owner of Buckhorn Café 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 TRI TIP 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
Transfer fee	$7,500	Prior to consummation	Must be received before we review the

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** Low	 High	**Column 3** **Method of Payment**	**Column 4** **When Due**	**Column 5** **To Whom Payment is to be Made**
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, utilities, 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 TRI TIP 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 TRI TIP 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, tables, chairs, and

training, bookkeeping, accounting, inventory control, performance standards, advertising programs, merchandising procedures, etc As further described in Section 6 12, we do not charge a fee for any annual conference, but you must pay any costs of travel, lodging, meals, and other incidental expenses that you or your employees incur in attending the annual conference

5 10 Development of Proprietary Products and System At our option, we will provide information to you during the term of this Agreement about new Proprietary Products or methods that we are developing or have developed, which we may require you to use or sell as further described in Section 7 2 6

5 11 Back Office Support During the term of this Agreement, we will provide you with access to our back office system, which is the proprietary computer system we have developed to manage a Restaurant's administrative functions, accounting, accounts payable, accounts receivable, financial management reporting, and inventory For a period of one (1) year after your Restaurant opens ("Required Support Period"), you are required to use our back office system in connection with the operation of your TRI TIP GRILL Restaurant, which is integrated at the individual store level with the POS (point-of-sale) computer system required by Section 7 2 6 All data that we maintain for you in our back office system shall remain your sole property After the Required Support Period ends, you may elect to cease using our back office system and create your own back office system, upon your thirty (30) days written notice and our written consent, which may not be unreasonably withheld, provided such system is integrated at the individual store level with the POS (point-of-sale) computer system required by Section 7 2 6 During the time you use our back office system, you shall be responsible for your pro-rata 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 TRI TIP 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 for 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