startups for the BUCKHORN GRILL™ restaurants operated by our corporate parent Mr Pickerel has also been the owner of Buckhorn Cafe Inc since 1979, which owns and operates several restaurants and a catering business in Winters, California Buckhorn Café Inc is unrelated to us, our corporate parent, or BUCKHORN GRILL™

Tom McLaughlin, Chief Operations Officer

Mr McLaughlin oversees the day-to-day operations of our franchises, including staffing, training, and work scheduling He is also a member of Pickapple, LLC Since 1999, Mr McLaughlin has been responsible for the management of all day-to-day operations of the BUCKHORN GRILL™ restaurants operated by our corporate parent

ITEM 3 LITIGATION

There is no litigation that must be disclosed in this Item 3

ITEM 4 BANKRUPTCY

There is no bankruptcy information that must be disclosed in this disclosure document

ITEM 5 INITIAL FEES

You will pay us an initial franchise fee of Fifty Thousand Dollars ($50,000) This initial fee, which is payable in a lump sum, is non-refundable We will not collect the initial franchise fee or any other fee until thirty (30) days after the date you open your BUCKHORN GRILL™ restaurant to the public

ITEM 6 OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Royalty	4% of total gross sales	Payable monthly on the 10th day of the next month	Gross sales includes all revenue from all business conducted at the franchise location Gross sales does not include sales or use tax
Back office support cost[2]	Our actual out-of-pocket cost	Billed quarterly, payable 30 days after invoicing	Franchisee has the option to discontinue this service after the first year of operation
External evaluation cost (ongoing)	Our actual out-of-pocket cost	Payable monthly on the 10th day of the next month	External evaluation consists of hiring "mystery shoppers" to evaluate the level of service and quality of food of each franchisee Currently, this service costs $172 per month
Renewal fee	$5,000	30 days before renewal	See Item 17 for discussion of Renewal
Relocation fee	$5,000	Before we grant consent to relocation	See Item 12 for discussion of Relocation

ITEM 7 ESTIMATED INITIAL INVESTMENT

The table below represents your estimated initial investment through opening, except for the "Additional Funds" category, which shows funds needed for the first three months of operation

Column 1 Type of Expenditure[1]	Column 2 Amount		Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
	Low	High			
Initial franchise fee	$50,000	$50,000	Single payment	Thirty (30) days following the opening of your Restaurant	Pickapple Franchise, LLC
Franchisee actual out-of-pocket travel and living expenses while training at our site	$7,000	$25,000	As incurred	During training and initial period	Airlines, hotels, and restaurants
Franchisor actual out-of-pocket travel and living expenses for training and opening assistance[2]	$9,000	$30,000	As incurred	As incurred	Airlines, hotels, and restaurants or reimbursement to Franchisor
Lease deposit and first month s rent[3]	$42,000	$110,000	As arranged	At lease signing	Landlord
Improvements, equipment, furnishings, etc [4]	$845,000	$1,700,000	As arranged	Prior to opening	Architects, contractors, suppliers, ut lities, employees, etc
Grand opening advertising	$7,000	$15,000	As incurred	As incurred	Media outlets
Additional funds – first 3 months[5]	$40,000	$70,000	As incurred	As incurred	Pickapple Franchise, LLC, suppliers, media outlet, employees, landlord, etc
TOTAL	$1,000,000[6]	$2,000,000[6]			

THESE FIGURES ARE ESTIMATES ONLY

[1] We do not offer direct or indirect financing to franchisees for any items All payments are non-refundable

[2] You are responsible for reimbursing our actual out-of-pocket travel and living expenses We do not charge a fee for initial training or opening assistance See Item 11

[3] You will need to locate and lease a suitable premises for your restaurant Typical locations are retail and commercial areas The typical BUCKHORN GRILL™ restaurant has 2,500 - 5,000 square feet Rent is estimated to be between $250,000 - $600,000 per year depending on factors such as size, condition, and location of the leased premises

[4] The total investment to open a BUCKHORN GRILL™ restaurant consists mainly of tenant improvements, equipment, and furnishings Tenant improvements costs include design fees and construction costs Equipment includes all of the kitchen equipment and fixtures, including a refrigerator, oven, kitchen hood and ventilation,

share of the actual operating expenses of our back office system, as further described in Section 6 10

ARTICLE VI: YOUR PAYMENTS

6 1 Initial Franchise Fee You will pay us in immediately accessible funds an initial franchise fee of Fifty Thousand Dollars ($50,000), which will be due the date that is thirty (30) days after the opening of your BUCKHORN GRILL Restaurant The initial franchise fee is not refundable

6 2 Royalties On the 10th day of each month, or on any other day that we designate in writing, you will pay us in immediately accessible funds a monthly royalty of four per cent (4%) of Adjusted Gross Revenue, as "Adjusted Gross Revenue" is defined in Article III of this Agreement You must submit a statement of Adjusted Gross Revenue on the form we designate with each royalty payment You agree that the "monthly" accounting period shall be a 4-4-5 accounting period with respect to each quarter, that is, a four (4) week month, followed by another four (4) week month, followed by a five (5) week month, as periodically adjusted by us as we deem necessary in our sole discretion,

6 3 Payment of Royalties Your obligation to pay ongoing monthly royalties begins on the Start Date of this Agreement You must sign the attached authorization agreement fo prearranged transfer, in the form of Attachment 3 to this Agreement, or any other document necessary to enable us to initiate payment of royalties by electronic funds transfer, pre-arranged draft, or sweep of your bank account, at our option If we are unable to take payment by electronic funds transfer, pre-arranged draft, or sweep of your bank account because you have not submitted a statement of Adjusted Gross Revenue or for any other reason for which you are responsible, our inability to take payment will be considered your failure to make payment

6 4 Audits

6 4 1 Financial Audit We have the right to audit your books and records, including your tax returns and financial and business data from fixed and removable drives of your business computer system, with respect to the Restaurant during normal working hours with no advance notice The auditor may be our employee or an independent contractor and does not have to be an accountant If an audit discloses an underpayment of royalties payable under this Agreement, you must immediately pay these amounts to us together with accrued interest on the amount underpaid as provided in this Article If you are unable to produce the records you are required to maintain to explain any discrepancy disclosed by the audit, the discrepancy will be presumed to result from an underpayment If we performed the audit because you did not provide required financial statements at the times and in the format specified in the Manual, as applicable, or if the underpayment exceeds three per cent (3%) of the total royalty payable for any period covered by the audit, you must reimburse us for our expenses for the audit If you dispute our finding of an underpayment, we will retain, at your written request within fifteen (15) days of receiving the audit report, a certified public accountant to review or audit, at your option, your books and records for the period under examination If the certified public accountant's report shows an underpayment that equals or exceeds any underpayment we found, you must reimburse us for our expenses in obtaining both audits