the provisions of this Agreement 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 Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

   (g) 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 transactions contemplated hereby.

   (h) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute but one document.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

FRANCHISEE:

_____

By: _____
Name: _____
Its: _____

FRANCHISE OWNERS:

_____
Name: _____

_____
Name: _____

_____
Name: _____

EXHIBIT "E-2"

TO DISCLOSURE DOCUMENT

FRANCHISEE QUESTIONNAIRE

[See Attached]

MAY NOT BE SIGNED OR USED IF FRANCHISEE RESIDES WITHIN, OR THE FRANCHISED BUSINESS WILL BE LOCATED WITHIN, A FRANCHISE REGISTRATION STATE[1]

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know Native Grill and Wings Franchising, LLC ("we" or "us), and you are preparing to enter into a Franchise Agreement for the operation of a Native Grill and Wings franchised restaurant. We require that you complete this Questionnaire (a) so that we can determine whether our franchise sales team followed proper sales procedures and (b) to provide us with reasonable assurance that, prior to signing the Franchise Agreement, you have had an adequate opportunity to review the Franchise Disclosure Document and its attachments, consult with legal and/or business advisors of your choosing, and ask us questions about any disclosures or terms that you do not understand. **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.

Yes__	No__	l.	Have you received from us and personally reviewed the Franchise Agreement and, if applicable, Area Development Agreement ("ADA"), together with all attachments to those agreements? *[If you answer "no," please explain in Explanation Section]*
Yes__	No__	2.	Have you received from us and personally reviewed a Franchise Disclosure Document ("FDD")? *[If you answer "no," please explain in Explanation Section]*
Yes__	No__	3.	Did you sign a receipt for the FDD indicating the date you received it?
Yes__	No__	4.	Do you understand all the information contained in the FDD, Franchise Agreement and ADA (if applicable)? *[If you answer "no," please identify any information you don't understand in Explanation Section]*
Yes__	No__	5.	Did you receive the FDD at least 14 calendar days before signing any agreement relating to the franchise (other than an NDA) or paying any money?
Yes__	No__	6.	Did you receive a complete execution copy of the Franchise Agreement at least seven (7) calendar days before you signed it?
Yes__	No__	7.	Have you reviewed the FDD, Franchise Agreement and ADA (if applicable) with a lawyer, accountant or other professional advisor?
Yes__	No__	8.	Have you discussed the benefits and risks of developing and operating a Native Grill and Wings restaurant with an existing Native Grill and Wings franchisee?
Yes__	No__	9.	Do you understand the risks of developing and operating a Native Grill and Wings restaurant?
Yes__	No__	10.	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 competition, interest rates, the economy, inflation, labor and supply costs and other relevant factors?
Yes__	No__	11.	Do you understand that the Franchise Agreement, ADA (if applicable) and the attachments to those agreements contain the entire agreement between us and you concerning the franchise for the Native Grill and Wings restaurant, meaning any prior oral or written statements not set out in the Franchise Agreement, ADA or the attachments will not be binding?

[1] Registration states include California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

Yes__ No__ 12. Did any of our employees or representatives, or any person speaking on our behalf, make any statement or promise regarding the costs involved in operating a Native Grill and Wings restaurant that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

[If you answer "yes," please describe the statement or promise in Explanation Section]

Yes__ No__ 13. Did any of our employees or representatives, or any person speaking on our behalf, make any statement or promise regarding the training, assistance or support that will be provided to you that is not contained in the FDD or that is contrary to, or different from, the information in the FDD?

[If you answer "yes," please describe the statement or promise in Explanation Section]

Yes__ No__ 14. Did any of our employees or representatives, or any person speaking on our behalf, make any statement or promise regarding the actual, average, projected or hypothetical 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 restaurant may generate, other than any information included in Item 19 of the FDD?

[If you answer "yes," please describe the statement or promise in Explanation Section]

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 _____

EXPLANATION SECTION

Please include any explanations below and refer to the applicable question number.

_____

_____

_____

_____

_____

_____

_____

_____

EXHIBIT "E-3"

TO DISCLOSURE DOCUMENT

STATE ADDENDA AND AMENDMENTS

[See Attached]

STATE ADDENDA AND AMENDMENTS TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES

BACKGROUND AND PURPOSE

The following modifications are made to the Native Grill and Wings Franchise Disclosure Document ("FDD" or "Disclosure Document") issued by Native Grill and Wings Franchising, LLC ("we" or "us" or "franchisor") to franchisee ("you" or "franchisee") and may supersede, to the extent required by applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 202__ (the "Franchise Agreement"). When the term "Supplemental Agreements" is used, it means any area development agreement, area representative agreement, master franchise agreement, or similar agreement entered into between us and you, if applicable.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement, Supplemental Agreements and other documents related to the sale of a franchise. This State-Specific Addendum ("State Addendum") will modify these agreements to comply with the applicable state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum (but only the State Addendum for the applicable State) will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements. If you sign this State Addendum, only the terms applicable to the state or states whose franchise laws apply to your transaction will govern. If you sign this State Addendum, but none of the state franchise laws listed above applies because their jurisdictional requirements have not been met, then this State Addendum will be void and inapplicable to you.

CALIFORNIA

1. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

2. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the Disclosure Document 14 days prior to execution of agreement.

3. 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.

4. 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.

5. The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees listed in the Disclosure Document may be one source of this information.

6. 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 or Supplemental Agreement restricting venue to a forum outside the State of California.

7. The Franchise Agreement and Supplemental Agreements require application of the laws of Arizona. This provision may not be enforceable under California law.

8. The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

9. The Franchise Agreement and Supplemental Agreements may contain a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

10. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

11. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

12. You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

13. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

    (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.

    (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division

14. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT https://dfpi.ca.gov/.

15. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

16. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. The highest interest rate allowed by law in California is 10% annually.

HAWAII

1. The following is added to the Cover Page:

   THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

   THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

   THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

2. Our registered agent in the state authorized to receive 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

3. The states in which this filing is effective are listed on the Exhibit to the FDD titled "State Effective Dates".

4. The states in which this filing is or will be shortly on file include the following: _____

5. The states, if any, which have refused, by order or otherwise, to register these franchises include the following: _____

6. The states, if any, which have revoked or suspended the right to offer these franchises include the following: _____

7. The states, if any, in which the filing of these franchises has been withdrawn include the following: _____

ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Disclosure Document and the Franchise Agreement and Supplemental Agreements are amended as follows:

1. Illinois law shall apply to and govern the Franchise Agreement and Supplemental Agreements.

2. In accordance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement and Supplemental Agreements that designated jurisdiction and venue in a forum outside of the State of Illinoi is void. However, the Franchise Agreement and Supplemental Agreements may provide for arbitration to take place outside of Illinois.

3. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. The Franchise Agreement and Supplemental Agreements are amended to state the following:

To the extent that any provision in the Illinois State Addendum is inconsistent with any provision in this Agreement, the provision in the Illinois State Addendum shall control.

INDIANA

In recognition of the requirements of the Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Franchise Agreement and Supplemental Agreements are amended as follows:

1. The laws of the State of Indiana supersede any provisions of the Disclosure Document, Franchise Agreement and Supplemental Agreements if such provisions are in conflict with Indiana law.

2. The Franchise Agreement and Supplemental Agreements are amended to provide that such agreements will be construed in accordance with the laws of the State of Indiana.

3. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement and Supplemental Agreement issued in the State of Indiana.

4. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement or Supplemental Agreement (as applicable), shall supersede the provisions of the Franchise Agreement or Supplemental Agreement (as applicable) in the State of Indiana to the extent they may be inconsistent with such prohibition.

5. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the Disclosure Document, the Franchise Agreement and Supplemental Agreements are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

   > Notwithstanding any such termination, and in addition to the obligations of the franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the franchisee nevertheless shall be, continue and remain liable to franchisor for any and all damages which franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the franchisee for the unexpired Term of the Franchise Agreement.
   >
   > At the time of such termination of the Franchise Agreement, the franchisee covenants to pay to franchisor within 10 days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney's fees) incurred by franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the franchisee's right to a trial on any of the above matters.

6. No release language set forth in the Disclosure Document or Franchise Agreement or Supplemental Agreement shall relieve franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana. Any provision in the Franchise Agreement or Supplemental Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law (the "Maryland Franchise Law"), the Disclosure Document is amended as follows:

1. Item 17 of the Disclosure Document is amended to add the following:

    a. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply any liability under the Maryland Franchise Registration and Disclosure Law.

    b. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

    c. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

    d. In the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.

    e. The Franchise Agreement and Supplemental Agreements provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

2. The Franchise Disclosure Questionnaire, which is attached as an Exhibit to the Disclosure Document, is amended as follows:

    All representations requiring prospective franchisees to assent to the release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

    In recognition of the requirements of the Maryland Franchise Law, the Franchise Agreement and Supplemental Agreements are amended to add the following:

3. Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

4. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law.

5. You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Law.

6. The Franchise Questionnaire that you completed in connection with your application for the franchise requires you, as a prospective franchisee, to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Law as a condition to your purchase of the franchise. Any such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.

7. Any acknowledgements or representations by you that disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Law.

8. Nothing in the Franchise Agreement, Supplemental Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any document relating to a franchise:

(j) A prohibition on the right of a franchisee to join an association of franchisees.

(k) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(l) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(m) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(n) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(o) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(p) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(v) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(vi) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(vii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(viii) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(q) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has

breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(r) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

MINNESOTA

In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Minnesota Rule 2860.4400(D) prohibits us from requiring you to assent to a general release.

2. We will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement or Supplemental Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

3. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statues, chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. In addition, we will comply with the provisions of Minnesota Rule 2860.4400(J), which state that you cannot waive any rights, you cannot consent to our obtaining injunctive relief, we may seek injunctive relief, and a court will determine if a bond if required.

4. We will comply with Minnesota Statute Section 80C.12, Subd. 1(g), which requires that we protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

5. We will comply with Minnesota Statute Section 80C.17, Subd. 5 regarding limitation of claims.

NEW YORK

In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§680 through 695, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. The following information is added to the cover page of the Disclosure Document:

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3 of the Disclosure Document:

   Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

   A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

   B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

   C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

   D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4 of the Disclosure Document:

   Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that

either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5 of the Disclosure Document:

   The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c) of the Disclosure Document, titled "**Requirements for franchisee to renew or extend**," and Item 17(m) of the Disclosure Document, entitled "**Conditions for franchisor approval of transfer"**:

   However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d) of the Disclosure Document, titled **"Termination by franchisee"**:

   You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j) of the Disclosure Document, titled "**Assignment of contract by franchisor"**:

   However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v) of the Disclosure Document, titled "Choice of forum", and Item 17(w) of the Disclosure Document, titled "**Choice of law"**:

   The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

9. We will not require that you prospectively assent to a release, assignment, novation, waiver, or estoppel that purports to relieve any person from liability imposed by the New York Franchise Law.

10. We will not place any condition, stipulation, or provision in the Franchise Agreement that requires you to waive compliance with any provision of the New York Franchise Law.

11. Any provision in the Franchise Agreement that limits the time period in which you may assert a legal claim against us under the New York Franchise Law is amended to provide for a three (3) year statute of limitations for purposes of bringing a claim arising under the New York Franchise Law.

12. Notwithstanding the transfer provision in the Franchise Agreement, we will not assign the Franchise Agreement except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.

NORTH DAKOTA

In recognition of the requirements of the North Dakota Franchise Investment Law (the "North Dakota Franchise Law"), the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Covenants not to compete are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Law. Item 17(r) of the Disclosure Document and certain provisions in the Franchise Agreement and Supplemental Agreements include certain covenants restricting competition to which you must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statue, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Law. The Disclosure Document, Franchise Agreement and Supplemental Agreements are amended accordingly to the extent required by law.

2. Provisions requiring arbitration or mediation to be held at a location that is remote from the site of the franchisee's business are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, the parties must agree on the site where arbitration or mediation will be held.

3. Provisions requiring jurisdiction in a state other than North Dakota are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

4. Provisions requiring that agreements be governed by the laws of a state other than North Dakota are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

5. Provisions requiring your consent to liquidated or termination damages are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

6. Provisions requiring you to sign a general release upon renewal of the franchise agreement have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

7. Provisions requiring you to pay all costs and expenses incurred by us in enforcing the franchise agreement have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, any such provision is modified to read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

8. Provisions requiring you to consent to a waiver of trial by jury have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

9. Provisions requiring you to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, any such provision is modified to read that the statute of limitations under North Dakota Law will apply.

10. Provisions requiring you to consent to a waiver of exemplary and punitive damages have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Invest Law.

RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act (the "Rhode Island Franchise Law"), the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. We will not require that you prospectively assent to a waiver, condition, stipulation, or provision that purports to relieve any person from liability imposed by the Rhode Island Franchise Law. This provision does not apply to the settlement of disputes, claims, or civil lawsuits brought under the Rhode Island Franchise Law.

2. Section 19-28.1-14 of the Rhode Island Franchise Law provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." If a claim is enforceable under the Rhode Island Franchise Law, we will not restrict jurisdiction or venue to a forum outside the State of Rhode Island or require the application of the laws of another state.

3. We will not prohibit you from joining a trade association or association of franchisees. We will not retaliate against you for engaging in these activities.

4. Any provision in the Franchise Agreement that limits the time period in which you may assert a legal claim against us under the Rhode Island Franchise Law is amended to provide for a four (4) year statute of limitations for purposes of bringing a claim arising under the Rhode Island Franchise Law. Notwithstanding the foregoing, if a rescission offer has been approved by the Rhode Island director of business registration, then the statute of limitations is ninety (90) days after your receipt of the rescission offer.

VIRGINIA

In recognition of the requirements of the Virginia Retail Franchising Act, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Item 17 of the Disclosure Document is amended to add the following:

   Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Supplemental Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

   Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee/area developer to surrender any right given to him under the applicable agreement.

2. If any provision of the Franchise Agreement or any Supplemental Agreement involves the use of undue influence by the franchisor to induce a franchisee/area developer to surrender any rights given to him under the applicable agreement, that provision may not be enforceable.

3. We will not require that you prospectively assent to a waiver, condition, stipulation, or provision that purports to relieve any person from liability imposed by the Virginia Retail Franchising Act. This provision does not prohibit you and us from entering into binding arbitration consistent with the Virginia Retail Franchising Act.

4. Any provision in the Franchise Agreement or Supplemental Agreement that limits the time period in which you may assert a legal claim against us under the Virginia Retail Franchising Act is amended to provide for a four (4) year statute of limitations for purposes of bringing a claim arising under the Virginia Retail Franchising Act.

5. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it shall be unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Supplemental Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

In recognition of the requirements of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, will prevail.

2. RCW 19.100.180 may supersede the Franchise Agreement and Supplemental Agreements in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement and Supplemental Agreements in your relationship with the franchisor including the areas of termination and renewal of your franchise.

3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement and Supplement Agreements (if applicable) if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

(Signatures on following page)

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states ("**Addenda**") is checked as an "Applicable Addenda" below, then that Applicable Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreements (if applicable) and any other specified agreement(s) entered into by us and the undersigned franchisee. To the extent any terms of an applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreement (if applicable) and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐ California	☐ Michigan	☐ South Dakota
☐ Hawaii	☐ Minnesota	☐ Virginia
☐ Illinois	☐ New York	☐ Washington
☐ Indiana	☐ North Dakota	☐ Wisconsin
☐ Maryland	☐ Rhode Island	

Dated: _____, 202____

FRANCHISOR:

Native Grill and Wings Franchising, LLC

By: _____

Title: _____

FRANCHISEE:

_____

By: _____

Title: _____

EXHIBIT "E-4"

TO DISCLOSURE DOCUMENT

BRAND TECHNOLOGY SYSTEM SUPPORT SERVICES AGREEMENT

[See Attached]

BRAND TECHNOLOGY SYSTEM SUPPORT SERVICES AGREEMENT

Customer Information	
Customer:	
Address:	
City:	
State:	Zip Code:
Telephone Number:	Fax Number:
Email Address:	

This **BRAND TECHNOLOGY SYSTEM SUPPORT SERVICES AGREEMENT** (the "**Agreement**") is made and entered into as of _____, 20__ ("**Effective Date**"), by and between Native Grill and Wings Franchising, LLC ("NGWF") and the customer whose name and address appears above, for the Franchised Business (as defined below) #_____ located at _____ ("**Customer**"). This Agreement also references those suppliers that are designated or approved by NGWF for use in the Franchised Business, hereafter referred to as "**Approved Suppliers**" and the hardware, software and other items of technology (the "**Brand Technology System Standards**"), all of which have been or will be designed from time to time by NGWF in its operations manuals or otherwise in writing (the "**Manuals**").

RECITALS

A. Customer is a party to that certain Franchise Agreement with NGWF, dated _____, pertaining to the ownership and operation of a _____ (the "**Franchised Business**") at location above (the "**Franchise Agreement**").

B. Customer has purchased or subscribed to one or more element(s) of the Brand Technology System, as defined below.

C. The Brand Technology System includes various items of hardware and software required for use in or used in the Franchised Business (collectively, the "**Brand Technology System**").

D. NGWF, directly or indirectly, is willing and agrees to provide certain customer support services to the Customer (the "**Services**") related to the Brand Technology System.

E. Customer agrees to accept such Services and assumes certain responsibilities and obligations as more particularly set forth herein.

F. In consideration of the foregoing and the mutual covenants hereinafter set forth, the parties agree as set forth below.

AGREEMENT

1. **TERM AND TERMINATION.**

   (a) The Initial Term of the Agreement shall be from the Effective Date as set forth above for a period of twelve (12) months ("**Initial Term**"). Upon the expiration of the Initial Term, this Agreement shall automatically renew for successive one-year renewal terms unless one party notifies the other party of its intent to not renew this Agreement with at least sixty (60) days'

prior written notice of the then-current term or this Agreement is terminated as otherwise provided herein.

(b) In the event NGWF no longer provides the Services as described under this Agreement, Customer will be notified in writing and the Agreement will be terminated without penalty sixty (60) days following the date of such notice. In the event that NGWF terminates the entire Agreement early, NGWF will refund a prorated amount of fees that Customer paid in advance under this Agreement based on the number of weeks remaining in the term. Such refund shall be Customer's sole and exclusive remedy.

(c) Customer may elect not to renew this pursuant to Section 1(a) of this Agreement. Upon such termination, Customer must obtain comparable Services from a qualified third party, which NGWF may require such third party to be approved by NGWF in advance. In the event Customer permanently closes the Franchised Business, sells or transfers the Franchised Business to a third party, Customer shall notify NGWF in writing no less than ninety (90) days prior to the closure of the Franchised Business and the Agreement shall terminate only with respect to such Franchised Business as of the date of such closure, transfer or sale.

(d) Notwithstanding the foregoing, (i) NGWF may terminate this Agreement at any time, without cause, upon thirty (30) days' prior written notice; and (ii) the Initial Term shall be coterminous with the Franchise Agreement.

(e) NGWF may terminate this Agreement should Customer default under Section 3 of this Agreement.

2. **CHARGES AND PAYMENTS.**

(a) In exchange for the Services that NGWF provides to Customer, Customer shall pay NGWF the fees for the services chosen by Customer as set forth on the Fee Schedule in Attachment 1 (the "**Fees**") attached to this Agreement and incorporated herein. Not all Fees will be billed by NGWF. In some cases, Fees may be directly billed by supplier.

(b) For any software single fee less than $600: Customer shall pay NGWF in advance for all Fees together with any applicable sales, use excise, or other taxes related to the Services on a quarterly basis through ACH.

(c) For any software single fee more than $600: Customer shall pay NGWF in advance for all Fees together with any applicable sales, use excise, or other taxes related to the Services, within 10 days of receiving an invoice for the Services through ACH.

(d) NGWF will issue invoices for Fees on a periodic basis and Customer will pay such invoices in full within fifteen (15) days of the date of invoice.

(e) All payments of Fees made through ACH shall occur no more than fifteen (15) days before the quarter for which Customer is making payment. Customer shall execute the Bank Authorization Agreement for ACH transactions prescribed from time to time by NGWF.

(f) Customer shall notify NGWF within ten (10) days of any changes to bank information which will affect ACH withdrawals, including but not limited to bank account numbers, bank routing numbers, and insufficient funds.

(g) If for any reason Customer fails to pay any invoice issued pursuant to or in connection with this Agreement when due, NGWF may charge Customer interest at eighteen percent (18%) per annum, or the highest rate allowed by applicable law, until paid in full. Additionally, NGWF shall have the right to stop performing the Services until Customer pays in full all

amounts owed under this Agreement. Upon termination of this Agreement, Customer shall still remain obligated to pay NGWF all monies owed pursuant to this Agreement.

(h) For any hardware supplied by NGWF, Customer shall pay NGWF in advance by credit card for all such hardware, shipping, applicable taxes and a credit card fee of 4%.

(i) Charges for special shipping services beyond those that are standard or otherwise listed in this Agreement (such as Saturday delivery), are not included in the Fees and are Customer's responsibility. The Customer shall pay NGWF its current hourly rate, including labor, travel time and expenses, if the Customer requests NGWF to dispatch a Help Desk technician to a Customer site for training or support. All additional costs allowed under this Agreement, including those listed in Section, may be collected through the ACH withdrawal.

3. **DEFAULT**. Each of following shall constitute an "**Event of Default**" by Customer:

(a) Non-payment when due of any amount due and payable under this Agreement;

(b) Upon thirty (30) days prior written notice of breach from NGWF, Customer's breach of any of its obligations under this Agreement (except for Customer's payment obligations under this Agreement) that remains uncured after expiration of such notice period;

(c) Customer becomes insolvent or commits an act of bankruptcy under the United States Bankruptcy Act, or shall file or have filed against it, voluntarily or involuntarily, a petition in bankruptcy or for reorganization or for the adoption of an arrangement or plan under the United States Bankruptcy Code or shall procure or suffer the appointment of a receiver for any substantial portion of its properties, or initiates or have initiated against it, voluntarily or involuntarily, any act, process or proceeding under any insolvency law or other statute or law providing for the modification or adjustment of the rights of creditors; or

(d) Customer fails to observe or perform any covenant or agreement binding on Customer under any other agreements it has with NGWF within any applicable cure period.

4. **REMEDIES.**

(a) If an Event of Default occurs and continues beyond any applicable cure period, NGWF may do any of the following:

(i) immediately terminate this Agreement;

(ii) stop performing any of the Services until the Event of Default is cured;

(iii) declare any amounts owed under this Agreement, whether then due or to become due, immediately due and payable and recover damages for such unpaid amount; and/or

(iv) require the immediate return of any leased or on-payment equipment to the appropriate dealer or vendor or NGWF directly.

(b) An Event of Default under this Agreement shall constitute a default under any other agreement between NGWF and Customer, including Customer's Affiliates. For purposes of this Agreement, an "Affiliate" of the Customer shall mean any person or entity which owns: (1) a majority of the equity interests of the Customer, (2) a majority of the equity interests of which is owned by the Customer, or (3) a majority of the equity interests of which is owned by a person or entity which owns a majority of the equity interests of the Customer. As used in this Agreement, "owns" or "owned" shall include both direct and indirect ownership.

(c) The remedies set forth in this Agreement are not exclusive, but are cumulative and in addition to any other remedies otherwise available to NGWF in law and equity.

5. **EXCLUSION FROM SERVICE.** Unless agreed otherwise in writing, NGWF shall have no obligation to provide Services: (i) to maintain, repair or replace equipment or parts that are identified as "hardware" in the Manuals or otherwise in writing (the "**Equipment**") when necessitated by catastrophe (including without limitation electrical surges or outages), accidents, neglect, misuse, spillage, fault or negligence of Customer, faulty electric power or air-conditioning, or any other causes; (ii) to service or repair accessories, apparatuses, attachments, or any other devices that NGWF does not support; (iii) to make changes, modifications or alterations to Equipment; (iv) to rebuild or overhaul Equipment; (v) to replace expendable parts on the Equipment, including but not limited to printer consumable supplies, cables, or removable media; (vi) for any software listed in the Manuals or otherwise in writing (the "**Supported Software**") when necessitated by catastrophe, accidents, neglect, misuse, fault or negligence of Customer, faulty electric power or air-conditioning, or any other causes other than ordinary use; (vii) to correct any problems in the functionality of the Software that are caused when the Software is used in conjunction with software that is not software approved by NGWF or used on a system other than the Brand Technology System on which the Software was originally installed; or (viii) to support any software or hardware not listed in the Manuals.

6. **LIMITATIONS OF SERVICE.** The Help Desk is accessible via email, text and telephone during the business hours listed in the Manuals. Any requests for service after these hours of operation will be addressed the following business day.

7. **WARRANTY CLAIMS ON EQUIPMENT AND SUPPORTED SOFTWARE.** With respect to the Equipment and Supported Software, NGWF may act as an agent to facilitate warranty or maintenance claims on behalf of Customer. NGWF shall not provide Services to Customer for any Equipment or Software for which Customer has not obtained from the appropriate manufacturer or vendor a warranty or maintenance agreement. NGWF cannot guarantee resolution for any Equipment or Software issue more quickly than the response and repair time of the manufacturer or vendor providing warranty or maintenance services for such Equipment or Software. It is the Customer's sole responsibility to maintain warranty or maintenance coverage on all Equipment that are required for a complete functioning Brand Technology System, including but not limited to the PC, printers, POS system, networking equipment, communications equipment or server and internet connectivity. In the event that Customer requires additional services from NGWF to restore full functionality of the Brand Technology System following the failure of a system not covered by a required warranty or maintenance, Customer shall pay NGWF its current hourly rate, including labor, travel time and expenses, plus shipping and material costs incurred while restoring system functionality. Customer shall pay for such additional services within five (5) days of NGWF's provision of such services.

8. **CUSTOMER OBLIGATIONS.**

(a) Conditions Precedent to NGWF Obligations: As a condition precedent to NGWF performing its obligations herein, Customer agrees to the following:

(i) Subject to the terms of Section 2 of this Agreement, Customer shall keep current all payments for Fees.

(ii) Customer shall adhere to all Brand Technology System standards for hardware, software, processes, business rules and requirements as designated or required by

NGWF from time to time which may be defined in the **[Manuals]**, which may be updated from time to time.

(iii) Customer shall maintain current warranty or maintenance coverage on all Equipment and Supported Software comprising the Brand Technology System, including but not limited to the PC, printers, POS system, networking equipment, communications equipment, server or internet connectivity. In the event that warranty or maintenance service is no longer available from the manufacturer, dealer or vendor, or expires, Customer shall purchase replacement Equipment that is covered by warranty or maintenance service prior to expiration of coverage or within thirty (30) days of notification by NGWF, whichever is earlier, at Customer's sole expense.

(iv) Customer shall provide proof of warranty or maintenance service agreement with the appropriate manufacturer or vendor for all supported Equipment and Software upon renewal or request by NGWF.

(v) Customer shall pay all costs of repair or troubleshooting for the Equipment that is not covered under the applicable warranty.

(vi) Customer shall pay NGWF or the appropriate vendor all fees for support and maintenance of the Supported Software.

(vii) Customer shall use a NGWF-approved POS system, as detailed in the Manuals.

(viii) Customer shall repair or replace within seventy-two (72) hours any equipment or cabling that due to failure or defect interferes with the normal operation of the Brand Technology System, prevents the Brand Technology System from communicating with the POS system, or prevents the Brand Technology System from communicating with NGWF servers. This will include, but is not limited to, Customer's server and internet connectivity.

(ix) For Customers who are not on the approved or designated Equipment, Customer shall obtain all support for the POS system directly from its POS system support vendor for hardware, programming and steering. NGWF or a help desk designated by NGWF will provide support for Customers who are on a non-standard POS system.

(x) Customer shall not install any software, other than that listed as approved in the Manuals on any of the Brand Technology System equipment. If unauthorized software is found on any of the Brand Technology System equipment, NGWF may remove it without advance notice to Customer, and all costs for such removal and restoration of the system to approved standards will be billed to Customer at an hourly rate not to exceed NGWF's then current rate. Customer shall pay for such removal and restoration within five (5) days of NGWF's provision of such services.

(xi) Customer shall not grant to anyone other than the Help Desk personnel or NGWF's information technology staff any administrative privileges for the Brand Technology System without advance approval from a NGWF information technology leadership team member.

(xii) Customer shall maintain at least one general manager or restaurant manager per restaurant that has attended the approved Brand Technology System training provided by NGWF.

(xiii) Notwithstanding (xii) of this Section, Customer shall maintain at least one person, the key operator, supervisor or other employee with supervisory authority over Customer's

restaurant(s), who has been approved by NGWF and is properly trained on the Brand Technology System. This person shall provide support to Customer's restaurants for all Customer-specific Brand Technology System support needs. This person must receive calls from Customer-owned restaurants and/or NGWF if the person's support or involvement is needed. In the event a Customer-owned restaurant is unable or unwilling to resolve a problem concerning the Brand Technology System that is within its control, the person hereunder will be contacted and requested to work with the restaurant directly until the problem has been resolved.

(xiv) Customer shall ensure that its personnel receive ongoing training in the use and operation of the Brand Technology System. If Customer contacts the Help Desk for support of functions that are included in the Brand Technology System training program or Online Help that could have been resolved by Customer personnel properly trained and certified, then NGWF may invoice Customer for such support at its then current hourly rates. Customer shall pay all fees for such support within five (5) days of NGWF's provision of such services.

(xv) Customer agrees to update or upgrade, as necessary, to maintain compliance with all NGWF technology changes, enhancements and additions, pertaining to the Brand Technology System as updated in the Manuals or otherwise. Hardware or software upgrades or employee training may be required, at Customer's expense, in the event of a change to major technology standards, as determined by NGWF, or in the event that Customer's hardware or software is beyond the supported end of life as defined by the manufacturer.

(xvi) Customer shall adhere to NGWF POS system programming schedules as identified in the Manuals.

(xvii) Customer shall cause a properly certified employee to input and maintain on the Brand Technology System all vendor related information.

(xviii) Customer must have a land-line telephone that reaches to the Brand Technology System equipment.

(xix) Customer shall cause reasonable restaurant level cooperation with the Help Desk staff in problem solving via the telephone and/or electronic communications such as email or online chat.

(xx) Upon NGWF approval, Customer shall ship to NGWF broken Equipment for repair within five (5) days of receiving replacement Equipment. Customer agrees to fax or email the Help Desk a copy of the air bill at the time of shipment to facilitate tracking.

(xxi) Customer shall maintain proof of ownership for software licenses.

(xxii) Customer is responsible for accurate data entry into the Customer's POS system and Brand Technology System.

(xxiii) Customer is responsible for establishing and maintaining an internet connection with an approved Internet Service Provider ("**ISP**").

If at any time Customer is not in compliance with any of the condition precedents listed above, Customer shall be deemed to be in default and NGWF may immediately cease providing the Services until the noncompliance is cured or terminate this Agreement under Section 1 of this Agreement.

9. **HELP DESK SUPPORT.**

(a) The Services shall include Customer access to the help desk (the "**Help Desk**") during the hours of operation specified in the Manuals. Help Desk support will include assisting with problems pertaining to:

(i) The Equipment;

(ii) The Supported Software Manuals;

(iii) The virtual local area network (VLAN), with the exception of the Customer's ISP; and

(iv) Next day reporting via the current NGWF standard reporting solution.

(b) NGWF may provide second level support through other NGWF resources, including, but not limited to, its Information Technology, Accounting and Training departments. NGWF may access Customer's PC, network hardware, POS system, or any other above store systems or databases as needed in order to provide support, perform upgrades and system maintenance, ensure the security of the network, ensure compliance with laws and industry regulations and NGWF's requirements, and perform other tasks required for support of the Brand Technology System. This may be done without the prior notification of the Customer.

10. **NGWF OBLIGATIONS.** Subject to the terms of this Agreement, NGWF shall provide the following Services:

(a) NGWF may make any warranty or maintenance claims that Customer may have with the appropriate manufacturer of the Equipment and coordinate with such manufacturer the warranty or maintenance service that is required and permissible under the appropriate Equipment warranty or maintenance agreement. NGWF shall only provide these Services for Equipment that Customer has executed a warranty or maintenance agreement with the manufacturer of such Equipment.

(b) NGWF may make any maintenance or support claims that Customer may have with the appropriate vendor of the Supported Software and coordinate with such vendor the maintenance or support service that is required and permissible under the appropriate Supported Software maintenance or support agreement. NGWF shall only provide these Services for Supported Software that Customer has executed a maintenance or support agreement with the vendor of such Supported Software.

(c) NGWF (through the Help Desk) shall prioritize all Customer calls, as it deems appropriate from time to time. Initially, calls will be prioritized based upon the following criteria:

(i) Priority 1 = system down due to hardware failure or software corruption. The virtual local area network (VLAN) is down and credit card processing is completely unavailable.

(ii) Priority 2 = system functionality issues. The Customer cannot perform daily tasks on the Brand Technology System such as scheduling or inventory, administrative functions such as Customer cannot retrieve e-mail or does not have access to a form.

(iii) Priority 3 = training issues. Customer is asking "how to" questions or ask for investigation of possible issues with recipes or food cost issues.

(d) NGWF shall use a call tracking application to track all Brand Technology System Equipment and Supported Software issues, documenting each incident.

(e) NGWF shall provide, upon Customer's request, but not more frequently than once per month, Customer's history of Brand Technology System Equipment and Supported Software issues.

(f) NGWF shall conduct periodic customer satisfaction surveys.

(g) To the extent that NGWF has been notified in advance from the third-party suppliers, NGWF shall provide notification, via e-mail or alternate methods if necessary, of planned and unplanned outages that may or will affect service or availability of systems.

(h) NGWF will provide POS system programming updates per the schedule set forth in the Manuals.

(i) NGWF will provide network monitoring and problem resolution for connectivity to Customer's systems, such as e-mail or polling, and access to any of the approved Internet sites as listed in the Manuals as well as connectivity problems to the NGWF's approved credit processing provider as listed in the Manuals.

(j) In the event Customer is dissatisfied with the Services, the following escalation path should be taken:

  (i) Help Desk Supervisor

  (ii) Director of Information Technology

  (iii) Senior most office directly responsible for Franchise operations

(k) **NGWF Depot Equipment Obligations.** Subject to the terms of this Agreement, NGWF shall provide the following additional Services (the "**Depot Services**") with respect to certain Equipment as part of the Brand Technology System (the "**Depot Equipment**"):

  (i) NGWF may, in its reasonable discretion, replace any part of a PC or the entire Brand Technology System that is the subject of a valid warranty claim with the manufacturer.

  (ii) NGWF may, in its reasonable discretion, replace the hard drive or other components of a PC as a fix to a Supported Software issue.

  (iii) NGWF shall provide same day standard shipping of replacement Depot Equipment for all problems diagnosed prior to 3:00 PM PST. Replacement Depot Equipment for problems diagnosed after 3:00 PM PST will be shipped on the following business day via standard shipping. Standard shipping method is Ground service.

  (iv) NGWF shall provide Saturday and Next-Day Early A.M. deliveries at Customer's request and expense for all Depot Equipment.

  (v) NGWF shall provide return labels for ground shipping Depot Equipment to NGWF for repair.

  (vi) NGWF shall replace any Depot Equipment that it replaces pursuant to this Agreement with equipment/parts of equal or greater capacity.

  (vii) NGWF shall send weekly email(s) for non-returned Depot Equipment with Customer's charges for replacing the Equipment including, without limitation, the original retail value of the Depot Equipment to be returned.

  (viii) NGWF reserves the right to adjust its services concerning Depot Equipment as needed from time to time.

11. **WORKMANSHIP WARRANTY AND DISCLAIMER OF ALL OTHER WARRANTIES.**

(a) NGWF warrants that the Services provided by NGWF personnel will be rendered by competent professionals with the degree of skill and care that is required by current good and sound professional procedures and practices in accordance with industry standards. If NGWF breaches this limited warranty, Customer shall be entitled to re-performance of defective services at no additional cost to Customer and in such time and manner as is reasonable in light of the nature of the Services and their impact on the business operations of the Customer. This shall be Customer's sole and exclusive remedy for NGWF's breach of this limited warranty. This warranty does not cover any services that a third party renders, such as warranty work that a manufacturer performs on Equipment or maintenance work that a vendor performs on Software.

(b) NGWF is not providing any warranty whatsoever with respect to the Equipment and Software. Customer shall obtain any warranties on the Equipment and Software from the appropriate manufacturer or vendor of the Equipment and Software. NGWF provides no warranty with respect to any data that it or others input into the Brand Technology System.

(c) OTHER THAN THE WARRANTY PROVIDED ABOVE, NGWF EXPRESSLY DISCLAIMS ALL WARRANTIES WITH RESPECT TO THE SERVICES THAT NGWF IS RENDERING UNDER THIS AGREEMENT, THE DATA AND INFORMATION THAT IT INPUTS INTO THE BRAND TECHNOLOGY SYSTEM, THE BRAND TECHNOLOGY SYSTEM, THE EQUIPMENT OR THE SOFTWARE, WHETHER SUCH WARRANTIES ARE EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, IMPLIED WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE, NON-INFRINGEMENT, AND IMPLIED WARRANTY ARISING BY USAGE OR TRADE, COURSE OF DEALING, COURSE OF PERFORMANCE, OR THAT THE BRAND TECHNOLOGY SYSTEM SHALL BE ERROR FREE OR OPERATE UNINTERRUPTED .

12. **INDEMNIFICATION**. Customer agrees to defend, indemnify and hold NGWF, its affiliated and related entities, its and their respective members, officers, directors, shareholders, employees, agents and representatives, harmless from and against all liabilities, losses, attorneys' fees, fines, penalties or any other damages (collectively, the "**Damages**") arising out of or on account of any claims, causes of actions or proceedings that any third party or governmental party may bring to the extent such Damages arise from: (i) Customer's breach or alleged breach of its license for the Software; (ii) Customer's breach or alleged breach of Customer's agreements with any manufacturer of the Equipment; (iii) any negligent act, omission, or willful misconduct of Customer in the performance of this Agreement; (iv) Customer's breach of any covenant, warranty or representation set forth in this Agreement; (v) Customer's use of the Brand Technology System including, without limitation, Customer's use of the Brand Technology System in conjunction with hardware and/or software not approved by NGWF; or (vi) infringement or alleged infringement from Customer's use of the Brand Technology System in conjunction with hardware and/or software not approved by NGWF. The terms of this Article 12 shall survive the termination or expiration of this Agreement.

13. **LIMITATION OF LIABILITY.**

(a) NGWF SHALL NOT BE LIABLE FOR ANY DATA THAT IT RECEIVES FROM CUSTOMER AND INPUTS INTO THE BRAND TECHNOLOGY SYSTEM. NGWF DISCLAIMS ANY LIABILITY FOR ANY ERRORS OR ACCURACY IN THE DATA OR INFORMATION IT INPUTS (OTHER THAN ERRORS THAT ARE THE RESULT OF

NGWF'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT). NGWF SHALL NOT BE LIABLE FOR ANY ERRORS OR DEFECTS IN THE SOFTWARE OR EQUIPMENT.

(b) EXCEPT FOR THE INDEMNITY OBLIGATIONS SET FORTH HEREIN, NO PARTY SHALL UNDER ANY CIRCUMSTANCES BE RESPONSIBLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES OR LOSSES (INCLUDING, BUT NOT LIMITED TO, LOSS OF REVENUE, DATA, PROFIT OR USE OR COST OF CAPITAL), ARISING OUT OF OR RELATED IN ANY WAY TO THE TRANSACTIONS CONTEMPLATED IN THIS AGREEMENT, EVEN IF THE OFFENDING PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. UNDER NO CIRCUMSTANCES SHALL NGWF'S TOTAL LIABILITY OF ALL KINDS ARISING OUT OF OR RELATED TO THIS AGREEMENT, REGARDLESS OF THE FORUM AND REGARDLESS OF WHETHER ANY ACTION OR CLAIM IS BASED ON CONTRACT, STRICT LIABILITY, TORT OR OTHERWISE, EXCEED THE TOTAL AMOUNT THAT CUSTOMER PAYS TO NGWF FOR THE SERVICES FOR THE SIX (6) MONTHS LEADING UP TO THE DATE OF THE CLAIM.

(c) NGWF is not responsible for hard drive crashes unless such crash is a result of NGWF's gross negligence or willful misconduct. If a hard drive needs to be reloaded with Software, NGWF will provide the standard Brand Technology System image and the restaurant specific information will be retrieved from the restaurant's system backup, if available. NGWF is not responsible for lost data due to backup failures.

14. **CONFIDENTIAL INFORMATION.** During the term of this Agreement, Customer may have access to and become familiar with various trade secrets, confidential or proprietary information of NGWF, including but not limited to specifications, drawings, samples, plans, business operations, pricing, menus, discounts or rebates, compilations of data and information selected, arranged and processed by NGWF, invoices, restaurant development information, marketing plans, financial information of NGWF, and other technical, marketing and/or business information disclosed by NGWF to Customer, whether oral or written in electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" and all improvements, developments, supplements and derivations of any of the foregoing (collectively referred to herein as "**Confidential Information**"). Customer agrees that it shall use the Confidential Information solely for performing its obligations under this Agreement and that such Confidential Information may not be disclosed or otherwise used except upon NGWF's prior written consent, which may be withheld in its discretion. Customer shall further take reasonable precautions and act in such a manner as to ensure against unauthorized disclosure or use of NGWF's Confidential Information in Customer's possession or control. This Section shall not apply to information that is (i) in the public domain, (ii) known to Customer at the time of disclosure, or (iii) rightfully obtained by Customer on a non-confidential basis from a third party. Any and all files, records, documents, information, data, and similar items relating to the business of NGWF, any of NGWF's contacts, vendors or contractors or any of the Confidential Information, whether prepared by Customer or otherwise coming into its possession as a result of its services for NGWF, shall remain the exclusive property of NGWF. Customer shall promptly deliver to NGWF or destroy, at NGWF's sole discretion, any of NGWF's Confidential Information in Customer's possession or control (without Customer retaining any copies) upon expiration or termination of this Agreement.

15. **GOVERNING LAW.** The existence, validity and construction of this Agreement shall be governed in all respects by the substantive laws of the State of California. With respect to any claims concerning this Agreement, each party agrees: (i) to submit to the exclusive general jurisdiction of the Courts of the State of California or the federal courts that are located in Los Angeles, California; (ii) that any such action or proceeding may be brought in such courts; and (iii) to waive any objection

that it may have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same.

16. **ATTORNEYS FEES AND ENFORCEABILITY**. If any action at law or equity is brought to enforce or interpret any of the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief to which it may be entitled. In the event a provision of the Agreement is held by any court to be invalid, void or unenforceable by action of law or equity, the remaining provisions shall continue in full force and effect and such invalid, void or unenforceable provision shall be stricken from this Agreement.

17. **NOTICE**. Notice to be submitted by either party shall be sufficiently given if made in writing and sent by prepaid Certified Mail, or hand delivered as evidenced by signed receipt, or by express delivery with a nationally recognized carrier. Until either party provides notice to the other party of a change in address, all notices shall be sent to the addressee specified below to the attention of the persons named:

If to NGWF:

Native Grill and Wings Franchising, LLC

Attn: Legal Department

9720 Wilshire Blvd., Suite 500

Beverly Hills, CA 90212

If to Customer:

18. **ENTIRE AGREEMENT AND MODIFICATION**. This Agreement and all documents and agreements referred to in this Agreement supersede all prior understandings, agreements and discussions between the parties concerning this subject matter, with such prior understandings, agreements and discussions between the parties being merged into this Agreement, and constitute the entire agreement between the parties with regard to this subject matter. The parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. No amendment, change, waiver or discharge hereof shall be valid unless in writing and signed by the party against whom enforcement is sought.

19. **ASSIGNMENT**.

(a) NGWF may assign this Agreement and any or all benefits and obligations arising from it at any time.

(b) Customer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of NGWF, and any such assignment lacking consent shall be null and void. This Agreement shall be binding on and shall inure to the benefit of the successors and assignees of the Customer hereto, but nothing in this Article shall be construed as a consent to any assignment of this Agreement by NGWF except as provided hereinabove.

20. **NO WAIVER**. Waiver of the benefit of any provision of this Agreement must be in writing to be effective. The waiver by any party hereto of a breach of any provision hereof shall not operate or be

construed as a waiver of any subsequent breach. No action taken pursuant to this Agreement shall be deemed to constitute a waiver by such party of compliance by the other party hereto with any of the covenants or other obligations contained herein. A failure by a party to insist upon strict compliance with any term of this Agreement, enforce any right or seek any remedy upon any default of any other party shall not affect, or constitute a waiver of, such party's right to insist upon such strict compliance, enforce that right or seek that remedy with respect to that default or any prior, contemporaneous or subsequent default.

21. **DELAYS**. NGWF shall not be liable for any failure or delay in delivery or in rendering service if the failure or delay is caused entirely or in material part by events beyond NGWF's control, including but not limited to fire, tornado, flood, earthquake, civil turmoil, labor dispute, failure or delay of transportation, or shortage or unavailability of parts or units. Shipping is subject to availability of the carriers. NGWF is not responsible in any way for delays or damages caused by the carrier.

22. **HOLIDAYS**. NGWF recognizes the holidays set forth in the Manuals. The Help Desk may not be available on those holidays as set forth in the Manuals.

23. **EXCLUSIONS FROM SERVICES**. The following items are excluded from this Agreement and will not be supported by NGWF in the event of a failure:

    (a) Non-standard hardware

    (b) Non-standard software

    (c) Unapproved POS hardware and software

    (d) Unapproved exports or Interfaces to external systems such as Payroll, Accounting, (GL, etc.)

    (e) Internet Service Providers or telephone vendors

    (f) Updates or corrections to vendor information

    As used herein, the terms "non-standard" and "unapproved" refer to such items that are not expressly identified in the Manuals as being in compliance with NGWF's Brand Technology System requirements.

24. **AUTHORITY**. All parties signing this Agreement expressly represent and warrant that they have the requisite authority to enter into this Agreement on behalf of the party for which they are signing.

25. **COUNTERPARTS**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument. Execution of this Agreement via facsimile shall be effective, and signatures received via facsimile shall be binding upon the parties hereto and shall be effective as originals.

26. **ASSIGNMENT OF INVENTIONS**.

    (a) Customer shall make full and prompt disclosure to NGWF of all inventions, improvements, modifications, discoveries, creations, works of authorship, methods, processes and developments which are related to the Brand Technology System (all of which are collectively termed "**Work Product**"), and which are made or conceived by Customer, alone or with others, whether or not such developments are patentable, copyrightable, registerable as a trademark, servicemark or the like, or protected as confidential information, whether or not such developments are made or conceived during normal working hours or on the premises of Customer.

(b) All Work Products shall belong to NGWF, its successors and permitted assigns. Customer shall automatically assign, and shall cause its personnel automatically to assign, at the time of creation of the Work Product, without any requirement of further consideration, any right, title, or interest it or they may have in such Work Product, including any patents or copyrights or other intellectual property rights pertaining thereto. Upon request of NGWF, Customer shall take such further actions, and shall cause its personnel to take such further actions, including execution and delivery of instruments of conveyance, as may be appropriate to give full and proper effect to such assignment. The terms of this Section 26(b) shall survive beyond the expiration or termination of this Agreement.

(c) NGWF shall determine, in its sole and absolute discretion, whether an application for patent, for copyright, for trademark, for mask work registration, or for any other intellectual property right shall be filed on any Work Product which is assigned to NGWF under this Agreement and whether such an application shall be prosecuted or abandoned prior to issuance or registration. Customer shall cooperate with NGWF in filing and prosecuting all such applications.

(d) Customer shall have a non-exclusive, perpetual, royalty-free license to use the Work Product, without any right to sublicense to unrelated third parties.

(e) This Section 26 shall survive termination or expiration of this Agreement.

IN WITNESS WHEREOF, the undersigned have set their hands as of _____.

Native Grill and Wings Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

Address: 9720 Wilshire Blvd., Suite 500

Beverly Hills, CA 90212

Customer:

By: _____

Name: _____

Title: _____

Date: _____

Address: _____

_____

EXHIBIT "F"

TO DISCLOSURE DOCUMENT

TABLE OF CONTENTS TO MANUAL

[See Attached]

Native Grill and Wings Manual

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 Manual: 1,550

EXHIBIT "G"

TO DISCLOSURE DOCUMENT

FRANCHISEE LIST

Part A (Current Franchisees)

The following table lists our franchisees that were open as of December 31, 2023.

FRANCHISEES OPEN AS OF DECEMBER 31, 2023				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
Arizona	Chandler	2110 South Gilbert Road Chandler, Arizona 85286	480-782-0840	Nava Thuraisingam
Arizona	Gilbert	4341 East Baseline Road, Suite 108 Gilbert, Arizona 85234	480-256-0654	Paul Brah Navneet Brah
Arizona	Glendale	7273 N. 95th Ave. Glendale, Arizona 85305	623-877-4500	Nava Thuraisingam
Arizona	Laveen	5020 West Baseline Road Laveen, Arizona 85339	602-237-9068	Pat Kieny
Arizona	Marana	8225 North Courtney Page Way Marana, Arizona 85743	520-744-7200	Matt Thiara
Arizona	Maricopa	21164 N JohnWayne Pkwy Highway 347 Maricopa, Arizona 85239	520-568-6077	Matt Thiara
Arizona	Mesa	1837 W. Guadalupe #122 Mesa, Arizona 85202	480-456-9464	Nava Thuraisingam
Arizona	Mesa	1559 S. Gilbert Road Mesa, Arizona 85204	480-892-1010	Shawn Murphy
Arizona	Mesa	318 E. Brown Rd #112 Mesa, Arizona 85201	480-464-4383	Nava Thuraisingam
Arizona	Mesa	1947 S. Signal Butte Ste. A Mesa, Arizona 85209	480-380-1190	Sharon Spickler
Arizona	Phoenix	1339 E. Chandler Blvd. Phoenix, Arizona 85048	480-283-9600	Matt Thiara
Arizona	Phoenix	5030 E. Ray Rd #5 Phoenix, Arizona 85048	480-496-5717	Matt Thiara
Arizona	Phoenix	10004 North 26th Drive Phoenix, Arizona 85021	602-309-8110	Nava Thuraisingam
Arizona	Queen Creek	1750 West Hunt Highway Queen Creek, Arizona 85243	602-309-8110	Sharon Spickler
Arizona	Sierra Vista	3950 Martin Luther King Jr. Pkwy Sierra Vista, Arizona 85635	520-458-0136	Jared O'konek
Arizona	Surprise	13929 West Waddell Road Surprise, Arizona 85379	623-544-6402	Nava Thuraisingam
Arizona	Tempe	1301 E. Broadway Tempe, Arizona 85282	480-921-2556	Jami Murphy Sherri Lind Linda Tritschler
Arizona	Tucson	5421 South Calle Santa Cruz Tucson, Arizona 85706	520-889-5198	Sharon Spickler
Arizona	Tucson	10255 E. Old Vail Rd. Tucson, Arizona 85747	520-822-8394	Sharon Spickler
Texas	San Antonio	3238 Wurzbach Rd. San Antonio, Texas 78238	210-233-1199	Shafiqul Alam

The following table lists our franchisees with signed franchise agreements that were not open as of December 31, 2023.

FRANCHISEES NOT OPEN AS OF DECEMBER 31, 2023				
State	**City**	**Address**	**Phone**	**Owner Name(s)**

Part B (Former Franchisees Who Left System During Prior Fiscal Year)*

State	City	Current Business Phone or Last Known Home Phone	Owner Name(s)
Illinois	Quincy	217-209-3989	Duane Venvertloh

*** 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

FINANCIAL STATEMENTS

[See Attached]

Native Grill and Wings Franchising, LLC

Consolidated Financial Statements

As of December 31, 2023 and December 25, 2022 and for the Years Ended December 31, 2023, December 25, 2022 and December 26, 2021

mgo. | Certified Public Accountants

Independent Auditor's Report

Member
Native Grill and Wings Franchising, LLC

Opinion

We have audited the consolidated financial statements of Native Grill and Wings Franchising, LLC (the Company), which comprise the balance sheet as of December 31, 2023, the related statements of operations, changes in member's equity and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

The financial statements of the Company, as of and for the year ended December 25, 2022 and December 26, 2021, were audited by other auditors, whose report, dated April 7, 2023, expressed an unmodified opinion on those statements.

Responsibilities of Management 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Macias Gini & O'Connell LLP

Irvine, CA
April 24, 2024

NATIVE GRILL AND WINGS FRANCHISING, LLC

CONSOLIDATED BALANCE SHEETS

	December 31, 2023	December 25, 2022
Assets		
Current assets		
Cash	$ 734,174	$ 640,944
Accounts receivable	255,522	169,639
Prepaid expenses	26,265	37,927
Total current assets	1,015,961	848,510
Property and equipment, net	12,033	33,812
Due from affiliates	4,760,977	2,437,587
Right-of-use assets	65,369	139,242
Goodwill	5,341,818	5,341,818
Other intangible assets, net	13,486,324	14,112,698
Total assets	$ 24,682,482	$ 22,913,667
Liabilities and Member's Equity		
Current liabilities		
Accounts payable	$ 55,978	$ 80,874
Accrued liabilities	21,181	42,816
Accrued advertising	41,075	240,562
Gift card liability	141,966	132,596
Deferred income, current portion	18,619	63,853
Operating lease liability, current portion	66,621	78,212
Total current liabilities	345,440	638,913
Deferred income, net of current portion	99,211	82,450
Operating lease liability, net of current portion	—	62,444
Total liabilities	444,651	783,807
Commitments and contingencies (Note 7)		
Member's equity	24,237,831	22,129,860
Total liabilities and member's equity	$ 24,682,482	$ 22,913,667

The accompanying notes are an integral part of these audited consolidated financial statements.

NATIVE GRILL AND WINGS FRANCHISING, LLC

CONSOLIDATED STATEMENTS OF OPERATIONS

	Fiscal Year Ended		
	December 31, 2023	**December 25, 2022**	**December 26, 2021**
Revenues			
Royalties	$ 2,959,700	$ 2,865,353	$ 3,060,302
Advertising fees	545,951	544,293	588,389
Franchise fees	48,114	185,848	55,000
Other revenue	145,441	60,860	228,085
Total revenues	3,699,206	3,656,354	3,931,776
Operating expenses			
General and administrative expense	1,022,404	1,287,373	1,988,573
Advertising expense	568,831	544,293	643,832
Total operating expenses	1,591,235	1,831,666	2,632,405
Income from operations	2,107,971	1,824,688	1,299,371
Other income (expense)			
Litigation settlement	—	—	250,000
Paycheck Protection Program loan forgiveness	—	—	219,690
Other income (expense)	—	2,631	(83,466)
Interest income, net	—	—	7,956
Total other income, net	—	2,631	394,180
Net income	$ 2,107,971	$ 1,827,319	$ 1,693,551

The accompanying notes are an integral part of these audited consolidated financial statements.

NATIVE GRILL AND WINGS FRANCHISING, LLC

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S EQUITY

		Total
Balance at December 29, 2020	$	3,956,218
Net income		1,693,551
Distributions		(2,184,733)
Acquisition by Parent		16,837,505
Balance at December 26, 2021	$	20,302,541
Net income		1,827,319
Balance at December 25, 2022		22,129,860
Net income		2,107,971
Balance at December 31, 2023	$	24,237,831

The accompanying notes are an integral part of these audited consolidated financial statements.

NATIVE GRILL AND WINGS FRANCHISING, LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal Year Ended		
	December 31, 2023	December 25, 2022	December 26, 2021
Cash Flows From Operating Activities			
Net income	$ 2,107,971	$ 1,827,319	$ 1,693,551
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	648,153	604,970	438,994
Provision for bad debts	1,671	—	742
Gain on loan forgiveness	—	—	(219,690)
Changes in operating assets and liabilities:			
Accounts receivable	(87,554)	134,006	(57,114)
Other current and noncurrent assets	4,701	77,365	21,847
Accounts payable	(24,896)	61,589	(45,770)
Accrued liabilities	(21,635)	22,463	(117,107)
Accrued advertising	(199,487)	102,292	138,270
Gift card liability	9,370	50,852	(31,773)
Deferred income	(28,474)	(32,489)	(31,112)
Operating lease assets and liabilities	(161)	1,414	—
Other	—	—	(5,592)
Net cash provided by operating activities	2,409,659	2,849,781	1,785,246
Cash Flows From Investing Activities			
Purchase of property and equipment	—	—	—
Acquisitions, net of cash acquired	—	(120,479)	—
Proceeds from note receivable	—	—	149,784
Change in due from affiliates	(2,316,429)	(2,437,587)	—
Net cash (used in) provided by investing activities	(2,316,429)	(2,558,066)	149,784
Cash Flows From Financing Activities			
Paycheck Protection Program loan proceeds	—	—	219,690
Contributions	—	—	—
Distributions	—	—	(2,184,733)
Net cash used in financing activities	—	—	(1,965,043)
Net increase (decrease) in cash and cash equivalents	93,230	291,715	(30,013)
Cash and cash equivalents, beginning of period	640,944	349,229	379,242
Cash and cash equivalents, end of period	$ 734,174	$ 640,944	$ 349,229

The accompanying notes are an integral part of these audited consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND RELATIONSHIPS

Nature of Business

Native Grill and Wings Franchising, LLC (the "Company") is a wholly-owned subsidiary of FAT Brands Fazoli's Native I, LLC, a Delaware limited liability company. The Company is the franchisor and uses the franchise agreements to operate, sell and develop Native Grill and Wings restaurants. The Company offers individual franchise 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. Based in Beverly Hills, California, Native Grill & Wings is a family-friendly, polished sports grill with 19 franchised locations in 2 states as of December 31, 2023.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations.

The Company operates on a 52-week calendar and its fiscal year ends on the last Sunday of the calendar year. Consistent with the industry practice, the Company measures its stores' performance based upon 7-day work weeks. Using the 52-week cycle ensures consistent weekly reporting for operations and ensures that each week has the same days, since certain days are more profitable than others. The use of this fiscal year means a 53rd week is added to the fiscal year every 5 or 6 years, as was the case in fiscal year 2023. In a 52-week year, all four quarters are comprised of 13 weeks. In a 53-week year, one extra week is added to the fourth quarter. Fiscal year 2023 was a 53-week year and 2022 was a 52-week year.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. Newly acquired subsidiaries are included from the date of acquisition. Intercompany accounts have been eliminated in consolidation.

Use of Estimates in the Preparation of the Financial Statements

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("US 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. Significant estimates include the determination of fair values of goodwill and other intangible assets, the allocation of basis between assets acquired, sold or retained, and allowances for uncollectible accounts receivable. Estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and are stated net of an allowance for doubtful accounts. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in existing accounts receivable. The allowance is based on historical collection data and current franchisee information. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Management does not believe an allowance is necessary as of December 31, 2023 and December 25, 2022.

Credit and Depository Risks

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. Cash and cash equivalents balances are maintained in financial institutions, which at times, exceed federally insured limits. The Company monitors the financial condition of these institutions and has not experienced losses on these accounts.

Goodwill and Other Intangible Assets

Intangible assets are stated at the estimated fair value at the date of acquisition and include goodwill, trademarks, and franchise agreements. Goodwill and trademarks are indefinite lived and are not amortized but are reviewed for impairment annually or more frequently if indicators arise. All other intangible assets are amortized over their estimated weighted average useful lives. Management assesses potential impairments to intangible assets at least annually, or when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. Judgments regarding the existence of impairment indicators and future cash flows related to intangible assets are based on operational performance of the acquired businesses, market conditions and other factors.

Gift Card Liability

Gift cards are sold online and at franchisee 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 locations. Activity is reflected as an increase or decrease to the gift card liability on the accompanying balance sheets. Gift cards may be redeemed at any Native Grill and Wings location. There are no expiration dates, and no service fees are charged. The Company recorded gift card liabilities of $0.1 million in each of the fiscal years ended December 31, 2023 and December 25, 2022, respectively.

The gift card liability represents the balance of gift cards outstanding management believes will ultimately be redeemed. 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, redemption patterns and 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 statements of operations.

Revenue Recognition

Franchise Fees - The franchise arrangement is documented in the form of a franchise agreement. The franchise arrangement requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which includes the transfer of the franchise license. The services provided by the Company are highly interrelated with the franchise license and are considered a single performance obligation. Franchise fee revenue from the sale of individual franchises is recognized over the term of the individual franchise agreement on a straight-line basis. Unamortized non-refundable deposits collected in relation to the sale of franchises are recorded as deferred income.

The franchise fee may be adjusted from time to time at management's discretion. Deposits are non-refundable upon acceptance of the franchise application. In the event a franchisee does not comply with their development timeline for opening franchise stores, the franchise rights may be terminated, at which point the franchise fee revenue is recognized for non-refundable deposits.

Royalties – In addition to franchise fee revenue, the Company collects a royalty calculated as a percentage of net sales from our franchisees. Royalties are recognized as revenue when the related sales are made by the franchisees. Royalties collected in advance of sales are classified as deferred income until earned.

Advertising - The Company requires advertising fee payments from franchisees based on a percent of net sales. The Company also receives, from time to time, payments from vendors that are to be used for advertising. Advertising funds collected are required to be spent for specific advertising purposes. Advertising revenue and the associated expense are recorded gross on the Company's consolidated statements of operations. Assets and liabilities associated with the related advertising fees are reflected in the Company's consolidated balance sheets.

Recently Adopted Accounting Standards

In March 2022, the Financial Accounting Standards Board (the "FASB") issued ASU No. 2022-02, *Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures.* The purpose of this amendment is to enhance disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. It requires that an entity disclose current-period gross write-offs by year of origination for financing receivables and net investments in leases. The amendments should be applied prospectively and are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company adopted ASC No. 2022-02 for the fiscal year beginning December 26, 2022, which did not have an effect on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326)-Measurement of Credit Losses on Financial Instruments.* This guidance replaced the previous incurred loss impairment methodology. Under the new guidance, on initial recognition and at each reporting period, an entity is required to recognize an allowance that reflects its current estimate of credit losses expected to be incurred over the life of the financial instrument based on historical experience, current conditions and reasonable and supportable forecasts. In November 2019, the FASB issued ASU No. 2019-10, *Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates ("ASU 2019-10").* The purpose of this amendment was to create a two-tier rollout of major updates, staggering the effective dates between larger public companies and all other entities. This granted certain classes of companies, including Smaller Reporting Companies ("SRCs"), additional time to implement major FASB standards, including ASU 2016-13. Larger public companies had an effective date for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. All other entities were permitted to defer adoption of ASU 2016-13, and its related amendments, until fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company meets the definition of an SRC and adopted the deferral period for ASU 2016-13. The guidance requires a modified retrospective transition approach through a cumulative-effect adjustment to retained earnings as of the beginning of the period of adoption, if applicable. The Company adopted ASU No. 2016-13 for the fiscal year beginning December 26, 2022. The adoption did not require an adjustment to retained earnings and did not have an effect on the Company's consolidated financial statements.

NOTE 3. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

The following table reflects the changes in carrying amounts of goodwill for the fiscal years ended December 31, 2023 and December 25, 2022 (in millions):

	2023	2022
Balance, beginning	$ 5.3	$ 5.0
Acquired	—	0.1
Purchase price adjustment	—	0.2
Balance, end of year	$ 5.3	$ 5.3

Other intangible assets, net consisted of the following as of December 31, 2023 and December 25, 2022 (in millions):

	2023	2022
Franchise agreements, gross	$ 4.2	$ 4.2
Acquired	—	—
Less: purchase price adjustment	(0.2)	(0.2)
Less: accumulated amortization	(1.2)	(0.6)
Franchise agreements, net	2.8	3.4
Trademarks, beginning	10.7	10.7
Acquired	—	—
Trademarks, end of year	10.7	10.7
Other intangible assets, net	$ 13.5	$ 14.1

Amortization expense was $0.6 million, $0.6 million and $0.4 million for the years ended December 31, 2023, December 25, 2022, and December 26, 2021, respectively.

The expected future amortization of the Company's capitalized franchise agreements is as follows (in millions):

Fiscal Year:	
2024	$ 0.6
2025	0.6
2026	0.6
2027	0.6
2028	0.4
Total	$ 2.8

NOTE 4. INCOME TAXES

The Company is a single-member limited liability company that is treated as a disregarded entity for federal income tax purposes. The Company has not entered into a formal tax-sharing arrangement with its parent or affiliates. The Company's operations will be included on the consolidated tax returns of its ultimate parent, FAT Brands Inc. Therefore, management made no provision for income taxes in the accompanying consolidated financial statements.

NOTE 5. RELATED PARTY TRANSACTIONS

FAT Brands Inc.'s operations are structured in such a way that significant direct and indirect administrative functions are provided to the Company. These services included operational personnel to sell franchise rights, assist with training franchisees and assisting franchises with opening restaurants. FAT Brands Inc. also provides executive administration and accounting services for the Company.

Management reviewed the expenses recorded at the parent companies and identified the common expenses that should be allocated to the subsidiaries. These expenses were allocated based on an estimate of management's time spent on the activities of the subsidiaries, and further allocated pro rata among the subsidiaries based on each subsidiary's respective revenues as a percentage of overall revenues of the subsidiaries.

The expenses are included in general and administrative expenses on the statements of operations. Due from affiliates represents the net amount due from Fat Brands Fazoli's Native I, LLC and FAT Brands Inc.

NOTE 6. LEASES

The Company maintains one lease for office space which expires in October 2024. Lease expense for each of the fiscal years ended December 31, 2023, December 25, 2022, and December 26, 2021 was $0.1 million.

Operating lease right-of-use assets and operating lease liabilities relating to the operating leases are as follows:

	December 31, 2023	December 25, 2022
Right-of-use assets	$ 0.1	$ 0.1
Lease liabilities	$ 0.1	$ 0.1

The contractual future maturity of the Company's operating lease liability as of December 31, 2023, including anticipated lease extensions, is as follows:

Fiscal year:	
2024	$ 0.1

NOTE 7. COMMITMENTS AND CONTINGENCIES

Litigation

From time to time, various claims against the Company may arise in the ordinary course of business, including franchisee-related claims. Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

NOTE 8. PAYBACK PROTECTION PROGRAM LOAN

In February 2021, the Company applied for and received $0.2 million from the Payroll Protection Program (PPP) administered by the U.S. Small Business Administration as authorized under the Coronavirus Aid, Relief, and Economic Security Act (CARES ACT). The CARES Act provided for PPP loans to be forgiven if proceeds were spent on authorized expenses. The Company applied for and received notification of forgiveness of the PPP loan in December 2021. The forgiveness is recognized as Payroll Protection Program loan forgiveness on the statements of operations for the year ended December 26, 2021.

NOTE 9. SUBSEQUENT EVENTS

Management has evaluated all events and transactions that occurred from December 31, 2023 through the date these audited financial statements were available to be issued. During this period, the Company did not have any material subsequent events.

EXHIBIT "I"

TO DISCLOSURE DOCUMENT

FRANCHISEE ORGANIZATIONS

A. Franchisee Organizations We Have Created, Sponsored Or Endorsed: None

B. Independent Franchisee Associations: None

EXHIBIT "J"

TO DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

State Effective Dates

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

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

State	Effective Date
California	July 31, 2024

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT "K"

TO DISCLOSURE DOCUMENT

RECEIPT

[See Attached]

RECEIPT

This disclosure document summarized certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Native Grill and Wings Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to us or an affiliated in connection with the proposed franchise sale or grant.

Several states, including New York, require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Several states, including Michigan, require that we give you this disclosure document at least 10 business days before execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Native Grill and Wings Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the state agency listed on Exhibit "A".

The Franchisor is Native Grill and Wings Franchising, LLC, located at 9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212. Its telephone number is (310) 319-1850.

Issuance Date: April 30, 2024 (amended November 8, 2024)

The following is the name principal address and telephone number of each franchise seller offering this franchise:

☐ Taylor Wiederhorn; 9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212; (310) 319-1850
☐ Warren Christiansen; 9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212; (310) 319-1850
☐ _____

Native Grill and Wings Franchising, LLC's authorized the respective state agencies identified on Exhibit "A" to this Disclosure Document (for registration states) or EXHIBIT "B" to this Disclosure Document (for non-registration states) to receive service of process for it in the particular state.

I have received a disclosure document dated April 30, 2024 (amended November 8) that included the following Exhibits:

EXHIBIT "A"	State Administrators and Agents for Service of Process
EXHIBIT "B"	Agent for Service of Process
EXHIBIT "C"	Franchise Agreement
EXHIBIT "D"	Area Development Agreement
EXHIBIT "E"	Other Agreements
EXHIBIT "E"-1	General Release
EXHIBIT "E"-2	Franchisee Questionnaire
EXHIBIT "E"-3	State Addenda and Amendments
EXHIBIT "E"-4	Brand Technology System Support Services Agreement
EXHIBIT "F"	Table of Contents to Manual
EXHIBIT "G"	Franchisee List
EXHIBIT "H"	Financial Statements
EXHIBIT "I"	Franchisee Organizations
EXHIBIT "J"	State Effective Dates
EXHIBIT "K"	Receipt

Date: _____

Prospective Franchisee:
By: _____
Name: _____
Individually and on behalf of the following entity:
Company Name: _____
Title: _____

RECEIPT

This disclosure document summarized certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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EXHIBIT "K"	Receipt

Date: _____

Prospective Franchisee:
By: _____
Name: _____
Individually and on behalf of the following entity:
Company Name: _____
Title: _____