

FRANCHISE DISCLOSURE DOCUMENT

PITA PIT INC. an Idaho Corporation

**105 N. 4th Street, Suite 201
Coeur d'Alene, Idaho 83814
U.S.A.
(208) 765-3326
www.pitapitusa.com**



The Franchisee will operate a single retail establishment devoted to the preparation and sale of pita sandwiches and other food items under the trade name PITA PIT®.

The total investment necessary to begin operation of a Pita Pit single franchise is from \$179,835 to \$428,813. This includes \$30,000 that must be paid to us. The total investment necessary to enter a Multi-Unit Development Zone Agreement is from \$66,000 to \$98,000, which must be paid to us.

This disclosure document summarizes certain provisions of your Franchise 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.**

The terms of your Franchise Agreement will govern your franchise relationship. Don't rely on this disclosure document alone to understand your Franchise Agreement. Read all of your Franchise Agreement carefully. Show your Franchise Agreement 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. 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 Agency about them.

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STATE COVER PAGE

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

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

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

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

1. THE FRANCHISE AGREEMENT REQUIRES THAT YOU SETTLE ALL DISPUTES WITH US BY ARBITRATION ONLY IN IDAHO. BY SIGNING THE FRANCHISE AGREEMENT YOU AGREE THAT ANY STATE LAWS ATTEMPTING TO PROHIBIT ARBITRATION OR VOID OUT-OF-STATE FORUMS FOR ARBITRATION ARE PREEMPTED BY THE FEDERAL ARBITRATION ACT AND THAT ARBITRATION WILL BE HELD AS PROVIDED IN THIS SECTION. AS SUCH, OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN IDAHO THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT IDAHO LAW GOVERNS IT, AND ITS LAWS MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. WE, IN OUR SOLE DISCRETION, MAY REQUIRE YOUR SPOUSE, PARENTS, AND/OR OTHER THIRD PARTIES TO GUARANTEE ALL OF YOUR OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN IF THEY ARE NOT INVOLVED IN FRANCHISE OPERATIONS. IF REQUIRED, THEIR PERSONAL ASSETS WOULD BE AT RISK.
4. IF WE TERMINATE THE FRANCHISE AGREEMENT, YOU WILL BE LIABLE TO PAY US LIQUIDATED DAMAGES IN AN AMOUNT EQUAL TO YOUR PROJECTED CONTINUING FEES FOR THE REMAINING TERM OF THE AGREEMENT OR THREE YEARS, WHICHEVER IS LESS.
5. YOU MUST PURCHASE ALL OR NEARLY ALL OF THE EQUIPMENT, INVENTORY, AND SUPPLIES THAT ARE NECESSARY TO OPERATE YOUR BUSINESS FROM THE FRANCHISOR, ITS AFFILIATES, OR SUPPLIERS THAT THE FRANCHISOR

DESIGNATES, AT PRICES THE FRANCHISOR OR THEY SET. THESE PRICES MAY BE HIGHER THAN PRICES YOU COULD OBTAIN ELSEWHERE FOR THE SAME OR SIMILAR GOODS. THIS MAY REDUCE THE ANTICIPATED PROFIT OF YOUR FRANCHISE BUSINESS.

6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

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