

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**  
**YOUR ESTIMATED INITIAL INVESTMENT**

**Single Franchise Agreement**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Conversion Space	New Construction Space			
Development Fee <sup>(1)</sup>	Varies	Varies	Lump Sum	When you sign the Area Development Agreement	Us
Initial Franchise Fee <sup>(2)</sup>	\$50,000	\$50,000	Lump Sum	When you sign the Franchise Agreement	Us
Leasehold Improvements <sup>(3)</sup>	\$520,000 to \$1,328,000	\$2,035,000 to \$2,117,500	As Arranged	As Arranged	Contractor
General Contractor Approval Fee	\$0 to \$5,000	\$0 to \$5,000	As Arranged	As Arranged	Us
Equipment, Furniture, Fixtures, and Signage <sup>(4)</sup>	\$616,400 to \$884,000	\$979,000 to \$990,000	As Arranged	As Invoiced	Suppliers
Liquor License <sup>(5)</sup>	Varies	Varies	As Arranged	As Invoiced	Government Agencies, Lawyers, Other Third Parties
Business Licenses and Permits <sup>(6)</sup>	\$3,000 to \$4,000	\$3,000 to \$4,000	As Arranged	As Invoiced	Government Agencies, Lawyers, Other Third Parties
Initial Training Costs <sup>(7)</sup>	\$25,000 to \$50,000	\$25,000 to \$50,000	As Arranged	As Invoiced	Employees and Suppliers
Opening Training Team Costs <sup>(8)</sup>	\$60,000 to \$75,000	\$60,000 to \$75,000	As Arranged	As Invoiced	Us or our Affiliates
Initial Inventory and Supplies <sup>(9)</sup>	\$37,400 to \$99,000	\$37,400 to \$99,000	As Arranged	As Arranged	Suppliers
Professional Services <sup>(10)</sup>	\$8,000 to \$19,000	\$8,000 to \$19,000	As Arranged	As Arranged	Accountants, Lawyers, Architect, Site Evaluation, etc.
Restaurant Opening Promotion <sup>(11)</sup>	\$12,500	\$12,500	As Arranged	As Arranged	Suppliers
Insurance <sup>(12)</sup>	\$11,250 to \$25,000	\$11,250 to \$25,000	As Arranged	As Arranged	Insurance Broker

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Conversion Space	New Construction Space			
Audio Visual Bid Review Fee, Final Inspection Fee, and Installation Approval Fee <sup>(13)</sup>	\$650 to \$900	\$650 to \$900	As Arranged	As Arranged	Us
Architect Training Fee	\$10,000	\$10,000	As Arranged	As Arranged	Us
Site Evaluation Software Fee	\$0 to \$500	\$0 to \$500	As Arranged	As Arranged	Us
Additional Funds for Initial 3-Month Period <sup>(14)</sup>	\$80,000 to \$150,000	\$80,000 to \$150,000			
<b>TOTAL</b>	<u>\$1,434,200 to \$2,713,300</u>	\$3,311,800 to \$3,608,400			

**Substitute Range of Costs for Area Development Agreement for Two Restaurants**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Conversion Space	New Construction Space			
Development Fee <sup>(1)</sup>	Varies	Varies	Lump Sum	When you sign the Area Development Agreement	Us
Initial Franchise Fee <sup>(2)</sup>	\$75,000	\$75,000	Lump Sum	When you sign the Franchise Agreement	Us
Leasehold Improvements <sup>(3)</sup>	\$520,000 to \$1,328,000	\$2,035,000 to \$2,117,500	As Arranged	As Arranged	Contractor
General Contractor Approval Fee	\$0 to \$5,000	\$0 to \$5,000	As Arranged	As Arranged	Us
Equipment, Furniture, Fixtures, and Signage <sup>(4)</sup>	\$616,400 to \$884,400	\$979,000 to \$990,000	As Arranged	As Invoiced	Suppliers
Liquor License <sup>(5)</sup>	Varies	Varies	As Arranged	As Invoiced	Government Agencies, Lawyers, Other Third Parties
Business Licenses and Permits <sup>(6)</sup>	\$3,000 to \$4,000	\$3,000 to \$4,000	As Arranged	As Invoiced	Government Agencies, Lawyers, Other Third Parties
Initial Training Costs <sup>(7)</sup>	\$25,000 to \$50,000	\$25,000 to \$50,000	As Arranged	As Invoiced	Employees and Suppliers
Opening Training Team Costs <sup>(8)</sup>	\$60,000 to \$75,000	\$60,000 to \$75,000	As Arranged	As Invoiced	Us or our Affiliates
Initial Inventory and Supplies <sup>(9)</sup>	\$37,400 to \$99,000	\$37,400 to \$99,000	As Arranged	As Arranged	Suppliers
Professional Services <sup>(10)</sup>	\$8,000 to \$19,000	\$8,000 to \$19,000	As Arranged	As Arranged	Accountants, Lawyers, Architect, Site Evaluation, etc.
Restaurant Opening Promotion <sup>(11)</sup>	\$12,500	\$12,500	As Arranged	As Arranged	Suppliers
Insurance <sup>(12)</sup>	\$11,250 to \$25,000	\$11,250 to \$25,000	As Arranged	As Arranged	Insurance Broker
Audio Visual Bid Review Fee, Final Inspection Fee, and Installation Approval Fee <sup>(13)</sup>	\$650 to \$900	\$650 to \$900	As Arranged	As Arranged	Us
Architect Training Fee	\$10,000	\$10,000	As Arranged	As Arranged	Us

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Conversion Space	New Construction Space			
Site Evaluation Software Fee	\$0 to \$500	\$0 to \$500	As Arranged	As Arranged	Us
Additional Funds for Initial 3-Month Period <sup>(14)</sup>	\$80,000 to \$150,000	\$80,000 to \$150,000			
<b>TOTAL</b> <sup>(15)</sup>	<u>\$1,459,200 to \$2,738,300</u>	\$3,336,800 to \$3,633,400			

Notes:

(1) The development fee is equal to 100% of the initial franchise fee for the first Restaurant plus 50% of the initial franchise fee for each additional Restaurant to be developed under the Area Development Agreement. For example, if you commit to develop a minimum of two Restaurants, the development fee would equal \$75,000, or if you commit to develop three Restaurants, the development fee would equal \$100,000. See Item 5 for more information about the development fee.

(2) If you develop a single Restaurant, your initial franchise fee is \$50,000. If you commit to develop multiple Restaurants under an Area Development Agreement, we credit the allocable portion of your development fee against each applicable initial franchise fee. See Item 5 for more information about the initial franchise fee.

(3) Twin Peaks® Restaurants are typically located in commercially zoned shopping or entertainment areas. Conversion Space: The “Leasehold Improvements” amounts for a Conversion Space assume that you will lease the premises for the Restaurant and do not include costs of land acquisition and construction of a building. The Conversion Space Leasehold Improvements estimate is based on the cost of converting an existing space, including patio areas, and adapting our prototypical architectural and design plans (including architect fees) to a facility containing approximately 6,000 to 10,000 conditioned square feet. New Construction: The Leasehold Improvements amounts for New Construction include the site improvement costs and the costs to build a building, but they do not include amounts to purchase land. The New Construction Leasehold Improvements estimate is based on the cost of adapting our prototypical architectural and design plans (including architect fees) to build a facility containing approximately 6,000 to 8,000 conditioned square feet with a typical patio area.

The Leasehold Improvements ranges for all Restaurants, whether a Conversion or New Construction, will be affected by various factors like the location of the Restaurant and local market conditions. The estimates assume that the landlord will provide connections to adequate electrical, gas, water, and sewage service. Your actual costs may or may not include site preparation and finish-out costs, depending on the arrangements you negotiate with your landlord. If your landlord contributes to the cost of finish-out, total leasehold improvement costs could be reduced. These costs are our best estimate based on commercial leasing and remodeling/finish-out rates that our affiliates have experienced with company-owned Twin Peaks® Restaurants. These estimates may vary substantially based on your ability to negotiate with your landlord and your financial creditworthiness, as well as on local commercial leasing and labor rates and other local conditions. If you open a Restaurant that has more square footage than our prototype plans, you should expect these costs to increase.

The above estimates assume that you will use an approved general contractor and architect. If you request that we approve a general contractor not on our list of approved contractors, we may require you to pay us a \$5,000 processing fee for our cost in determining whether the contractor is qualified. If you have developed three or more Restaurants under an Area Development Agreement, you may also request

approval of an architect who is not on our list of approved architects. If you use an architect that is not on our list of approved suppliers we may require that you or your architect pay us a \$10,000 fee to train your architect. The \$10,000 fee is for the cost of a two-day training session for the architect to be held at our headquarters.

(4) These amounts include the cost of the furniture, fixtures, equipment (including our approved glycol beer system), decor items, signage, a POS System and multiple terminals, computer hardware and software, and audio-visual equipment system required for your Twin Peaks® Restaurant. If you open a Restaurant that has more square footage than the ranges stated in Note (3), above, then you should expect to pay more. The high end of the range assumes that all items in this category were purchased as new item, not used or refurbished items.

(5) We are unable to estimate the cost of your liquor license because of wide variations in costs depending on factors like location, the availability of liquor licenses, the ability to transfer or assign a license, and the market value of liquor licenses.

(6) This amount represents the estimated cost of health and various operating licenses required at the local, regional, or state level.

(7) We provide initial training to your initial Operator, Unit General Manager, and all Shift Managers at no additional charge. The initial training takes place at one of our certified training restaurants and may last up to eight weeks for your Operator or Director of Operations and up to seven weeks for your Unit General Manager or Shift Managers. You must pay all expenses you or your management personnel incur in the initial training program, like travel, lodging, meals, and wages, and these costs will vary depending upon your selection of salary levels, lodging and dining facilities, mode of transportation, and distance traveled. Due to the wide variances in wages, the range of estimated costs does not include wages or salaries; the lower dollar amount assumes trainees live near one of our certified training restaurants and that no hotel or transportation costs are incurred.

(8) We provide an Opening Training Team of our trained representatives to provide on-site pre-opening and opening training, supervision, and assistance to you for up to 14 days based on our assessment of your needs in connection with the opening of your Restaurant. This support is provided for the opening of your first three Restaurants only. You must pay for the compensation, costs of travel, lodging, and per diem of the Opening Training Team.

(9) We estimate that the range given will be sufficient to cover food and paper inventory needs for the first week of operations when training and dry-runs of Restaurant services occur prior to the opening of the Restaurant to the general public. These amounts may vary according to your sales volume during the indicated period, current market conditions, and local suppliers' terms.

(10) This estimate includes the costs to establish your franchisee entity and to have the franchise documentation reviewed. This fee also includes the cost of hiring a company that specializes in helping restaurant operators submit and obtain licenses and permits. The cost of professional services and the costs associated with obtaining liquor licenses can vary widely depending upon the experience of the service provider and your state's laws and regulations. The range that we have provided is our best estimate of these costs based upon our affiliates' experience in obtaining these professional services.

(11) You must carry out a grand opening promotion for the Restaurant that complies with our written specifications. We must approve all advertising items, methods, and media.

(12) The costs of insurance may vary substantially depending on the insurer, the location of the Restaurant, the value of the equipment and improvements and your claims history. The cost does not include any premium for worker's compensation insurance (or any non-subscription alternatives), liquor liability, auto liability, employment practices liability insurance, data privacy/cyber liability. The amount

of such premiums will vary widely based upon state insurance markets, number of employees, and other factors.

(13) If you request that we review a bid for installation of your audio visual system or inspect the audio visual system once installed, we may require you to pay us a bid review fee (currently, \$150) or a final inspection fee (currently, \$500), as applicable, in addition to travel expenses of the inspector. These fees are charged regardless of whether you use a newly approved or previously approved audio/visual provider and installer. If you ask us to approve an audio/visual equipment provider and/or installer who is not on our list of approved suppliers, we may require you to pay us an additional fee for review of the audio/visual equipment provider and/or installer that you submit for our qualification.

(14) You will need additional funds during the start-up phase of your business to pay employees, purchase supplies and pay other expenses, such as monthly rent and security deposit. We estimate the start-up phase to be three months from the date you open for business. These amounts do not include any estimates for debt service. You must also pay the Royalty Fees and other related fees described in Item 6 of this disclosure document. These figures are estimates, and we cannot assure you that you will not have additional expenses. Your actual costs will depend on factors like your management skills, experience, and business acumen. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves. We relied on the experience of our affiliates' company-owned Twin Peaks® Restaurants to compile these estimates. You should review these figures carefully with your business advisor.

(15) The above initial investment amounts include data related to the Restaurants located in Sacramento, California and Seattle, Washington, for which initial investment costs were greater than other Restaurants developed during the 2016 fiscal year due to economic factors in California and Washington.

Unless otherwise stated above, these estimates are subject to increases based on changes in market conditions, our cost of providing services, and future policy changes. At the present time, we have no plans to increase payments we control.

We do not offer any financing for your initial franchise fee or any portion of your initial investment. Unless otherwise stated, the amounts described above are not refundable.