FRANCHISE DISCLOSURE DOCUMENT

PITA JUNGLE FRANCHISING CORP.
a Delaware corporation
7318 East Shea Boulevard, Suite #106
Scottsdale, Arizona 85260
Telephone 480-969-2427
www.pitajungle.com

You will operate a Mediterranean, healthy food restaurant under the name Pita Jungle. The total investment necessary to begin operation of a start-up franchise ranges from $519,000, to $992,000. This includes an initial franchise fee of $50,000. There are no other pre-opening purchases that must be paid to us or our affiliates.

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.**

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 franchise administrator in our home office at the address and telephone number listed above.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an 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 agencies about them.

ISSUANCE DATE: March ~~23, 2016~~28, 2017

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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 THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A 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 YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION OR LITIGATION ONLY IN ARIZONA. OUT-OF-STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN ARIZONA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISOR IS EXPOSED TO POTENTIAL FINANCIAL LOSSES BECAUSE IT GUARANTEED A 10-YEAR LOAN FOR AN AFFILIATE COMPANY. SEE NOTE 6 TO FRANCHISOR'S AUDITED FINANCIAL STATEMENTS ATTACHED TO THE FRANCHISE DISCLOSURE DOCUMENT AS EXHIBIT H.
4. THE INITIAL INVESTMENT YOU MUST MAKE TO START BUSINESS AS A PITA JUNGLE RESTAURANT IS MORE THAN THE EQUITY FRANCHISOR HAS IN ITS OWN COMPANY.
5. IF A BUSINESS ENTITY IS BUYING THIS FRANCHISE EACH OWNER AND HIS/HER SPOUSE MUST PERSONALLY GUARANTEE ALL OBLIGATIONS OF THE FRANCHISE AGREEMENT THEREBY PLACING MARITAL AND PERSONAL ASSETS AT RISK.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Connecticut, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California	~~April 29, 2016~~ **RENEWAL PENDING**
Illinois	~~March 24, 2016~~**RENEWAL PENDING**
Kentucky	December 15, 2009
Nebraska	March 9, 2011
Texas	January 11, 2010

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "the Company," "we" or "us" means Pita Jungle Franchising Corporation, the franchisor. "You" means the person or entity that buys the franchise. If the franchisee is a partnership, corporation, limited liability company or other legal entity, "you" sometimes includes the franchisee's officers, directors, limited liability company managers, owners, shareholders, members or partners individually.

The Company

The Company is a Delaware corporation. It commenced business on November 30, 2005. The Company maintains its principal place of business at 7318 East Shea Boulevard, Suite #106, AZ 85260. The Company does not do business under any other name. The Company licenses the trademarks, trade names and business systems that are the subject of this franchise from Pita Jungle –Tempe, Inc., an Arizona corporation ("Pita Jungle Tempe") which may be considered a predecessor of the Company.

The Company's agents for service of process are disclosed in Exhibit K to this Disclosure Document.

The Company's Business

The Company grants franchises to operate Pita Jungle restaurants. Neither the Company nor its predecessors has ever offered franchises in any other lines of business, although the Company's predecessor and its affiliates operate ~~nine~~**ten** Pita Jungle restaurants in Arizona. The Company is not involved in any other business activities.

There are nine existing Pita Jungle franchises as of the date of this Disclosure Document. There are ~~nine~~**ten** Pita Jungle restaurants operated by Pita Jungle Tempe and its affiliates, which are considered company restaurants. See Item 20.

Parents

The Company has no parent entities.

The Company's Predecessors

The owners of the Company's predecessor, Pita Jungle Tempe, developed the Pita Jungle concept in 1994 and opened a Pita Jungle restaurant at 1250 East Apache Boulevard, Tempe, Arizona 85281 at that time. Pita Jungle Tempe was incorporated as an Arizona corporation on September 15, 1997 and has been operating the Tempe restaurant since then.

The Company's Affiliates

The owners of the Company also formed separate entities to own each additional Pita Jungle restaurant, with each operating under license from Pita Jungle Tempe. Those entities, along with Pita Jungle Tempe, are affiliates of the Company. Pita Jungle-Scottsdale, Inc., an Arizona corporation, was formed on June 10, 2004, and operates a restaurant located at 7366 East Shea Boulevard, Scottsdale, AZ 85260-6471. Pita Jungle-Chandler, Inc., an Arizona corporation, was formed on September 15, 1997, and operates a restaurant located at 1949 West Ray Road, #29, Chandler, Arizona 85224. Pita Jungle-Arcadia, Inc., an Arizona corporation, was formed on December 15, 2006, and operates a restaurant located at 4340 East Indian School Road, Suite 17, Phoenix, AZ 85018. Pita Jungle- Mesa, Inc., an Arizona corporation, was formed on May 7, 2007, and operates a restaurant located at 1850 W. Southern Avenue, Mesa, AZ 85202. Pita Jungle Snowbowl, L.L.C., an Arizona limited liability company, was formed October 31, 2008, and operates a restaurant located at 320 West Regent Street, Flagstaff, Arizona 86001. Pita Jungle Scottsdale Fashion Square, L.L.C., an Arizona limited liability company, was formed June 15, 2009, and operates a restaurant located at 7014 East Camelback Road (Food Court), Scottsdale, Arizona 85251. Pita Jungle Ahwatukee, L.L.C., an Arizona limited liability company, was formed on July 26, 2011, and operates a restaurant located at 4921 East Ray Road, Suite B2, Phoenix, AZ 85044. Pita Jungle Oro Valley, LLC, an Arizona limited liability company, was formed on March 14, 2012, and operates a restaurant located at 7090 West Oracle Road, #125 in Tucson, Arizona 85704. Pita Jungle North Central Phoenix, LLC, an Arizona limited liability company, was formed February 10, 2014, and operates a restaurant located at 5505 North 7th Street, #110, Phoenix, AZ 85014. Jungle Concepts of California, L.L.C. was formed on April 22, 2013 but does not currently operate any restaurants in California. These affiliates, with the exception of Chandler, are owned by Jungle Concepts, L.L.C., an Arizona limited liability company, which was formed October 31, 2008 and is also an affiliate of the Company. The principal office for each of these affiliates is located at 7318 East Shea Boulevard, Suite #106, Scottsdale, Arizona 85260. None of the Company's affiliates has ever offered franchises in any type of business.

Pita Jungle® Franchises

As a franchisee, you will own and operate a Pita Jungle restaurant. The restaurant must be constructed to our standards, including interior and exterior décor. The restaurant will feature healthful, natural foods, including vegetarian foods, with fresh ingredients, cooked from scratch. There will be up to twelve cooks preparing the foods at all times. The menu will be a basic Mediterranean diet packaged in a more mainstream presentation. The menu features among other items, healthy pita sandwiches and wraps, pizza, burgers, salads and appetizers. Existing Pita Jungle restaurants are located in urban areas. Each restaurant has a local community aspect, featuring local artists and otherwise engaging in activities geared to the local community. You must be open for business seven days per week. Your business must at all times be under the full-time supervision of a person who has successfully completed our administrative training and one person (who may be the same person) who has successfully completed our culinary training. See Item 11.

There is substantial competition in the ethnic, vegetarian and casual sit down and take out restaurant business at the low and medium price level. You will be competing against individually owned restaurants, franchisees of large national franchises, and restaurants owned by large national chains. The business does not normally tend to be seasonal, but may be seasonal in some locations in which tourists and visitors are a substantial portion of the market. You will have to comply with all regulations, rules and laws relating to restaurants and food handling, as well as laws and regulations applicable to businesses generally, including minimum-age and minimum-wage laws. These laws vary from place to place. You should investigate these matters further and consult with local authorities and your lawyer about them.

Under the franchise agreement, you have the obligation to open and operate a single Pita Jungle restaurant. You have no specific rights to open any additional restaurants, and if you wish to do so, you must qualify for and execute a new franchise agreement for each additional restaurant you wish. Any new agreement will be on the terms then being offered by us at that time.

We may grant you the right to open additional PITA JUNGLE restaurants under a Multi-Store Amendment to your Franchise Agreement as provided in Exhibit D. If you execute a Multi-Store Amendment, then you will open the number of businesses in the general locations and by the times specified in the development schedule in the Multi-Store Amendment to your Franchise Agreement. You will pay a development fee to us. For each restaurant location you open under your Multi-Store Amendment obligations, you will be required to sign the then-current form of franchise agreement which may be different from the form of franchise agreement included with this disclosure document. See Items 5, 8, 11 and 12.

ITEM 2
BUSINESS EXPERIENCE

Nelly Kohsok, Director and Chief Executive Officer

Nelly Kohsok has been a director of the Franchisor since its inception in 2005. She has been its Chief Executive Officer since December 2007 and served as its Chief Operating Officer from its inception until December 2007. She has been an owner and operator of the Pita Jungle restaurants in Tempe, Arizona since November, 1994; Chandler, Arizona since March, 1998; Scottsdale, Arizona since March, 2005; Phoenix (Arcadia area), Arizona since April, 2007, Mesa, Arizona since March, 2008, Flagstaff, Arizona since May, 2009; Scottsdale (Fashion Square) since August, 2009 and Phoenix (Ahwatukee) since 2012. She has been the Chief Executive Officer of Jungle Concepts, LLC since July, 2014.

Bassel Osmani, Director and Chief Marketing Officer

Bassel Osmani has been a director of the Franchisor since its inception in 2005. He has been its Chief Marketing Office since June 2014. He was its Chief Operating Officer from December 2007 until June 2014 and served as its Chief Financial Officer from its inception until December 2007. He has been an owner and operator of the Pita Jungle restaurants in Tempe, Arizona since November, 1994; Chandler, Arizona since March, 1998; Scottsdale, Arizona since March, 2005; Phoenix (Arcadia area), Arizona since April, 2007 and Mesa, Arizona since March, 2008; Flagstaff, Arizona since May, 2009; Scottsdale (Fashion Square) since August, 2009 and Phoenix (Ahwatukee) since 2012. He has been the Chief Marketing Officer of Jungle Concepts, LLC since July, 2014.

Fouad Khodr, Director and Chief Financial Officer

Fouad Khodr has been a director of the Franchisor since its inception in 2005. He has served as its Chief Financial Officer since December 2007 and also served as its Chief Executive Officer from its inception in 2005 until December 2007. He has been an owner and operator of the Pita Jungle restaurants in Tempe, Arizona since November, 1994; Chandler, Arizona since March, 1998; Scottsdale, Arizona since March, 2005; Phoenix (Arcadia area), Arizona since April, 2007 and Mesa, Arizona since March, 2008; Flagstaff, Arizona since May, 2009; Scottsdale (Fashion Square) since August, 2009 and Phoenix (Ahwatukee) since 2012. He has been the Chief Financial Officer of Jungle Concepts, LLC since July, 2014.

Kenneth Holmes, Director of Human Resources, Systems and Development

Kenneth Holmes has served as Director of Human Resources, Systems and Development for Jungle Concepts, L.L.C. since September 2010. ~~Mr. Holmes was the owner of Kenneth Holmes Consulting, training consultants for the restaurant and hospitality industry, in~~

~~Scottsdale, Arizona from December 2009 through August 2010. Mr. Holmes served as Senior Director of Learning and Development and Guest Services for Peter Piper, Inc., franchisor for Peter Piper Pizza Restaurants in Phoenix, Arizona from June 1998 through March 2009.~~

Justin Andre Lemos, Senior Director of Franchise Operations & Development

Justin Andre Lemos has been the Senior Director of Franchise Operations & Development for Jungle Concepts, L.L.C., since October 2015. Mr. Lemos was employed by Tilted Kilt Franchise Operating LLC a restaurant/franchise development/operations business located in Tempe, Arizona, from August 2008 until October 2015. During this time, he served as **an** Area Developer from March 2013 until October 2015~~; as~~ **and** a Director of Field Operations from August 2011 to February ~~2013; as a Franchise Business Consultant from August, 2009 to August 2011 and as a Field Training Manager from August 2008 until August, 2009.~~**2013.**

ITEM 3
LITIGATION

There is no action, litigation, arbitration, or administrative proceeding required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Franchise Fee

You must pay the Company an initial lump sum franchise fee of $50,000.00 when you execute your Franchise Agreement. This fee is not refundable under any circumstances, except that if you do not satisfactorily complete the initial training and the Franchise Agreement is terminated as a result, all of the fee except $10,000.00 will be refunded. No portion of the franchise fee will be refunded for any other reason. The Company uses the franchise fee for its general operating expenses. The initial franchise fees are not reduced for additional Pita Jungle restaurants opened under a Multi-Store Amendment.

Supplies and Equipment Purchases

You will need to purchase supplies and equipment before your business opens. See Item 7. Currently, there are no items you are required to purchase from us or our affiliates. All other supplies and equipment must be purchased from third party vendors. In the future, however, we may require additional products be purchased only from our affiliates or us. Also one or more companies affiliated with us may offer supplies and equipment for sale to you which you are not required to purchase from us. If that occurs, you may, at your option, purchase certain of these items from the Company's affiliate. See Item 8.

Multi-Store Amendment

If you wish to develop and operate more than one PITA JUNGLE restaurant in more than one area, and if you qualify, we may sign a Multi-Store Amendment to the Franchise Agreement permitting you to develop a specified number of additional PITA JUNGLE restaurants, in territories you request, subject to our written approval. A copy of the Multi-Store Amendment is attached as Exhibit D to this Disclosure Document. A separate Franchise Agreement must be signed for each PITA JUNGLE restaurant. Upon signing the Multi-Store Amendment, you will pay us a development fee equal to 50% of the initial franchise fee for each PITA JUNGLE restaurant to be operated pursuant to the Amendment (excluding your first PITA JUNGLE restaurant). This fee is not refundable, but is credited fully against the initial franchise fee for each PITA JUNGLE restaurant as it is developed (except the first PITA JUNGLE restaurant), reducing the initial franchise fee for each future PITA JUNGLE restaurant by 50%. See Item 12.

ITEM 6
OTHER FEES

Type of Fee (Note 1)	**Amount**	**Due Date**	**Remarks** (Note 2)
Royalties FA § XI.B (Note 3)	5% of Gross Sales, plus taxes if any (Note 4)	We require payment by automatic debit on the date the payment is due. Royalties are payable weekly.	"Sales" are the aggregate funds received from sales and other income of the business, less certain taxes, refunds and credits, and certain allowances.
Creative Fund (Note 5) FA § X.D	Up to 0.5% of Gross Sales plus taxes if any	Same as for Royalty Fees	Not currently being collected. See Item 11.
National Advertising Fund (Note 5) FA § X.C	Up to 2% of gross sales, plus taxes if any	Same as for Royalty Fees	1% currently being collected. See Item 11.
Regional Co-op Fees FA § X.A.9	Up to 1% of Gross Sales, plus taxes if any	Same as for Royalty Fees	Not currently being collected. Any co-op fees would be included in the minimum local advertising requirement (Note 6). See Item 11.
Fee to enroll more than 4 in Training; additional training FA § VI.B	The Company's expenses plus then current fee (currently, $300 per day per trainee). You must pay all expenses that you or your employees incur during any training program, including travel costs, board and room expenses and employee salaries. After the initial training program, if we provide training to you in your store or another location, you must	In advance	The Company provides free initial training for four people. See Item 11.

Type of Fee (Note 1)	Amount	Due Date	Remarks (Note 2)
	reimburse us for our employee's expenses, including travel, room and board		
Unauthorized Marketing Fee FA § XI.D	**Then-current fee, currently $200 per violation**	**Upon notice**	**May continue to be imposed on a monthly or per use basis if you continue to use the unauthorized materials after notification.**
Noncompliance Fee Payment FA § XI.E	**Then-current fee, currently $200 per violation**	**Upon notice**	**May continue to be imposed on a monthly or per use basis if you continue to not comply with our standards.**
Extension Fee FA § V.C.2	$3,500	Upon request	You may request a six-month extension for opening but you must be diligently involved in the site selection and development process.
Architecture Change Fee FA § V.A.3	Actual costs	Upon request	If you request architectural changes to our site plans that must be reviewed by our architect, then you will pay us for our any additional architectural fees we incur
Insurance (Note 7) FA § XV.B.4	The Company's cost plus 25% service fee	Upon receipt of the Company invoice	You must reimburse the Company if you fail to maintain required insurance and the Company at its option purchases insurance for you. See Item 8.
Assignment or Transfer FA § XIX.D and .E	$5,000 normally plus payment of then-current initial franchise fee; $1,500 if a Qualified Transfer	When you apply for our consent to a proposed transfer	The Franchise Agreement defines what events constitute a "transfer" requiring payment of a transfer fee and what constitutes a "Qualified Transfer." For Qualified Transfers, you will not sign new contracts, but the transferee will assume your contracts. The owners, directors and managers of the transferee must sign guarantees, confidentiality and non-competition agreements in the same manner as the original Franchisees. Qualified Transfers are changes in ownership amounting to less than a controlling interest, and the transfer to a newly formed entity which you own.
Renewal Fee FA § IV.B	25% of the then current initial franchise fee	When you give notice of your exercise of the renewal option, at least nine months but not more than twelve months before expiration of the current term	You do not pay an initial franchise fee upon renewal; you will execute the current form of franchise agreement.

Type of Fee (Note 1)	Amount	Due Date	Remarks (Note 2)
Audits FA § XII.D (Note 8)	Cost of audit (including our reasonable accounting, legal fees and travel expenses), plus full amount of any underpayment and interest and late charges on any underpayment	24 hours after audit results are completed to be sent by certified mail	Payable only if you under report Gross Sales for any period.
Late Charges and Interest FA § XI.E	Late charge: $200 per late payment. Interest: 1.5% per month, not to exceed the maximum legal rate of Interest	We automatically impose a late charge if payment is late for any reason. Interest accrues automatically after due date if you fail to pay full obligation	Applies to all amounts payable to us under the franchise agreement. Interest is payable on the entire overdue amount beginning with the date payment is due until you pay the arrearage, late charge and interest in full. Interest accrues on the late charge of $200 if you do not pay the amount due, including late charge, within 10 days after due date.
Remedial Work to Correct Unhealthy or Unsafe Condition FA § XIII.G.2	Service charge equal to 25% of the cost of the remedial or corrective work if we elect to correct any unhealthy or unsafe condition at your restaurant. Additionally, you must reimburse us for all of our actual direct costs in performing the work, including for labor, materials, travel, supervision and subcontractors	Upon receipt of invoice	We have no obligation to perform remedial work and may exercise our right to terminate the Franchise Agreement because of your breach of the obligation to operate in compliance with all laws and in a safe and sanitary manner.
Indemnification and Defense FA § XX.B	All costs including attorneys' fees; amount will vary under circumstances	As we incur expenses and present them to you	You must reimburse us for losses that we suffer resulting from the operation of your business. We may retain our own legal counsel. You must reimburse us for our legal and other professional expenses in connection with the claim.
Costs and Attorneys' Fees FA § XXII.H	Will vary under the circumstances	Upon settlement or conclusion of action or claim	Awarded to prevailing party.
Taxes FA § XI.G	Amount of taxes imposed on your payments to the Company when the Company has no presence in your jurisdiction	On demand	
Replacement Manual FA § VIII.C	$1,000 per volume, plus shipping costs	Within 10 days of invoice	If you lose any volume of the Manual that we lend to you and the loss is not the result of your breach of the Franchise Agreement and you are

Type of Fee (Note 1)	Amount	Due Date	Remarks (Note 2)
			otherwise not in default.
Alternate Supplier Testing Fee FA § XIII.C.4	Based on our actual cost (Note 8)	When you request approval of an alternate supplier (see Item 8)	
Guaranty FA § XXI	All your obligations	On demand	Your owners who are active in the business and their spouses must personally guaranty your obligations to the Company to the extent of their percentage ownership interests.

Notes:

1. The fees shown on this chart are not optional. See Item 8 for optional services and goods you may obtain from the Company and its affiliates, and Item 10 for financing that may be available from the Company or its affiliates. "FA" means the Franchise Agreement attached as Exhibit C to this Disclosure Document. The more detailed provisions of your Franchise Agreement on each of these subjects determine your obligations.

2. Unless otherwise noted, all fees in this table are imposed by and payable to the Company. All fees are non-refundable. The Company's affiliates and entities that operate the affiliated locations would pay the Creative Fund and Co-op fees if these amounts were collected but do not pay the royalty fee.

3. The Royalty fee is uniform for all franchisees that are acquiring their first franchise from the Company, and is payable by bank debit from your account. We have negotiated a graduated royalty stream for more than 5% of gross sales for an existing franchisee although we don't anticipate doing so again. "Gross Sales" means the aggregate of all sales and other income from each Pita Jungle restaurant, including the sale of gift certificates, whether payment is in cash, by credit card, or other generally accepted form of payment. Gross sales also include all proceeds from any business interruption insurance, the sale of Proprietary Products and approved wholesale transactions (if you obtain our permission first; otherwise we prohibit wholesale transactions). Excluded from Gross Sales are: (1) sales taxes and other taxes separately stated that you collect from customers and pay to taxing authorities; (2) refunds and credits made in good faith to arms' length customers; and (3) the discount value of any coupon, voucher, or other allowance that we authorize at the time you redeem the customer's coupon, voucher or allowance. If we are not doing business in your state or city otherwise than by entering into franchise agreements and fulfilling our duties under them, and if your state or city imposes franchise, transaction privilege, excise, sales, use or other similar taxes on the payments you make to us, you will also reimburse us for all such taxes paid by us.

4. In addition to the National Advertising Fees, and fees to the Creative Fees or Regional Advertising Co-op (if there is one in your area and if either fee is collected) that you pay to us, we require you to spend at least $5,000 on a grand opening advertising program unless either (1) your store is in a Mall or Non-Traditional Venue, or (2) you are purchasing an existing operating Pita Jungle restaurant. See Item 11 for additional disclosures.

5. We have the right to establish an advertising co-op in a metropolitan regional area. If we do so, we will collect up to 1% of your Gross Sales to fund joint advertising for all company and franchised restaurants in that area. The amounts paid will count against your minimum local advertising requirement. See Item 11.

6. We identify the types and minimum insurance coverage that you must carry. We make no representation that the coverage will be sufficient for your business or purposes. You need to evaluate if your business will require grater coverage or other types of insurance. You are required to list us as an additional insured on your insurance policies and to provide us in advance with certificates of insurance showing that you have obtained the necessary coverage.

    a. Comprehensive general liability insurance with minimum coverage of $2,000,000 combined single limit (including broad form contractual liability), or the higher amount required by the premises lease, insuring you and us against claims for personal injury or property damage from your business operations, **as well as employer's liability coverage, cyber security and date privacy insurance**.

b. Workers' compensation and employer's liability insurance, together with any other insurance required by law.

c. General casualty insurance, including fire and extended coverage, vandalism and malicious mischief insurance for the full replacement value of your premises and its contents, and for any vehicle that you use in your business, with minimum general aggregate limits of $2,000,000, other injury limits of $1,000,000, fire damage of $150,000, and medical expenses of $5,000.

d. Additional insurance if required by the restaurant lease.

7. We are unable to estimate the cost of audits of underreported revenues or alternate supplier testing because we have not yet had reason to impose them.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Notes	Amounts		Method of Payment (Note 1)	When Due	To Whom Payment is to be Made	Refundable
		Low	High				
Initial Franchise Fee	2	$50,000	$50,000	Lump sum	Upon signing Franchise Agreement	Franchisor	$40,000 is refundable if you fail the training program; otherwise non-refundable
Travel and Living Expenses while Training	3	$3,000	$5,000	Lump sums	As incurred	Airlines, hotels and restaurants	No
Employee Training	3	$18,000	$30,000	Lump sums	As incurred	Employees	No
Real Estate (Three Months lease payments and security deposit	4	$25,000	$54,000	Lump sums	Usually monthly	Landlord	No
Leasehold Improvements	5	$205,000	$420,000	Lump sums	During and upon completion of construction	Contractors	No
Architect, Engineer, Project Supervisor		$12,000	$21,000	Lump sums	As incurred	Architects, Engineers, Contractors	No
Signage		$4,000	$11,000	Lump sum	As incurred	Vendor	No
Furniture, Fixtures and Equipment (FF&E)	6	$100,000	$175,000	Lump sums	As incurred	Vendors	No
Inventory		$8,000	$15,000	Lump sums	As incurred	Vendors	No
Point of Sale and Surveillance Equipment	6	$16,500	$38,000	Lump sums	As incurred	Vendors	No
Décor	7	$15,000	$40,000	Lump sums	As incurred	Vendors	No
Security Deposits, Utility Deposits and	8	$1,000	$8,000	Lump sums	As incurred	Utility Companies	Sometimes

		Amounts		Method		To Whom	Refundable
		Low	High				
Licenses							
Insurance	9	$3,000	$5,000	Lump sums	Monthly or semi-annually	Insurance Carriers	No
Professional Services	10	$2,500	$5,000	Lump sums	As incurred	Attorney/ Accountant	No
Grand Opening Advertising		$5,000	$5,000	Lump sum	As incurred	Media, printers, other vendors	No
Advertising	11	$1,000	$5,000	Lump sums & monthly	As incurred	Telephone Company and Media	No
ADDITIONAL OPERATING FUNDS FOR 3 MONTHS	12	$50,000	$105,000	As incurred	As incurred	Miscellaneous parties	No
TOTALS	13	519,000	992,000	**Does not include: real estate rent or purchase, travel expenses, debt service, lease payments or your salary**			

Your estimated initial investment before you begin operating your Pita Jungle business and for your first 6 months of operations are shown in this item.

Notes:

1. Neither the Company nor its affiliates offer any direct or indirect financing to franchisees for any item.

2. The initial franchise fee is $50,000. If you and the Company agree that you will open more than one restaurant, you will incur additional initial fees.

3. Estimated travel expenses are based on two people making one flight to the Company's training center in Mesa, Arizona, and include food and lodging expenses for one person for two weeks and one person for four weeks. Transportation expenses may vary depending upon advance scheduling, your location, the number of people traveling, and the number of round trips made during the course of training. The estimates should be increased if more than two persons will be attending training. Employee training costs include expenses and salaries paid to employees prior to opening, including the salaries of those employees training in Mesa and salaries and hourly wages of all employees during the approximately two weeks before opening who are undergoing training at your restaurant.

4. You must purchase or lease the land and building for your restaurant. Typical locations are free standing buildings or located within strip malls or regional malls. A Pita Jungle restaurant typically has 2,500 to 3,500 square feet. **Rent can vary significantly depending on factors such as size, condition, location of the property, local market conditions and tax rates.** Based on the experience of its affiliates in metropolitan Phoenix, Arizona, the Company estimates that rent may range from $50,000 to $140,000 per year (assuming there is no percentage rent) and that security deposits (which may be partially or wholly refundable) may range from $0 to $19,000. The estimates included in this chart are for security and other deposits to the landlord and three months' rental payments. Because individual cases vary so widely, the estimates for real estate purchase payments, or rent and security deposits, included in the chart of your estimated initial investment may be significantly higher than the estimates. See Items 8 and 10.

5. The low estimate for a restaurant assumes the remodeling and build out of an existing building; the high estimate includes the construction and build out of a free standing building, including the fee for the contractor's services. Architectural services, design services and project supervisor fees are reflected in the below row. If the leasehold improvements or any other portion of your initial investment are financed, the initial investment will be reduced, but your working capital needs will increase to cover debt service on the loan. See note 18 below. Leasehold improvements include costs to conform the approved location to our specifications for lighting, flooring, wall coverings, ceiling treatments, retail displays, store front design and build-out, general trade dress components, patio and other improvements, including finishes and architectural features required

by us, to prepare the restaurant for opening. Actual costs will depend on the size and pre-existing condition of the approved location. Actual costs may be lower if the landlord provides over-standard improvements or

6. Fixtures include all custom-made millwork, cabinetry and stainless steel fixtures. Furniture includes interior and exterior customer seating, the extent of which will depend on the size of the location and whether there is patio access. Equipment includes gas and wood fired cooking equipment, refrigerated storage, food-processing machines, food and retail displays, safe and small wares, as well as point of sale terminals, a computer system and camera surveillance system meeting our specifications. See Items 5, 8 and 11. This estimate assumes that all equipment needed will be purchased and paid for in full immediately. The estimates include installation. If you lease or finance your equipment, the initial investment will be reduced, but your working capital needs will increase to cover the lease payments. See note 8 below.

7. All Pita Jungle restaurants must have all the current design elements contained in our Operations Manual, including wall & floor finishes, antiques, foliage, mirrors, and sound absorption surfaces (which may vary from restaurant to restaurant). These items are part of our distinctive trade dress.

8. Includes deposits for water, electricity, gas, telephone and other utilities for a start-up business, but not for real estate. Estimated real estate lease deposits are included in the cost of real estate. See note 4 above.

9. Estimated annual premium for required insurance coverage. See Note 6 under Item 6 above.

10. Obtaining legal and accounting services is not mandatory, but the Company recommends that you obtain professional advice in the course of verifying these initial investment estimates locally, entering into the Franchise Agreement, setting up your Pita Jungle restaurant and complying with legal requirements.

11. Although the National Advertising Fund has not yet been implemented, you are required to spend up to three percent of your Gross Revenues on local advertising (this includes your payments to your Regional Advertising Co-op, if any). You may wish to spend more to complement your grand opening marketing. The amount listed is an estimate for three months' advertising expenses following opening, and is subject to significant variation depending upon your decisions about how much and what kind of advertising will maximize your revenue.

12. The estimate for additional operating funds includes funds to cover operating shortfalls and cash flow shortages during your first 3 months of business. The amount of additional operating funds was estimated from our and our affiliates' experiences in operating Pita Jungle restaurants. We do not imply or guarantee that you will "break even" by any particular time. Estimated salaries for 20 employees per shift (two shifts per day) and associated payroll taxes are considered, but a salary for you or a manager is not included. Estimated royalty fees and advertising and support fees are also considered. Utility expenses can vary significantly depending on location and season and have not been considered. No rent or real estate mortgage payments are considered. See note 7 above. No debt service is included for any financing you may obtain. See note 8 above. No equipment lease payments are included. See note 10 above. The "Additional Funds" category is not the only source of cash, but is *in addition* to cash flow from operations. We cannot estimate your cash flow from operations.

13. These numbers are only estimates of the range of initial start-up expenses you may incur. The actual amount of additional funds you will need depends on a variety of factors, including the location of your business, the number of employees you decide to hire and the salaries or other benefits you decide to pay, whether you extend credit to your customers, the time of year when you start your business, your management skills, economic conditions, competition in your area, and other factors. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases from the Company

We do not currently require you to purchase any products or services from us that you will need or use in your restaurant. We anticipate that we will develop "Proprietary Products," such as spice mixes and ethnic foods, from time to time, which will be available only from us or one of our affiliates. FA § XIII.B.1. There are no other goods or services that you must purchase from the Company or its affiliates to establish or operate your business. We will derive revenues from these sales to you, if they are ever required.

Optional Purchases from the Company and Its Affiliates

Although we do not presently sell any items to franchisees, in the future we may have available for purchase items other than Proprietary Products, such as supplies, menus, art and décor (for purchase or lease), and food items. If we offer such items, you may elect to purchase them either from us or our affiliate, or from a third party supplier in accordance with the Company's specifications as described below. FA §XIII.B and C.

Revenue of Pita Jungle from Required Purchases and Leases of Products and Services

For the year ended December 31, 2015, there were no required or optional products or services by franchisees for which we derived revenue other than from our gift card program and rebates from certain suppliers such as our beverage suppliers. For the year ended December 31, 2015, based on our audited financial statements (Exhibit H to this Disclosure Document) our revenue from unredeemed gift cards from both franchise and corporate locations and from suppliers was $87,398 which was 8.6% percent of total revenues of $1,014,256. The revenue amount stated above is an estimate of the amount of outstanding gift card amounts that are expected to go unredeemed based on the historical redemption rate for all gift cards from all locations. If more cards are redeemed than expected, we would recognize an expense. We also reflect the entire gift card liability for all locations on our financial statements. Franchisee sales and redemptions of gift cards are netted and calculated on a weekly basis as an adjustment to our liability.

Approved Suppliers

We require you to purchase some specific branded products, such as Aloha software, although they can be purchased from any approved supplier. We may require you to purchase other products and services from other approved suppliers. We estimate that approximately 30 percent of your start-up costs must be purchases from approved suppliers and 35 percent of your continuing operating costs must be purchases from approved suppliers. You may purchase any brand of other products/services from any approved supplier so long as they meet our specifications. We estimate an additional 35 percent of your start-up costs and an additional five percent of your continuing operations costs will be in this category.

We may negotiate purchasing arrangements or price terms with suppliers for the benefit of franchisees but we are not obligated to do so. The Company does not currently maintain a list of approved suppliers outside the Phoenix Metropolitan area.

None of our officers owns an interest in any of our suppliers.

You are required to purchase certain products/services from suppliers that we approve. As we approve new suppliers we will notify you and we will include a list of approved suppliers in the Operations Manual. If you are in a market in which there are no existing Pita Jungle restaurants, we will work with you prior to your opening to establish a list of approved suppliers. You may request that the Company approve a new supplier. We do not disclose to franchisees our criteria for approving suppliers because this criteria varies between suppliers. Based on information and samples from the supplier that you must furnish, the Company will evaluate the vendor's products/services, financial capacity, business reputation, delivery performance, credit rating and other relevant criteria. The Company will notify you of its decision within 30 days after receipt of your request. The Company may charge a reviewed vendor a one-time fee to compensate the Company for the expense of the review process. Since the fee, if we impose one, will cover our direct costs, we cannot estimate the fee or provide you with a probable range in advance.

We may re-inspect or revoke our approval of a supplier or item at any time to protect the best interests of the Pita Jungle brand. Revocation is effective immediately when you receive written notice from us, and following receipt of our notice, you may not place any new orders for the item or with the supplier or utilize the supplier's services.

Any changes or additions to our purchasing standards or procedures are made in writing through supplements to the Operating Manual. We may modify our specifications, recommended suppliers and purchasing procedures in our discretion, and you must promptly conform to all changes at your sole expense. We do not provide material benefits to franchisees (for example, renewal or granting additional franchises) based on the fact that you purchase products/services from any recommended or designated suppliers. We may, however, terminate your franchise if you purchase or use unapproved products/services, or approved products/services from unapproved suppliers.

Payments to us by Approved Suppliers

We, or an affiliate, derive revenue on account of your required purchases of products/services from us or from approved vendors either from direct sales or in the form of marketing rebates, marketing allowances, or other consideration. Currently, we deposit any revenue we receive from vendors into the creative fund. We have an agreement with Pepsi, which pays us $1,000 per store. We currently do not have agreements with any other vendor to receive revenue from the sale of equipment, inventory or supplies to franchisees, but we may enter into such agreements in the future. Your purchases from Pepsi will represent less than one percent of your overall purchases in operating your restaurant.

Purchases in Accordance with Specifications.

Real Estate. You must follow our guidelines when selecting the site for your restaurant. The guidelines will be given to you after both of us have signed your Franchise Agreement. Your selection of a site and your lease are subject to our prior written approval. See Item 11.

Personal Property. All leasehold improvements, fixtures, furnishings, equipment, inventory and supplies for your restaurant must be purchased and installed in accordance with our standard plans and specifications. Following the signing of your Franchise Agreement, we will furnish you with one set of our guidelines for the design and appearance of your restaurant and the equipment, inventory and supplies you must have. You may purchase your computer hardware from any vendor, so long as its meets our specifications. You must also have both a dedicated telephone line and a DSL line or modem for access to your computer system. See Item 11.

Services. You must obtain a new telephone number and a white pages telephone directory listing. At your option, you may also obtain a yellow pages telephone directory listing. All your advertising is subject to our prior written approval. You must submit a copy of proposed advertising to us for approval at least 14 days before using it. Our failure to respond within 14 days is deemed approval. You must maintain insurance and conform to our accounting and record keeping standards as specified in the Manuals. We will loan you two copies of the Manuals at the beginning of your initial training. We may make periodic revisions to the Manuals by providing copies of changes to you, and you must comply with all these changes. See Item 11.

Operations Manual and Changes to Specifications

The Company will loan you two copies of the Operations Manual at the beginning of your initial training. The Company may make periodic revisions to the Operations Manual by providing copies of changes to you, and you must comply with all such changes. See Items 11 and 14.

The Company will consider any request for the modification of specifications, or for the approval of equipment or supplies, upon submission of a written request. For a modification, your request must state the reason for the modification. For an approval, you must provide sufficient technical data to enable the Company to determine if the item meets specifications. The Company will notify you of its decision within a reasonable time after receipt of your request. The Company reserves the right to perform such tests as it deems necessary to determine if any item meets its specifications. The Company will approve a request if it determines that the item meets specifications then in effect.

Purchasing Cooperatives

There are currently no purchasing or distribution cooperatives, except the advertising cooperatives which have been established in various metropolitan regions. We have the right to establish an advertising cooperative in any metropolitan region containing two or more Pita Jungle restaurants.

Negotiated Prices

We may negotiate purchase arrangements with suppliers (including price terms), for the benefit of the franchise system. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products/services or use of particular suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS DISCLOSURE DOCUMENT.

Obligation	Section in Franchise Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	III.A	Items 11, 12
b. Pre-opening purchases/leases	V.B, XIII.B, XIII.D	Items 5, 6, 7, 8, 11
c. Site development and other pre-opening requirements	III.A, V.A, V.B	Items 7, 11
d. Initial and ongoing training	VI, MSA § 2.3.2	Items 6, 7, 11

Obligation	Section in Franchise Agreement	Item in Disclosure Document
e. Opening	V.C, X.B, MSA § 2.1	Items 11, 12
f. Fees	XI, MSA § 3	Items 5, 6, 7, 8, 10
g. Compliance with standards and policies/Operations Manual	VIII, IX, XIII	Items 8, 11, 14
h. Trademarks and proprietary information	VII	Items 13, 14
i. Restrictions on products/services offered	XIII.E	Items 12, 13, 16
j. Warranty and customer service requirements	XIII.I, XIII.J	Items 12, 13, 16
k. Territorial development and sales quotas	III.B, MSA § 2.1	Items 1, 11, 12
l. Ongoing product/service purchases	XIII.B, XIII.C, XIII.D	Items 5, 6, 8, 11
m. Maintenance, appearance and remodeling requirements	XIII.G	Items 7, 11
n. Insurance	XV	Items 6, 8
o. Advertising	X	Items 7, 8, 11
p. Indemnification	XX.B	Items 6, 13, 14
q. Owner's participation/management/staffing	XIII.L	Items 7, 11, 15
r. Records/reports	XII	Items 6, 11
s. Inspections/audits	XII	Items 6, 11
t. Transfer	XIX	Items 6, 17
u. Renewal	IV.B	Item 17
v. Post-termination obligations	XVIII	Item 17
w. Non-competition covenants	XVI	Items 14, 17
x. Dispute resolution	XXII	Item 17
y. Guaranties	XXI	Item 17

ITEM 10
FINANCING

We do not offer 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 listed below, we are not required to provide you with any assistance.

The Company's Required Pre-Opening and Operational Assistance

A. Before you open your Pita Jungle restaurant, we will provide you with the following assistance:

1. We will loan you two copies of the Manual, which contain mandatory and suggested specifications, standards and operating procedures (Franchise Agreement ("FA") § VIII). The Manuals are confidential and remain our property and you must return your copies when your last Franchise Agreement expires or terminates. If you lose any portion of the Manuals, you must pay us the fee that we disclose in Item 6. We may modify the Manuals by written supplements of which you will receive copies.

2. We will provide you with prototype plans and specifications for the design, appearance and leasehold improvements of a typical Pita Jungle restaurant, together with standard décor and interior layout plans, to the extent that they exist or are applicable for your location (FA § V.A.1). For each Pita Jungle restaurant that you open, you must conform our prototype plans to the specific dimensions of the site we approve, at your sole expense, retain competent architectural, design and contracting services and supervise store build-out. Since one of the distinguishing features of the Pita Jungle system is that the restaurants are not identical, the plans and specifications furnished to you will not be complete, but only contain those items essential to all Pita Jungle restaurants. We will require certain finishes and architectural features (which may vary from restaurant to restaurant) to be included in your final plans, to insure that your restaurant, while unique, conforms to the Pita Jungle System.

3. We will provide you with our site selection criteria that considers important demographic and physical characteristics for a Pita Jungle restaurant, including population size, age and income level; neighboring and adjacent retail tenants; store size, layout, existing condition and adaptability for retail use; road visibility, traffic patterns, parking and access issued; foot traffic; and proximity to other Pita Jungle restaurants and competitors serving the same market area (FA § III.A). The site selection criteria are broadly described and you are required to rely on your own evaluation of the site. (FA § III.A.1.e).

While we may offer you possible sites, we have no obligation to do so. You are responsible for investigating potential sites in a geographic area available for franchise development. You must present us with one or more proposed sites meeting our general demographic and physical criteria in the form of a comprehensive written site package that includes a letter of intent or comparable agreement with the landlord of the site indicating that the landlord is willing to enter into a lease and our Addendum to Lease (FA § III.A). We will not approve any site that does not meet our site selection criteria.

For sites to be opened under the Multi-Store Amendment, we will review those future sites under the then-current site selection and territory criteria. We must approve your site location for each restaurant location.

4. After we receive your written site proposal, we may visit the area at our expense if we feel it is necessary to inspect the physical or demographic conditions of your proposed site or neighboring area to evaluate your proposal (FA § III.A).

5. After you sign the Franchise Agreement, we schedule your training, which we describe elsewhere in this Item 11. You or your principal owner must successfully complete Part One Training in general management and administration responsibilities. You must have a general manager but you or your principal owner may be designated as the general manager. A general manager must successfully complete Part One and Part Two of training in in kitchen and food preparation. Another person, who must be the person in charge of the kitchen in your restaurant, must complete the Part Two training. Your general manager may not be the same person as the kitchen manager. All required training must be completed prior to opening. The Part Two training will occur at the Pita Jungle restaurant in Mesa, Arizona, or such other place

as we specify, and must be successfully completed prior to opening. Typically you will complete the training six to eight weeks before opening but we will mutually schedule the training times. We will provide without charge training for up to four people in each of the Part One and Part Two training, although you will need to pay all expenses incurred by you in connection with the training (FA§ VI). This training may be waived for your second and subsequent restaurants if you execute a Multi-Store Amendment. We do not otherwise train your employees before opening. We may provide general recommendations on hiring your employees but all recommendations are optional and we do not otherwise assist you in hiring your employees. See detailed discussion under "Training" below.

B. During the operation of your Pita Jungle restaurant, we provide you with the following assistance:

1. We will provide regular consultation and advice in response to your inquiries about specific administrative and operational issues at your Pita Jungle restaurant. In our discretion, we decide how best to communicate our consultation and advice, whether by telephone, in writing, electronically or in person (FA § XIV.A). The method we choose in your case may be different from the methods we use with another franchisee. If you request, and we agree to provide, additional on-site assistance, you must pay us our then-current per diem fee as set forth in the Manual and reimburse us for our reasonable expenses in providing on-site instruction, including, without limitation, expenses for air and ground transportation, lodging, meals and personal charges (FA § XIV.A).

2. We will periodically designate additional Proprietary Products and Non-Proprietary Products/Services that you may or must stock and promote (FA § XIV.A).

3. In addition to our training courses, which we periodically repeat, we will periodically offer advanced and refresher training in restaurants or other locations that we will designate. These locations may be near our headquarters (FA § VI.B). For these additional training programs, we charge a per person training fee based on our current hourly rates. See Item 6 regarding other training expenses, and additional disclosures regarding training in this Item 11. While we may make attendance of certain of your employees mandatory at certain additional training sessions, we will not require more than two persons to attend more than three days of additional training each 12 months (FA § VI.B). We do not otherwise train your employees.

4. We may conduct an annual meeting of franchisees to address our Proprietary Product line, industry trends, recently implemented changes in the Pita Jungle system, and other topics of common interest to our franchisees, including customer relations, personnel administration, new products, advertising programs and local restaurant promotions. We will determine the length and location of the annual meeting and may require you, your managers, and other persons we designate to attend it, but in no event will the annual meeting exceed three days in length, nor will we require attendance by more than two persons. We select the annual meeting location each year, which may vary from year to year (FA § XIV.C).

5. We will review your request to use or sell Non-Proprietary Products not already approved by us or to purchase Non-Proprietary Products/Services meeting our specifications from a supplier not on our recommended list (FA § XIII.C).

6. We or our designee will periodically visit your Pita Jungle restaurant to inspect your operations, observe and interview your employees and review your books and records

(including data stored on your computer systems) in order to verify your compliance with the Franchise Agreement and the Manual (FA §XIV.B).

7. We will administer the National Advertising Fund, and, if collected, the Creative Fund and the Regional Advertising Co-op Fund that we describe elsewhere in this Item 11, and approve advertising that you create (FA § X.C).

8. We will periodically revise the Manual to incorporate new developments and changes in the Pita Jungle system, and will provide you with a copy of all updates (FA §VIII).

9. We will supervise the Pita Jungle gift card program. Under this program, you will purchase from us, and offer for sale to your customers, Pita Jungle gift cards that your customers may redeem at any Pita Jungle restaurant. All money transfers between the Franchisor and Franchisee will occur weekly following the same process as royalty collections. You may not issue, redeem or otherwise authorize any other gift cards or certificates, except those we approve of in advance (FA § XIII.I).

10. We will offer advice and advertising strategies for your grand opening advertising program (FA § X.B).

Advertising

A. The National Advertising Fund and the Creative Fund. We have the right to collect up to two percent of your Gross Income for the National Advertising Fund. Currently, we are collecting 1% for this fund. We may also collect up to .50% of your Gross Income for the Creative Fund, however, we are not currently collecting any funds for the Creative Fund. Both funds are described further below. This amount will not be sufficient to adequately market and promote your Pita Jungle restaurant. You must rely on local advertising and marketing done by you to properly promote your restaurant.

National Advertising fund.

The Franchise Agreement permits us to establish the Pita Jungle National Advertising Fund (FA § X.C). The National Advertising Fund has recently been implemented. The National Advertising Fee will be placed in the National Advertising Fund and used for and publication and placement of the advertising and promotional programs. As administrator of the National Advertising Fund, we direct the geographic, market and media placement of all programs. We do not promise that we will spend the National Advertising Fund in any given geographic region or that the benefits you receive will be in proportion to your contributions.

We may use the National Advertising Fund to pay for the cost to purchase media space or time; administer local, regional and national advertising programs, including buying direct mail and other media advertising; conduct electronic advertising promoting the Pita Jungle System and trademarks; employ advertising, public relations and media buying agencies to assist us in these activities; and support public relations, market research and other advertising and marketing activities. Additionally, we may use the National Advertising Fund to furnish our franchisees with marketing items, advertising and promotion formats and materials, like advertising art, radio and television commercials, musical jingles, print advertisements, point of sale materials, promotional graphics, take-away graphic menus, various coupons, outdoor advertising art, direct mail pamphlets and literature, and electronic listings in white and yellow page web sites in our discretion. Upon request, we may agree to provide you with multiple copies of National Advertising Fund marketing, advertising and promotional materials if you pay us to reproduce the materials for you. We intend to use the National Advertising Fund to support the cost of maintaining the pitajungle.com web site. Our web site will identify all Pita Jungle restaurants by street address. We may elect to have a portion of our web-site be related to franchise sales and any advertising materials prepared with National Advertising Fund or Creative Fund proceeds may state that franchises are available. We will charge the National Advertising Fund for our cost of maintaining a toll-free telephone number and system-wide intranet to the extent we use each to provide our franchisees with marketing assistance.

For the most recent fiscal year ended December 31, ~~2015,~~**2016,** we used the National Advertising Funds as follows:

Media Production	~~34~~**31.56**%
Media Placement	~~52~~**56.14**%
Administrative Expenses	~~7~~ **2.76**%
All other uses	~~7~~ **9.54**%

Creative Fund.

We have the right to establish the Creative Fund (FA § X.D) but we are not collecting for this fund. If we elected to collect, then you would be required to pay us a Creative Fee of up to one-half of one percent and, when commenced, you will be required to pay us a National Advertising Fee of up to two percent of your Gross Sales (payable at the same time and by the same method as your payment of Royalties). The Creative Fee would be placed in the Creative Fund and used for the creation and development of advertising and promotional programs designed to enhance consumer awareness and identity of the Pita Jungle trademarks and Pita Jungle restaurants generally. As administrator of the Creative Fund, we would direct all advertising and marketing programs and have sole discretion over all creative concepts, materials and endorsements. If the Creative Fund were to be reinstated, then the media coverage, and source of advertising would be similar to the National Advertising Fund. We do not promise that we will spend the Creative Fund in any given geographic region.

For the portion of the most recent fiscal year ended December 31, ~~2015~~**2016** in which we did collect fees for the Creative Fund, we used the Creative Fund as follows:

Media Production	100%

Program Aspects for Both Funds.

We will keep the National Advertising Fund and the Creative Fund separate from our other funds. Out of each of the Funds, we may pay ourselves for the direct costs, salaries, travel expenses, administrative costs and other direct overhead we incur to administer the Fund, including the cost of preparing the annual accounting, expenses to collect Creative Fees and Advertising Fees from delinquent franchisees, costs to develop and execute specific marketing and advertising programs (including costs for market research and production) and costs to fund the annual meeting of franchisees if we elect to hold one. Each restaurant that we or one of our affiliates own will contribute to the fund the lowest percentage rate of contribution that any franchisee is then required to pay to that fund. In any given year, we may spend more or less than the total amount we collect for that year. We may carry forward any Fund surplus or deficit to a future fiscal period. We treat interest paid on Fund balances as additional Fund revenue. You authorize us to collect and deposit in the National Advertising Fund any advertising or promotional monies or credits that an authorized supplier pays on account of your purchases. We will prepare an annual income and expense statement showing Fund collections and expenditures, and will furnish you with a copy upon written request. The National Advertising Fund and the Creative Fund are audited as part of the audit of our financial statements.

We may establish, terminate and resume the Creative Fund and the National Advertising Fund periodically during your franchise term; however any decision to terminate or resume either or both Funds will apply to all franchisees equally. We will not terminate either Fund before making arrangements to spend or rebate any balance in the Fund after payment of all expenses. If we resume the Creative Fund or the National Advertising Fund, we will collect Creative Fees and National Advertising Fees at the rate specified in your Franchise Agreement at that time. Outside of our obligations to administer the National Advertising Fund and Creative Fund we are not obligated to conduct advertising for the franchise system.

B. Local Advertising. We expect you to promote and market your Pita Jungle restaurant, and you must spend an amount designated by us up to three percent of your Gross Sales on local advertising and promotion (FA § X.A). You may spend more. You may not use any advertising, promotional or marketing materials until we approve them. As a condition of our approval, you must permit us, the National Advertising Fund, and our other franchisees that we authorize to use these materials without compensation. To apply for our approval, you must submit a copy or transcript of the materials in the exact form you intend to use them. We have 14 business days to review your request. If you do not receive our written approval within 14 business days, that means we do not approve your materials (unless we notify you that we need additional time to review your materials). If you use materials that we approve, you must use them in the exact form that you submit them to us (FA § X.A).

Additionally, you must maintain, at your expense, white page listings for your restaurant in one or more telephone directories that we designate that services the restaurant's market area. At your option, you may also obtain a yellow pages telephone directory listing. All telephone directory advertising must conform to our specifications and is subject to our prior approval (FA § X.A).

C. Advertising Councils/Cooperatives. If you are in a metropolitan area in which we have created a local advertising cooperative, you must pay us up to 1% of your Gross Sales to be used by the cooperative for local advertising (FA § X.A.9). The money paid to the cooperative counts against the amount you are required to pay for local advertising and promotion. The cooperative will consist of members representing all franchisees and company restaurants in the metropolitan area, but will be subject to our control. It will arrange for joint advertising in the metropolitan area which will list or benefit all Pita Jungle restaurants in that area. We may establish and disband advertising cooperatives in any metropolitan area in which there is more than one Pita Jungle restaurant (FA § X.A.9). We previously established cooperatives in the Phoenix, Tucson, Flagstaff, Los Angeles, Orange County and San Diego metropolitan areas but we are currently focusing on the National Advertising Fund and none of cooperatives are operating as of the date of this FDD. Local advertising cooperatives are not required to have or operate from written governing documents and are not required to prepare or provide annual or periodic annual statements. As of the date of this FDD, no governing documents or financial statements have been developed. If such governing documents or financial statements are generated in the future, we are likely to provide this information to our participating franchisees upon their reasonable request but we are not legally required to do so under the Franchise Agreement. An advertising council of franchises does not yet exist to advise us on our advertising policies.

D. Grand Opening Advertising. We require you to spend a minimum of $5,000 on Grand Opening advertising and promotion for your Pita Jungle restaurant. This obligation is in addition to the contributions you make to the National Advertising Fund, but will be credited to your obligation for Local Advertising for the first 60 days after your opening. We assist you to develop a Grand Opening promotional and implementation plan. Grand Opening advertising is subject to our approval, which you must obtain in the same manner as local advertising. You must account for your Grand Opening expenditures by submitting reports to us upon our request on forms we include in the Manual (FA § X.B).

Computer System and Software and Camera Surveillance

You must have or obtain any brand of IBM compatible personal computer system that will support the hardware and software that you are required to purchase. The components of the system are set out in the Operations Manual, but include a file server, at least one 15 inch flat panel monitor, at least three Radiant 1510 terminals and card readers, at least two Epson TM-T88 and TM-U220 printers, Aloha POS, table service and credit card software, Windows XP Pro or compatible operating systems, E-cards gift card system, Hula BOH software and various ancillary hardware and software to support the basic systems. In addition to your restaurant operations, the software supports a system wide gift card program and customer loyalty program. The required hardware and software must be purchased from an authorized dealer/reseller.

You must also have access by Internet to our computer server. (FA § XII.C) All hardware and software specifications are in the Manual. We may specify different hardware and software systems in the future, including proprietary software that we develop exclusively for the Pita Jungle System. There are no contractual limitations on the frequency or cost of upgrades or changes in the computer system that we may impose. We have not previously required any upgrades to franchisees' computer systems, so we cannot estimate the cost of any upgrades we may require in the future.

The computer system will be used to maintain your payroll and customers records, and to collect information regarding employee earnings, and customer sales, billings and payments.

We have access to this information through our server where your data will be replicated, and also through any additional reports, electronic data transfer and diskette backups you are required to provide to the Company (FA § XII.C).

In order to provide data base consistency, the Company has the right to close your access to the system database. The Company has independent access to the information and data on your computer system. There is no contractual restriction on this access, but the Company must keep your financial information confidential with limited exceptions (FA § XII.C).

The camera surveillance system will consist of six cameras and its operating software and will be connected to the Aloha POS. At our option, we may request that you install additional surveillance on the point-of-sale equipment.

We estimate it will cost you from $2,000 to $5,600 to lease or purchase your computer system and that annual repairs and maintenance will cost between $2,400 and $3,400. You are not required to use an electronic cash register and accordingly, no cost estimates are included for this equipment. We will provide hardware and software specifications that you must meet but we otherwise do not have any obligation for the maintenance, repairs, updates, or upgrades to your computer system.

Manuals

Copies of the tables of contents of the Company's current Operations Manual are attached as Exhibit E to this Disclosure Document. The Operations Manual has approximately 300 pages.

Site Selection

You are responsible for locating an appropriate site for your restaurant. The Company does not currently own or lease sites and then lease or sublease them to franchisees, although it may do so in the future. You should select the sites for your restaurant based on factors such as neighborhood, area demographics, traffic patterns, access, parking, size, layout, length of availability, and the terms and conditions of any proposed lease or purchase contract. At your request, the Company will assist you in evaluating possible locations for your restaurant. We must approve the site for your restaurant. (FA § III.A). You must obtain our approval of a site within four months after the date of your Franchise Agreement. You must have an acceptable, approved, signed lease within six months from the date of your Franchise Agreement (FA § III.A.1.h).

Your lease must provide that the landlord will give us the same notice of default that it gives to you, and that we have the option of assuming the lease upon your default or upon the termination or expiration of your franchise. If the lease does not contain these provisions, then you must amend the lease with the lease amendment that is included as Exhibit 3 to the Franchise Agreement (FA §§ 1.B and III.A.b).

If within six months of the date of the Franchise Agreement, we are unable to agree on a site or if we agree on a site but you do not enter into a lease or purchase contract for a site, we may terminate your Franchise Agreement (FA § III.A.1.h). We may, but are not obligated to, extend this deadline if unforeseeable delays occur over which you have no control.

You will work with your architect and contractor to ensure that the ordinances and codes are met. We will provide general advice and to approve your site plans for compliance with our standards, but we do not otherwise assist you in conforming the site to the applicable ordinances and codes or in the construction, remodeling, or decorating of your site. Currently, we do not assist you by providing you with equipment, signs, fixtures, initial inventory or supplies, nor do we deliver or install these items, although we will provide you with a list of approved suppliers and written specifications. In the future, we may require you to purchase certain proprietary items from us or our affiliates such as ethnic foods.

Opening

If you have not begun operation of your business within twelve months, the Company will have the right to terminate your Franchise Agreement without refunding your Initial Fee (FA § V.C.1). Company may grant a six-month extension if Franchisee has been diligently involved in the site selection and development process and Franchisee pays a non-refundable $3,500 extension fee at least 30 days before the opening deadline along with supporting documentation on development progress and plans. (FA § V.C.2). Franchisees typically open their restaurants within four to eight months after they sign a franchise agreement. Factors affecting the length of time may include the ability to obtain a lease, making acceptable financing arrangements, meeting local ordinances or community requirements, slow delivery of equipment or supplies, and other factors bearing on completion of construction, remodeling, decorating, purchasing and installing equipment, fixtures and signs and similar factors.

Training Program

The Company's initial training program as of the date of this Disclosure Document is described in the following chart:

INITIAL TRAINING

Subject	Hours of Classroom Training (Note 1)	Hours of On-the-Job Training (Note 1)	Location
Part One Training (Operations and Administration) (Note 2)	40-50	1 week	The Company's Training Center or an existing Pita Jungle restaurant
Part Two Training (Kitchen and Food Preparation) (Note 3)	N/A	4 weeks (five-six days per week)	An existing Pita Jungle restaurant

Notes:

1. These times are approximate.
2. You or your principal owner must successfully complete Part One Training. Your general manager must successfully complete Part One Training and Part Two Training. You or your principal owner may be the general manager.
3. The person in charge of the kitchen, normally the head chef, must successfully complete Part Two Training, which relates to food preparation, including recipes, food handling, and procedures for ensuring that food served to the public is of uniformly high quality. Most of this training will be in the Pita Jungle restaurants.

The classroom training will be conducted at the Company's training center in Arizona, or another Pita Jungle restaurant located in the metro Phoenix area. Classroom hours will be

40-50 per week. The "On-the-Job Hours" training will be conducted at your restaurant or one of our affiliated stores. Nelly Kohsok, Fouad Khodr, Basel Osmani who each have 16 years operational experience, Justin Lemos who has over 8 years of operational experience, or other employees with significant experience in the kitchens of our restaurants, will be the instructors. We will use our manuals and operating equipment as our principal instructional materials.

You or your designees must complete the Company's initial training program to the Company's satisfaction. The Company provides this initial training to you and up to three other employees at no charge; however, during initial training, you (or your employees) must pay all travel, lodging, meals and other personal expenses you or any of your employees incur, and you are responsible for any compensation or benefits due employee trainees and you must also pay for the Company's expenses in bringing trainers to your premises to train your personnel (FA § VI.A). For any additional person trained in the future, the Company may charge you fees and expenses (FA § VI.B). See Item 6.

If you execute a Multi-Store Amendment, then you must complete our initial training program for each subsequent PITA JUNGLE restaurant that you open. The manager for each PITA JUNGLE restaurant may request that we waive this requirement if they have already attended our initial training program. We will not unreasonably withhold our waiver. (Multi-Store Amendment § 2.3.2(c)).

ITEM 12
TERRITORY

Your franchise is for the right to operate a Pita Jungle restaurant at a specific location and your franchise agreement does not grand you any particular minimum territory. You will not receive any protected territory. We may open or franchise other Pita Jungle restaurants wherever we choose regardless of their proximity to your restaurant. Furthermore, the franchise rights we grant to you are non-exclusive and do not confer any preferential right to serve particular customers.

Pita Jungle franchisees are not subject to any minimum sales quota or other kind of sales or market penetration contingency. The Franchise Agreement does not give you a right of first refusal or any preferential right to acquire additional franchises.

You will have the right to solicit customers anywhere, but you can serve your customers only at your restaurant. You do not have the right to deliver or serve food or other products outside your restaurant. You do have the right to use other channels of distribution, such as catalogs, telemarketing or other direct marketing to advertise for customers for your restaurant, but cannot use them to make sales outside of your restaurant. You must have our approval of any marketing materials that you use. You may not maintain a World Wide Web site or a presence or advertise on the Internet, Facebook, blog, Twitter account or other similar electronic media, or on any other public computer network, or any other kind of public modality, using the Pita Jungle marks or referencing Pita Jungle restaurants, without our prior written consent, which may be withheld in our sole judgment. We retain vendors to establish, maintain and manage internet web pages, Facebook and Twitter accounts and other social media for the benefit of the Pita Jungle System.

Other franchisees have the right to market to customers near your restaurant location. 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 are not required to pay you if we exercise any of the rights specified above in close proximity to your restaurant.

We will approve the relocation of your restaurant if (i) the lease expires or terminates for reasons other than your breach of the lease agreement; (ii) the location or building in which the restaurant is located is destroyed, condemned or otherwise becomes unusable; or (iii) we both mutually believe that relocation will increase the business potential of the franchise. In these cases, you must agree to relocate the business, at your sole expense, to a new location selected by you, and approved by us, in accordance with our then current site selection procedures.

You may not engage in wholesale sales of any kind without our prior written consent. "Wholesale sales" includes the sale or distribution of merchandise or products to a third party for resale, retail sale or other method of distribution.

We reserve all other distribution rights that we do not expressly grant to you. By distribution rights, we mean all forms and channels of distribution, regardless of whether we use the method now or in the future. For example, we may, directly or through one of our affiliates, (i) sell products under the Pita Jungle trademark through other retail and wholesale channels of distribution (including by means of the internet, mail order catalogues, direct mail advertising, and to supermarkets, health food stores and other food stores that do not do business under the Pita Jungle name), (ii) operate other kinds of businesses under the Pita Jungle marks, and (iii) operate other retail and wholesale concepts that feature Mediterranean or vegetarian food similar to that featured at Pita Jungle restaurants, but under trade names dissimilar to the Pita Jungle marks.

Multi-Store Development

If you wish to develop and operate several Pita Jungle restaurants within one or more development areas, and if you qualify, you may sign a Multi-Store Amendment to the Franchise Agreement permitting you to develop additional Pita Jungle restaurants in territories requested by you and as designated by us. The development area in which all of the Pita Jungle restaurants must be operated is designated in the Multi-Store Amendment and is typically delineated by the political boundaries of cities or counties, or by boundary streets or highways. So long as you are in compliance with the development schedule and not otherwise in default, we are prohibited from operating or licensing another Pita Jungle restaurant in the development area. The agreement terminates, and we can open or franchise additional restaurants in your area six months after you have developed all of the restaurants called for in the Multi-Store Amendment. For each location, our then-current standards for restaurant sites and territories will apply. We will review and must approve the location of each future restaurant location. We do not currently grant any territory, but if in the future a territory is granted for a new location, then we will also review and must approve the territory. At the end of the specified time, the development area reverts to us. We may then operate restaurants in the development area and permit other Pita Jungle restaurants to operate in the development area unless any such operation is prohibited by any individual Pita Jungle restaurant Franchise Agreement for the restaurants you have developed. The Multi-Store Amendment is Exhibit D to this Disclosure Document.

ITEM 13
TRADEMARKS

You have the right and obligation to use our trademark and other marks that may be licensed to you by us in the future, only in connection with your franchised business. All rights and good will arising from your use of our names and trademarks accrue solely to us.

Our affiliate, Pita Jungle – Tempe, Inc., is the owner of our marks. They have been licensed to the Company effective December 1, 2005. Pursuant to a License Agreement effective as of that same date, Pita Jungle – Tempe, Inc. granted us and our franchisees a license for all of the marks owned by the Company in perpetuity in connection with the operation of Pita Jungle restaurants.

You may not use the Pita Jungle marks in any electronic mail address or in any domain name or social media communication. You may not maintain a World Wide Web site or a presence or advertise on the Internet, Facebook, blog, Twitter account or other similar electronic media, or on any other public computer network, or any other kind of public modality, using the Pita Jungle marks or referencing Pita Jungle restaurants without our prior written consent, which may be withheld in our sole judgment. We own all rights to any websites, electronic commerce names or collected data that include our trademarks or that we permit to you use for our franchise system. **If we permit you to use a social media account, then you must provide us with any passwords. We have the right to revise the social media account to correct any misleading advertising and to operate the account if your franchise agreement is terminated.**

Registrations

We have a license from Pita Jungle – Tempe, Inc. for the marks which are the subject of the following registrations on the principal register of the United States Patent and Trademark Office for its principal trademarks. Pita Jungle – Tempe has filed all required affidavits to continue the registrations in force.

Trademark	Serial Number or Registration Number	Registration Date
PITA JUNGLE (word mark)	2,627,405 (registration)	October 1, 2002 [renewed 10-12-11]
PITA JUNGLE (design mark)	3,192,893 (registration)	January 2, 2007 [renewed 04-09-12]
THE ART OF EATING HEALTHY (word mark)	3,267,429 (registration)	July 24, 2007 [renewed 01-02-13]

The renewal of Registration No. 2,627,405 was accepted by the USPTO on October 12, 2011. Pita Jungle filed its renewal of Registration No. 3,192,893 which was accepted on April 9, 2012. Pita Jungle filed its renewal of Registration No. 3,267,429 which was accepted on January 3, 2013. As of the date of this Disclosure Document, no other affidavits of use were required to be filed.

Proceedings, Agreements and Infringements

~~We are currently challenging Pita Pal Foods, LP, in a U.S. Patent and Trademark Office Trademark Trial and Appeal Board proceeding regarding Pita Pal's trademark application of the phrase "Pita Pal The Art of Healthy Eating" for falafel, processed chick peas and processed garbanzo beans (USPTO Serial Number 85250869). We do not anticipate that this action will materially affect your rights.~~

Other than this matter, there are no currently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, any court, or the trademark administrator of any state, opposition or cancellation proceedings, no pending material lawsuits, and no agreements currently in effect, concerning the trademarks that could materially affect your rights.

We are aware of at least one user of the Pita Jungle mark who began using the mark prior to our federal registration of the mark. That user may have the right to continue its use of the mark in for its existing restaurant, but may not expand its use. This use will not materially affect your rights to use the Pita Jungle mark.

Protection of the Marks

You are required to notify us of any infringing use of our trademarks. We must indemnify you against all claims for trademark infringement based on your authorized use of our trademarks listed above in accordance with your Franchise Agreement and the Operations Manual. You must immediately give us written notice of any claim against you. We may take whatever action we deem appropriate regarding any infringement, and have the right to control any proceedings relating to any such claim.

Change of Marks

If it becomes advisable at any time for us to modify or discontinue using any trademark or to use one or more additional or substitute trademarks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing your signs, for any loss of revenue due to any modified or discontinued trademark, or for your expenses of promoting a modified or substitute trademark.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

There are no patents material to your franchise.

Copyrights

Copyrighted Materials. Our Manual, recipes, formulas and marketing materials are protected by copyright. These copyrights have not been registered. The Franchise Agreement grants you the right to use these copyrighted materials for the term of the Franchise Agreement. If the Company decides to add, modify or discontinue the use of copyrighted material, then you must do so also, at your expense. **If we take any photographs at our**

office, at one of our events, or of your location, we may use the photograph in our promotional materials even if you are part of the photograph.

Proceedings and Agreements. There are no pending copyright applications relating to the Company's copyrighted materials. There are no determinations of the Copyright Office or any court, no pending interference, opposition or cancellation proceedings, and no agreements concerning any copyrighted materials that could materially affect your rights.

Infringements. We have no actual knowledge of any infringing uses of its copyrights, and there is no pending litigation regarding the copyrights that could materially affect your rights.

Protection of the Copyrights. You are not required to notify us of any infringing use of our copyrights although you are encouraged to do so.

Confidential Information

Employee and customer information for your business will be jointly owned by you and the Company while your Franchise Agreement is in effect. Upon the termination or expiration of your Franchise Agreement, the Company will automatically become the sole owner of all employee and customer information without any payment to you.

You will be entitled to use our confidential and proprietary Operations Manual, and you will have access to other confidential information, including employee and customer lists, in the conduct of your business. See Items 8 and 11. You are obligated to protect the confidentiality of these materials, and to prevent the wrongful disclosure or duplication of these materials and the information in them. You, and your officers, directors, owners, managers and any employee with access to confidential information, must each sign the Confidentiality and Noncompetition Agreement attached to this Disclosure Document as Exhibit 4 to the Franchise Agreement.

We are not required under the Franchise Agreement to take any affirmative action when notified of any infringement of our copyrighted materials.

Change of Copyrighted Materials

You are required to discontinue the use of any of our copyrighted materials that we have discontinued at your own expense. If we have modified our copyrighted materials, then we will provide you with the modified materials and instructions for their use and the discontinuance of the revised materials.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We do not require that you, your owners or Primary Owner personally devote full time and attention to managing and supervising all administrative and operational activities of your Pita Jungle franchise. However, if you or your owners choose not to assume these responsibilities, you must assign them to a member of your senior management to act as the general manager. Your general manager will have ongoing store-level supervisory duties and must successfully complete Part One Training to become a Certified General Manager and must complete Part Two Training on kitchen and food preparation. In addition, the manager of your kitchen must qualify as a Certified Kitchen Manager by successfully completing Part Two Training. You, your owners or your Primary Owner need not operate the restaurant as the Certified General Manager or Certified Kitchen Manager as long as you have successfully completed the required training and have two members of your management that have also successfully completed the required training.

You must keep us informed of the identity of your employees with management responsibility both on a store-level and on an organizational level. Your Primary Owner or one senior management employee must qualify as a Certified General Manager and the same or a different management employee must qualify as a Certified Kitchen Manager for your restaurant. We may change the criteria for designation as a Certified General Manager or Certified Kitchen Manager at any time upon written notice. Our notice will specify the additional training and other requirements applicable to new Certified General Managers or Certified Kitchen Managers, which existing Certified General Managers and Certified Kitchen Managers must complete to maintain their designation. We give Certified General Managers and Certified Kitchen Managers 90 days after the new criteria become effective in which to satisfy the additional training and other requirements without losing their designation.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You will be authorized to operate as "Pita Jungle." You may use only our trademarks. You may not conduct or advertise any other business under the trademarks licensed to you by the Company or the telephone numbers associated with your business.

You must maintain office hours consistent with local practices concerning business hours and holidays. You must offer and sell only those goods and services that we have authorized. You must offer all goods and services that we designate as required in the Manuals. See Item 8.

Your operations must comply with all applicable laws. These include the laws that we describe in Item 1 and include laws pertaining to the sale of goods, food labeling, handling and storage, health and sanitation and the Americans with Disabilities Act. You are responsible for investigating what laws apply to your business and for ensuring compliance with them.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Franchise Agreement (Note 1)	Summary

Provision	Section in Franchise Agreement (Note 1)	Summary
a. Term of franchise	IV.A	10 years.
b. Renewal or extension of the term	IV.B	Two successive renewal options, each for a five year term.
c. Requirements for you to renew or extend	IV.B	You must be in good standing, not have been repeatedly in default during the past year, give timely notice to renew, pay a renewal fee, and sign a general release and a new agreement. The new franchise agreement may contain terms and conditions materially different from those in your original or previous franchise agreement.
d. Termination by you	XVII.A	You may terminate the Franchise Agreement if we materially breach the Franchise Agreement and fail to cure or begin to cure within 30 days after we receive your written notice.
e. Termination by the Company without cause	FA: N/A MSA: 4.4	The Company cannot terminate the Franchise Agreement without cause. If the Company terminates your Franchise Agreement for your first location with cause, the Company may also terminate the Multi-Store Amendment.
f. Termination by the Company with cause	FA: XVII.B and C MSA: 4.3	Subject to state law, the Company can terminate after your default immediately for specified reasons and after 30 days' notice and failure to cure defaults for other specified reasons. The Company may also terminate the Multi-Store Amendment after 30 days' notice and failure to cure the default.
g. "Cause" defined – defaults which can be cured	FA: XVII.C MSA: 4.3	Subject to state law: you have 10 days after notice to cure based on your non-payment of fees or failure to submit reports to us; otherwise you have 30 days after notice to cure for any other default not included in the list of non-curable defaults. We can terminate the Multi-Store Amendment for your failure to meet the development schedule after 30 days' notice but this failure will not be a default of your existing franchise agreements. Any other breach of the Multi-Store Amendment is also a breach of the Franchise Agreement.
h. "Cause" defined – defaults which cannot be cured	FA: XVII.B MSA: 4.4	The Franchise Agreement defines non-curable defaults. They include: failure to agree upon the location for the restaurant within the time allowed in the Franchise Agreement; failure to obtain a lease or failure to open the restaurant within the times allowed in the Franchise Agreement; loss of possession of the real estate for cause; a material misrepresentation or omission in your application for the franchise; conviction or plea of no contest to a crime or offense that adversely affects you or your restaurant's reputation; misuse of the Manual, the trademarks or any confidential information or trade secrets; sale of unauthorized merchandise or services; receipt of three or more notices of default within any 24 month period; the unauthorized closure of your restaurant or failure to actively operate it for any length of time causing us to assume you have abandoned it; false reporting; your bankruptcy or insolvency; your dissolution (if you are a business entity); failure to

Provision	Section in Franchise Agreement (Note 1)	Summary
		comply with laws within 10 days after being notified of non-compliance; or an imminent danger to public health and safety; failure to resolve an impasse by the franchise owners within two months' notice. If a Franchise Agreement with a Multi-Store location is terminated, then we may terminate the Multi-Store Amendment without any right to cure.
i. Your obligations on termination/ nonrenewal	XVIII.A	Cease use of trademarks; assign telephone numbers; pay money owed to the Company; return manuals, software, forms, and trademarked and confidential materials; permit the Company on your premises to operate the business; turn over customer and employee records; non-competition; certain FA obligations continue; the Company will automatically own employee and customer data, and will have an option to acquire your assets and assume your leases (see o below).
j. Assignment of contract by the Company	XIX.A	We may assign to any person or entity the Company believes capable.
k. "Transfer" by you – definition	XIX.B	Any transfer or pledge of FA or substantially all your business assets, or change in ownership of at least 25 percent of your outstanding business interests.
l. the Company's approval of your transfer	XIX.B	Transfer to a legal entity you control pre-approved subject to certain conditions; otherwise we must approve all transfers. However, approval of other transfers cannot be unreasonably withheld. The transferee must sign our then-current contract, but receives a full term with renewal rights (instead of assuming the unexpired term of your franchise).
m. Conditions for the Company approval of transfer	XIX.D	The new franchisee must be qualified, sign a new agreement, successfully complete training, **be properly disclosed,** pay the then current initial franchise fee and provide Guaranties and Confidentiality and Noncompetition Agreements; **the purchase price must not be burdensome;** you must be in good standing, pay all amounts owed to the Company and its affiliates, **guaranty performance until any installment amounts are paid, indemnify us for any statements you made to the new franchisee,** and sign a general release (also see n below)
n. the Company's right of first refusal to acquire your business	XIX.C	The Company has one month to match any offer you receive.
o. the Company's option to purchase your business	XVIII.B	Upon expiration or termination of your franchise, the Company has an option to assume your lease, and to acquire your assets for their fair market value (determined by appraisal if the parties cannot agree) less setoffs for amounts owed to the Company and its affiliates.
p. Your death or	XIX.H	Subject to acceptable temporary operating conditions, your heirs have 180 days to transfer the business (subject to the conditions in

Provision	Section in Franchise Agreement (Note 1)	Summary
disability		m above).
q. Non-competition covenants during the term of the franchise	XVI.B	Extends to each "Covered Person" (a term we define in the Franchise Agreement; prohibits direct or indirect involvement with any competitive business; applies worldwide.
r. Non-competition covenants after the franchise is terminated or expires	XVI.B	Subject to state law, no involvement with any competitive business located within 25 miles from your Pita Jungle restaurant or within 10 miles of a Pita Jungle restaurant worldwide. Applies for two years after the Franchise Agreement expires or terminates. **No use of any trade secrets and no use of other confidential information for four years or the maximum permitted by law.**
s. Modification of the Agreement	XXIV.H	Automatic conformance to state law; otherwise only by signed document except that the Company may unilaterally revise Manuals, change its marks, and reduce the scope of non-competition covenants.
t. Integration/ merger clause	XXIV.I	Only the terms of the Franchise Agreement (including system standards in the Operations Manual) are binding (subject to state law). Any statements or promises not in the Franchise Agreement or this disclosure document should not be relied upon and may not be enforceable. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.
u. Dispute resolution by arbitration or mediation	XXII	All disputes must be submitted to a mediation hearing conducted according to the procedure stated in the Franchise Agreement, except for specific disputes where we may proceed directly to court and apply for interim (e.g., injunctive) relief. Mediation will be held at our offices. Disputes that cannot be resolved through mediation or negotiation are resolved through binding arbitration administered by the American Arbitration Association.
v. Choice of forum	XXII.C	Both arbitration and litigation (if permitted) must be brought where we have our principal place of business, currently Maricopa County, Arizona. (subject to applicable state law)
w. Choice of law	XXII.D	Federal and Arizona law apply. (subject to applicable state law)

Notes:

1. The Franchise Agreement (FA) is attached as Exhibit C to this Disclosure Document. The Multi-Store Amendment (MSA) is attached as Exhibit D to this Disclosure Document The more detailed provisions of your Franchise Agreement on each of these subjects determine each party's rights and obligations.

ITEM 18
PUBLIC FIGURES

The Company does not use any public figure to promote its franchises.

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 Item 19 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.

This financial performance representation in the below tables sets forth the historical gross sales for each calendar year ~~2013, 2014~~**2014, 2015** and ~~2015~~**2016** to the extent a restaurant was open for operations during a full calendar year, but does not include the restaurants that closed during any year or locations that are not a full sized restaurant such as the food court location. "Net Sales" means the aggregate amount of all sales of products, services and merchandise from, at or in connection with the operation of the restaurant, less sales taxes collected from customers and paid to the appropriate taxing authority and other discounts or exclusions authorized in writing by the Company.

Franchised Locations.

The below chart represents the historical net sales information for our franchised full-scale locations that were open and operating for a full calendar year.

Store Number	~~2013~~	2014	2015	**2016**
1001	~~$2,498,213~~	$2,290,397	$2,402,858	**$2,478,265.**
1002	~~$2,374,462~~	$2,459,470	$2,638,884	**$2,668,381**
1003	~~$3,245,128~~	$3,105,256	$3,106,926	**$3,055,318**
1004	~~$1,823,921~~	$1,744,635	$1,660213	**$1,541,991**
1005	~~$2,371,440~~	$2,324,930	$2,291,396	**$2,102,118**
1006	~~$1,322,530~~	$1,195,986	Closed Mid-year	**Closed**
1007	~~$2,065,177~~	$1,998,039	$1,916,867	**$1,845,732**
~~1008~~	~~$868,239~~	~~Closed~~	~~Closed~~	
1009	~~$2,273,450~~	$2,336,930	$2,382,228	**$2,359,357**
1010	~~Opened During Year~~	$1,046,594	Now Affiliated Location	**Now Affiliated Location**
1011	~~Opened During~~	$2,493,997	$2,324,211	**$2,265,756**

Store Number	~~2013~~	2014	2015	2016
	~~Year~~			
1012	~~Opened During Year~~	$2,227,876	$2,326,114	$2,532,992
High	~~$3,245,128~~	$3,105,256	$,3106,926	$3,055,318
Low	~~$868,239~~	$1,046,594	$1,660,213	$1,541,991
Mean (Average)	~~$2,093,617~~	$2,111,282	$2,338,855	$2,316,657
Median	~~$2,273,450~~	$2,290,397	$2,326,115	2,359,357
Total Locations Open as of 12/31	~~12~~	10	9	9
Number of Locations Shown Above as of 12/31	~~9~~	11	9	9
Number Above Average	~~5~~	7	4	5
Number Below Average	4	4	5	4

Affiliated Locations.

The below chart represents the historical net sales information for our affiliate-owned full-scale locations that were open and operating by our affiliates for a full calendar year.

Store Number	~~2013~~	2014	2015	2016
001/011	~~$2,008,729~~	$1,795,119	$1,748,342	$2,174,670
002	~~$2,484,693~~	$2,507,144	$2,466,846	$2,455,503
003	~~$3,365,002~~	$2,756,891	$2,733,878	$2,689,735
004	~~$2,335,946~~	$2,199,711	$2,280,643	$2,128,999
005	~~$2,064,881~~	$1,857,170	$1,790,341	$1,788,739
006	~~$1,339,122~~	$1,428,420	$1,486,764	$1,571,980
008	~~$2,903,879~~	$2,831,775	$2,847,850	$2,855,463
1010	~~Not operated by Affiliate~~	Not operated entirely by Affiliate	$917,608	$884,565
0010		Not open	Not open	2,371,279
High	~~$3,365,002~~	$2,831,775	$2,847,850	$2,855,463
Low	~~$1,339,122~~	$1,428,420	$917,608	$884,565
Mean (Average)	~~$2,357,464~~	$2,196,604	$2,034,034	$2,102,326
Median	~~$2,335,946~~	$2,199,771	$2,035,492	$2,174,670
Total Locations Open as of 12/31	~~8~~	9	9	10
Number of Locations	~~7~~	7	8	9

Store Number	~~2013~~	2014	2015	2016
Shown Above as of 12/31				
Number Above Average	~~3~~	4	3	6
Number Below Average	4	3	5	3

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For years ~~2013~~2014 to ~~2015~~2016 (Note 1)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	~~2013~~2014	~~9~~12	~~12~~10	~~+3~~-2
	~~2014~~	~~12~~	~~10~~	~~-2~~
	2015	10	9	-1
	2016	9	9	0
Company-Owned	~~2013~~2014	8	~~8~~9	~~0~~+1
	~~2014~~	~~8~~	~~9~~	~~+1~~
	2015	9	9	0
	2016	9	10	+1
Total Outlets	~~2013~~2014	~~17~~20	~~20~~19	~~+3~~-1
	~~2014~~	~~20~~	~~19~~	~~-1~~
	2015	19	18	-1
	2016	18	19	+1

Note 1: All numbers are as of December 31 for each year.

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years ~~2013~~2014 to ~~2015~~2016 (Note 1)

State	Year	Number of Transfers
AZ	~~2013~~**2014**	~~0~~**1**
	~~2014~~	~~1~~
	2015	0
	2016	**1**
CA	~~2013~~**2014**	0
	~~2014~~	~~0~~
	2015	0
	2016	**0**
Total Transfers	~~2013~~**2014**	~~0~~**1**
	~~2014~~	~~1~~
	2015	0
	2016	**1**

Note 1: All numbers are as of December 31 for each year.

Table No. 3

Status of Franchised Outlets
For years ~~2013~~2014 to ~~2015~~2016 (Note 1)

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
AZ	~~2013~~ **2014**	~~6~~9	~~3~~0	0	0	~~0~~1	0	~~9~~8
	~~2014~~ **2015**	~~9~~8	0	0	0	~~1~~0	0	8
	~~2015~~	8	0	0	0	0	0	8

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2016							
CA	~~2013~~ 2014	3	0	0	0	0	~~0~~1	~~3~~2
	~~2014~~ 2015	~~3~~2	0	~~0~~1	0	0	~~1~~0	~~2~~1
	~~2015~~ 2016	~~2~~1	0	~~1~~0	0	0	0	1
Totals	~~2013~~ 2014	~~9~~12	~~3~~0	0	0	~~0~~1	~~0~~1	~~12~~10
	~~2014~~	~~12~~	~~0~~	~~0~~	~~0~~	~~1~~	~~1~~	~~10~~
	2015	10	0	1	0	0	0	9
	2016	9	0	0	0	0	0	9

Note 1: All numbers are as of December 31 for each year.

Table No. 4

Status of Company-Owned Outlets
For years ~~2013~~2014 to ~~2015~~2016 (Note 1)

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
AZ	~~2013~~2014	8	0	~~0~~1	0	0	~~8~~9
	~~2014~~2015	~~8~~9	0	~~1~~0	0	0	9
	~~2015~~2016	~~8~~9	~~0~~1	0	0	0	~~8~~10
CA	~~2013~~2014	0	0	0	0	0	0
	~~2014~~201	0	0	0	0	0	0

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
	5						
	~~2015~~2016	0	0	0	0	0	0
Totals	~~2013~~2014	8	0	~~0~~1	0	0	~~8~~9
	~~2014~~	~~8~~	~~0~~	~~1~~	~~0~~	~~0~~	~~9~~
	2015	9	0	0	0	0	9
	2016	**9**	**1**	**0**	**0**	**0**	**10**

Note 1: All numbers are as of December 31 for each year.

If you are purchasing a company location that was previously a franchise location, we will provide you with the former franchisee's contact information, the time period that the franchisee controlled the location, the reason for the ownership change and the length of time that we controlled the location.

Table No. 5

Projected New Franchised Company Outlets for ~~2016~~2017

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
AZ	2	~~2~~3	~~1~~0
CA	0	~~1~~0	0
Texas	1	~~1~~0	0
Totals	3	~~4~~3	~~1~~0

A list of the names, addresses and telephone numbers of all our franchisees as of ~~March 15, 2015,~~ **December 31, 2016,** including affiliate stores, is attached to this Disclosure Document as Exhibit F.

The name, city and state and 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 the most recently completed fiscal year or who has not communicated with the us within 10 weeks of the disclosure document issuance date is listed in Exhibit G. This information includes any franchisees who transferred their rights to another franchisee. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We have not required any franchisee to sign a confidentiality clause during the last three fiscal years that would restrict them from speaking openly with you about their experience with us.

There are no trademark specific franchise organizations associated with the franchise system being offered in this FDD.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit H are the audited financial statements of the Company for the fiscal years ended December 31, ~~2015~~**2016** and ~~2014~~**2015** and December 31, ~~2014~~**2015** and ~~2013.~~**2014.**

ITEM 22
CONTRACTS

Attached as Exhibits to this Disclosure Document are copies of the following agreements relating to the offer of the Franchise:

Exhibit C	Pita Jungle Franchise Agreement and its Exhibits:
	1 - Franchise Location
	2 - Guarantee and Assumption of Obligations Agreement
	3 - Addendum to Lease
	4 - Confidentiality and Non-Competition Agreement
	5 - Confidentiality Agreement
	6 - UCC-1 Financing Statement
Exhibit D	Multi-Store Amendment
Exhibit I	Receipt for Completed Documents
Exhibit J	Confirmation of Sales Procedures

ITEM 23
RECEIPTS

Exhibit L contains detachable documents acknowledging your receipt of this disclosure document.

EXHIBIT A
STATE AGENCIES EXHIBIT

California	Commissioner of Business Oversight 320 W. 4th Street, Suite 750 Los Angeles, California 90013-2344 213/576-7505 Toll Free1- 866/275-2677 1515 K Street, Suite 200 Sacramento, California 95814-4052 916/445-7205 Toll Free1- 866/275-2677 1350 Front Street, Room 2034 San Diego, California 92101-3697 619/525-4233 Toll Free 1-866/275-2677 One Sansome Street, #600 San Francisco, California 94104 415/972-8559 Toll Free 1-866/275-2677
Connecticut	Securities and Business Investment Division Connecticut Department of Banking 260 Constitutional Plaza Hartford, Connecticut 06103 860/240-8299
Florida	Department of Agriculture and Consumer Services Division of Consumer Services 2005 Apalachee Parkway Tallahassee, Florida 32399-6500 850/488-2221
Hawaii	Commissioner of Securities of the State of Hawaii Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 808/586-2722
Illinois	Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 217/782-4465
Indiana	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E-111 Indianapolis, Indiana 48933

	317/232-6681
Iowa	Iowa Securities Bureau 340 E. Maple Street Des Moines, Iowa 50319-0066 515/281-4441
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 410/576-6360
Michigan	Franchise Administrator 670 Law Building 525 West Ottawa Street Lansing, Michigan 48913 517/373-7117
Minnesota	~~Deputy Commissioner~~ Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 651/539-1600
Nebraska	Nebraska Department of Banking and Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, Nebraska 68508-2732 P.O. Box 95006 Lincoln, Nebraska 68509-5006 402/471-2171
New York	New York State Department of Law 120 Broadway, 23rd Floor New York, New York 10271 212/416-8211
North Dakota	North Dakota Securities Department 600 East Boulevard Avenue State Capitol – 5th Floor Bismarck, North Dakota 58505-0510 701/328-2910
Oregon	Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 503/378-4387

Rhode Island	Associate Director and Superintendent of Securities Division of Securities 1511 Pontiac Avenue John O. Pastore Complex - Building 69-1 Cranston, RI 02920 401/462-9527
South Dakota	Franchise Administrator The Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, South Dakota 57501 605/773-4823
Texas	Secretary of State 1019 Brazos Street [Zip 78701] P. O. Box 12887 Austin, Texas 78711-2887 512/475-1769
Utah	Department of Commerce Division of Consumer Protection 160 E. 300 South SM Box 146704 Salt Lake City, Utah 84114-6704 801/530-6601
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street 9th Floor Richmond, Virginia 23219 804/371-9051
Washington	Administrator Department of Financial Institutions Securities Division 150 Israel Road SW P. O. Box 9033 [Zip 98501-9033] Tumwater, Washington 98501 360/902-8760
Wisconsin	Administrator DFI, Division of Securities 345 W. Washington Avenue P.O. Box 1768 [Zip 53701] Madison, Wisconsin 53703 608/261-9555

NO CHANGES

EXHIBIT B

STATE LAW ADDENDUM

IN CERTAIN STATES FRANCHISEES ARE PROTECTED BY SPECIFIC LAWS. THESE STATE LAWS ARE REFERENCED AND SUMMARIZED IN THIS EXHIBIT. IF THE LAWS OF A PARTICULAR STATE GOVERN YOUR FRANCHISE, ITS STATUTES AND REGULATIONS AUTOMATICALLY APPLY TO YOUR FRANCHISE, AND AMEND BOTH YOUR AGREEMENTS WITH THE FRANCHISOR AND THIS DISCLOSURE DOCUMENT INCLUDING THE DOCUMENTS WHICH ARE ATTACHED AS EXHIBITS TO THIS DISCLOSURE DOCUMENT, INCLUDING ANY CONFIRMATION OF SALES PROCEDURES), UNLESS A PARTICULAR STATE LAW IS UNENFORCEABLE BECAUSE IT CONFLICTS WITH FEDERAL LAW AND IS PREEMPTED.

ALL STATES

(EXCEPT CALIFORNIA)

Bankruptcy Disclosure

A franchisor is required to state in Item 4 of the Disclosure Document whether the franchisor, its affiliate, its predecessor, officers or general partners during the ten year period immediately before the date of the Disclosure Document: (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 Bankruptcy Code during or within one year after the officer or general partner held his position in the company or partnership. If so, the franchisor must disclose the name of the person or company that was the debtor under the Bankruptcy Code, the date of the action and the material facts.

Choice of Law and Forum

Certain states have statutes and court decisions that may supersede provisions of the franchise agreement that require the application of laws of states other than the franchisee's state or require litigation in a state other than the franchisee's state. However, some of these state laws may be unenforceable under the Federal Arbitration Act, 9 U.S.C. §§ 1-16, which pre-empts conflicting state law.

Covenants Not To Compete

Certain states have statutes (cited below) that may limit the franchisor's ability to restrict your activity after the franchise agreement has ended. Other states have court decisions limiting the franchisor's ability to restrict your activity after the franchise agreement has ended.

Federal Arbitration Act

Certain state laws prohibiting or restricting arbitration agreements may be unenforceable under the Federal Arbitration Act, 9 U.S.C. §§ 1-16, which pre-empts conflicting state law.

Federal Bankruptcy Law

A provision in the franchise agreement that terminates the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law, Title 11, United States Code, Section 101 *et seq.*

Liquidated Damages

Certain states have statutes (cited below) that may restrict or prohibit the imposition of liquidated damage provisions. The imposition of liquidated damages is also restricted by fair practice laws, contract law and state and federal court decisions.

Litigation Disclosure

A franchisor is required to disclose in Item 3 of the Disclosure Document whether the franchisor, its predecessor, a person identified in Item 2 of the Disclosure Document, or an affiliate offering franchises under the franchisor's principal trademark:

A. Has an administrative, criminal or material civil action pending against that person alleging a violation of a franchise, antitrust or securities law, fraud, unfair or deceptive practices, or comparable allegations. In addition, the franchisor must include actions other than ordinary 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. If so, the franchisor must disclose the names of the parties, the forum, nature, and current status of the pending action. The franchisor may include a summary opinion of counsel concerning the action if a consent to use of the summary opinion is included as part of the Disclosure Document.

B. Has during the ten year period immediately before the date of the Disclosure Document been convicted of a felony or pleaded *nolo contendere* to a felony charge; or been held liable in a civil action by final judgment or been the subject of a material action involving violation of a franchise, antitrust or securities law, fraud, unfair or deceptive practices, or comparable allegations. If so, the franchisor must disclose the names of the parties, the forum and date of conviction or date judgment was entered, penalty or damages assessed and/or terms of settlements.

C. 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. If so, the franchisor must disclose the name of the person, the public agency and court, a summary of the allegations or facts found by the agency or court and the date, nature, terms and conditions of the order or decree.

Relationship Statutes and Court Decisions

Certain states have statutes (cited below), and those states and others may have court cases, which may govern your relationship with the franchisor and supersede the terms of your franchise agreement, including the areas of choice of law, choice of forum, waivers, releases, periods of limitation, transfer, termination and renewal of your franchise.

ALASKA

ALASKA STAT. §§ 45.45.700 to .790.

ARKANSAS

Franchise Practices Act, ARK. CODE ANN. §§ 4-72-201 to -210.

CALIFORNIA

Franchise Investment Law, CAL. CORP. CODE §§ 31000-31516.
Franchise Relations Act, CAL. BUS. & PROF. CODE §§ 20000-20043.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

Litigation Disclosure

a. The franchisor, any person or franchise broker in Item 2 of the FDD is not 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.

Termination and Nonrenewal

b. California Business and Professions Code 20000 through 20043 provide rights to you concerning termination, transfer or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Bankruptcy Disclosure

c. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).

Covenants Not to Compete

d. The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Liquidated Damages

e. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

Arbitration

f. The franchise agreement requires binding arbitration. The arbitration will occur at the site indicated on the cover page of the Disclosure Document, with the costs to be borne by the losing party. 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 restricting venue to a forum outside the State of California.

Choice of Law and Forum

g. The franchise agreement requires application of the laws of the jurisdiction stated on the cover page of the Disclosure Document. This provision may not be enforceable under California law.

Modification of Existing Franchise

h. 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.

Waivers and Releases

i. 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).

Earnings Claims Figures

j. The earnings claims figure(s) does (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 offering circular, may be one source of this information.

Exemption for Internet Advertisement

k. The California Franchise Investment Law provides that internet advertisements may be exempt from the requirements of Corp. Code § 31156 for filing advertisements with the Commissioner, provided that the franchisor meets all of the requirements under Corp. Code § 310156.3.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

Food Service Regulations

I. The State of California has codified regulations specific to the food service industry which may be applicable to you. You may refer to California Plan Check Guide for Retail Food Facilities at http://www.ccdeh.com/resources/documents/food-safety-guidelines-1/152-california-plan-check-guide-for-retail-food-facilities-2/file. For further requirements, please see the California Retail Food Code at http://www.cdph.ca.gov/services/Documents/fdbRFC.pdf.

CONNECTICUT

Franchises, CONN. GEN. STAT. §§ 42-133e to -133h.

DELAWARE

Franchise Security Law, DEL. CODE ANN. tit. 6, §§ 2551-2556.

FLORIDA

Covenants Not To Compete

FLA. STAT. § 542.335.

HAWAII

Franchise Investment Law, HAW. REV. STAT. §§ 482E-1 to –12.
Franchise Rights and Prohibitions, HAW. REV. STAT. § 482E-6.

ILLINOIS

Illinois Franchise Disclosure Act (815 ILCS 705/1 et seq.)

Choice of Law and Forum

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside of the State of Illinois is void. However, arbitration may occur outside of Illinois. 815 ILCS 705/4 (West 2014).

Waivers and Releases

Section 41 of the Illinois Franchise Disclosure Act provides that 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. 815 ILCS 705/41 (West 2014).

Termination and Nonrenewal

Your rights upon termination and non-renewal of a Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act. 815 ILCS 705/19, 20 (West 2014).

INDIANA

Franchises, IND. CODE tit. 23, art. 2, ch. 2.5, §§ 1-51.
Deceptive Franchise Practices, IND. CODE tit. 23, art. 2, ch. 2.7, §§ 1-7.

Choice of Law and Forum

A franchise agreement requiring resolution of disputes in a forum other than Indiana is not enforceable. CODE § 23-2-2.7-1(10). Additionally, a franchise agreement requiring application of the laws of a jurisdiction other than Indiana is subject to any superseding provisions in Sections 23-2-2.5 and 23-2-2.7 of the Code. The risk factor statements on the Disclosure Document cover page indicating that disputes must be resolved in a state other than Indiana, and that the laws of a state other than Indiana apply, do not apply in Indiana.

Covenants Not To Compete

A franchisor cannot require a franchisee to covenant not to compete with the franchisor for more than three years after the termination or nonrenewal of a franchise, or in an area greater than the franchisee's exclusive area, or if the franchisee has no exclusive area, in more than a reasonable area. CODE § 23-2-2.7-1(9). Under Indiana law, a franchisee may not be liable for violations of covenants against competition by third parties.

Indemnification

To the extent required by Indiana law, a franchisee need not provide any indemnification for liability caused by the franchisee's proper reliance on or use of procedures or material provided by the franchisor or by the franchisor's negligence.

Periods of Limitation

Under Code § 23-2-2.5-30, an action must be brought within three years after the franchisee's discovery of the facts of a violation and, under Code § 23-2-2.7-7, within two years after the date of a violation.

Territories

A franchisor may not establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted to the franchisee by the franchise agreement; or, if no exclusive territory is designated, the franchisor may not compete unfairly with the franchisee within a reasonable area. CODE §§ 23-2-2.7-1(2) and 23-2-2.7-2(4).

Waivers and Releases

Code § 23-2-2.7-1(10) prohibits any limitation on litigation for breach of a franchise agreement, such as a reservation of rights to injunctive relief, liquidated damages or any other limitation on damages or remedies. A franchisee may not be required to recognize irreparable harm. Indiana law prohibits requiring a franchisee to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to release any person from liability imposed by Indiana franchise laws.

IOWA

Franchises, IOWA CODE §§ 523H.1 to .17.
Franchise Agreements, IOWA CODE § 537A.10.

Transfer

A franchisor may require the following conditions to transfer: (1) that transferee successfully completes training; (2) payment of a transfer fee to reimburse the franchisor for the franchisor's actual expenses directly attributable to the transfer; (3) that franchisee payor makes provision acceptable to the franchisor to pay any amount due the franchisor or its affiliate; (4) that financial terms of the transfer comply at the time of the transfer with the franchisor's current financial requirements for franchisees. Code §§ 537A.10(5)(c)(1 to 4). Under Code § 537A.10(5)(e), a transfer by a franchisee is deemed to be approved 60 days after the franchisee submits the request for consent to the transfer, unless the franchisor withholds consent to the transfer in writing, specifying the reason(s) for withholding consent. The written notice must be delivered to the franchisee prior to the expiration of the sixty-day period. Any such notice is privileged and is not actionable based upon a claim of defamation.

Termination

A franchisor shall not terminate a franchise prior to the expiration of its term except for good cause. Code § 537A.10(7)(a).

Nonrenewal

A franchisor shall not refuse to renew a franchise unless the franchisee has been notified of the franchisor's intent not to renew at least six months prior to the expiration date or any extension of the franchise agreement and other state specific conditions are satisfied regarding good cause. Code. § 537A.10(8)(a)(1).

MARYLAND

Franchise Registration and Disclosure Law, MD. CODE ANN., BUS. REG. §§ 14-201 to -233.
Fair Distributorship Act, MD. CODE ANN., COM. LAW II §§ 11-1301 to -1307.

Choice of Law and Forum

Section 14-216(c)(25) of the Maryland Franchise Law requires a franchisor to file an irrevocable consent to be sued in Maryland. A franchisee may sue in Maryland for claims arising under that Law.

Periods of Limitation

Under Section 14-227(e) of the Maryland Franchise Law, a franchisee may bring a lawsuit in Maryland for claims arising under that Law for a period of three years after a franchise is granted.

Waivers and Releases

Section 14-226 of the Maryland Franchise Law and Section 02.02.08.16L of the Code of Maryland Regulations prohibit a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing, renewing or assigning a franchise. When prospective franchisees disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Law when purchasing a franchise, such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Law. Any general release required as a condition of renewal, sale, transfer or assignment shall not apply to any liability under the Law.

MICHIGAN

Franchise Investment Law, MICH. COMP. LAWS §§ 445.1501 to .1546.

Arbitration

Any provision requiring that arbitration or litigation be conducted outside of Michigan is void and unenforceable. A franchisee may enter into an agreement, at the time of arbitration, to conduct arbitration at a location outside of Michigan. LAWS § 445.1527(f).

Covenants Not To Compete

LAWS §§ 445.771 *et seq.*

Franchisee Associations

Provisions prohibiting franchisees from joining franchisee associations are void and unenforceable. LAWS § 445.1527(27)(a).

Relationship Laws

Any provision allowing a franchisor to terminate a franchise prior to the expiration of its term except for good cause is void and unenforceable. Good cause includes 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 and a reasonable opportunity, which need not be more than 30 days, to cure the failure. LAWS § 445.1527(27)(c).

Any provision that allows 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 is void and unenforceable. 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 provision of the law applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by an agreement from continuing to conduct substantially the same business under another trademark or name in the same area after the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of the franchisor's intent not to renew the franchise. LAWS § 445.1527(27)(d).

Any provision allowing the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances is void and unenforceable. A renewal provision is not required. LAWS § 445.1527(27)(e).

Any provision that allows the franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause, is void and unenforceable. Good cause includes: (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, (iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations, and (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. LAWS § 445.1527(27)(g).

Any provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor is void and unenforceable. The law does not prohibit provisions allowing a franchisor to exercise 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, or allowing a 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 Section 445.1527(27)(c) of the Law. LAWS § 445.1527(27)(h).

Any provision that permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee is void and unenforceable unless provision has been made for providing the required contractual services. LAWS § 445.1527(27)(i).

Waivers and Releases

A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives the franchisee of rights under the Law is void and unenforceable, but the settlement of disputes is not prohibited. LAWS § 445.1527(27)(b).

MINNESOTA

Franchises, MINN. STAT. §§ 80C.01 to .30.

Choice of Law and Forum

Nothing in the franchise agreement shall in any way abrogate or reduce any rights of the franchisee as provided for in Chapter 80C of the Statutes. STATUTES § 80C.21 and MINN. R. 2860.4400J. A risk factor statement on the Disclosure Document cover page that a franchisee must litigate in a state other than Minnesota does not apply in Minnesota.

Liquidated Damages

Liquidated damage provisions are void. MINN. R. 2860.4400J.

Period of Limitation

An action for a violation of Chapter 80C of the Statutes may not be commenced more than three years after the cause of action accrues. STATUTES § 80C.17(5).

Relationship Laws

Except in certain specified cases, a franchisee must be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement. STATUTES § 80C.14(3)-(5).

Any termination penalty provision is void. MINN. R. 2860.4400J.

Trademarks

The Commissioner has determined that it is unfair for the franchisor not to protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the name within the intent of Section 80C.12(1g) of the Minnesota Statutes.

Waivers and Releases

A franchisee cannot assent to a release, assignment, novation or waiver of liability imposed by Minnesota law, waive rights to a jury trial or to any procedure, forum, or remedies provided by the laws of Minnesota, or consent to the franchisor obtaining injunctive relief, but the voluntary settlement of disputes is not prohibited. STATUTES § 80C.21 and MINN. R. 2860.4400D and .4400J.

MISSISSIPPI

Franchises, MISS. CODE ANN. §§ 75-24-51 to -63.

MISSOURI

Franchises, MO. REV. STAT. §§ 407.400 to .420.

NEBRASKA

Franchise Practices Act, NEB. REV. STAT. §§ 87-401 to -410.

NEW JERSEY

Franchise Practices Act, N.J. REV. STAT. §§ 56:10-1 to -12.

NEW YORK

Franchises, N.Y. GEN. BUS. LAW §§ 680-695.

Bankruptcy Disclosure

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular has: (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 the officer or general partner of the franchisor held this position in the company or partnership.

Choice of Law and Forum

The franchise agreement has been made and accepted in the state listed on the cover page of the Franchise Disclosure Documents and it will be interpreted in accordance with and governed by the laws of that state and any applicable federal and state franchise laws. You hereby consent to jurisdiction in that state. However, 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.

Litigation Disclosure

In addition to the general litigation disclosure requirements applicable to all states, as described above, New York requires the disclosure of all pending actions alleging a felony or misdemeanor; all felony convictions; any misdemeanor conviction within the past ten years; any currently effective order of any national securities association or exchange (as defined in the Securities and Exchange Act of 1934) suspending or expelling such person from membership; and any currently effective injunction or order relating to business activity as a result of an action brought by a public agency, including actions affecting a license as a real estate broker or sales agent. LAW § 683.2(e) and N.Y. COMP. CODES R. & REGS. tit. 13, § 200.2.

Termination and Nonrenewal

You may terminate the franchise agreement on any grounds available by law.

Litigation Disclosure

In addition to the general litigation disclosure requirements applicable to all states, as described above, New York requires the disclosure of all pending actions alleging a felony or misdemeanor; all felony convictions; any misdemeanor conviction within the past ten years; any currently effective order of any national securities association or exchange (as defined in the Securities and Exchange Act of 1934) suspending or expelling such person from membership; and any currently effective injunction or order relating to business activity as a result of an action brought by a public agency, including actions affecting a license as a real estate broker or sales agent. LAW § 683.2(e) and N.Y. COMP. CODES R. & REGS. tit. 13, § 200.2.

Waivers and Releases

All rights enjoyed by the franchisee and any causes of action arising in its favor from the provisions of the General Business Law of the State of New York and the regulations thereunder shall remain in force; it being the extent of this proviso that the non-waiver provisions of Sections 687.4 and 687.5 of the Law be satisfied.

NORTH DAKOTA

Franchise Investment Law, N.D. CENT. CODE §§ 51-19-01 to -17.

Arbitration

The Commissioner has determined that franchise agreements which provide that the parties agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business are unfair, unjust or inequitable within the intent of Section 51-19-09(i) of the Law.

Choice of Law and Forum

The Commissioner has determined that franchise agreements which provide that the parties agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business, or which require franchisees to consent to the jurisdiction of courts outside of North Dakota, or which specify that the parties are to be governed by the laws of a state other than North Dakota, are unfair, unjust or inequitable within the intent of Section 51-19-09(i) of the Law.

Covenants Not To Compete

N.D. CENT. CODE § 9-08-06. Covenants not to compete may not be enforceable in North Dakota. The Commissioner has determined that covenants restricting competition contrary to Section 9-08-06 of the Law, without further disclosing that such covenants may be subject to this Law, are unfair, unjust, or inequitable within the intent of the Section 51-19-09(i) of the Law.

Liquidated Damages

The Commissioner has determined that liquidated damages provisions are unfair, unjust and inequitable within the intent of Section 51-19-09(i) of the Law.

Termination

The Commissioner has determined that provisions consenting to termination are unfair, unjust and inequitable within the intent of Section 51-19-09(i) of the Law.

Periods of Limitation

The Commissioner has determined that requiring a franchise to consent to limit its claims to those that are brought within a certain time frame is unfair, unjust and inequitable within the intent of Section 51-19-09(i) of the Law.

Waivers and Releases

The Commissioner has determined that requiring a franchisee to consent to a waiver of trial by jury, or to consent to a waiver of exemplary and/or punitive damages, is unfair, unjust and inequitable within the intent of Section 51-19-09(i) of the Law.

OKLAHOMA

Covenants Not To Compete

OKLA. STAT. § 15-217-19.

OREGON

Franchise Transactions, OR. REV. STAT. §§ 650.005 to .085.

RHODE ISLAND

Franchise Investment Act, R.I. GEN. LAWS §§ 19-28.1-1 to 19-28.1-34.

Choice of Law and Forum

A provision in a franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act. LAWS § 19-28.1-14.

SOUTH DAKOTA

Franchise Investment, S.D. CODIFIED LAWS §§ 37-5B-1 to -53.

Arbitration

A written provision in a franchise contract evidencing a transaction involving commerce to settle by arbitration a controversy thereafter arising out of the contract or transaction, or the refusal to perform the whole or any part thereof, or an agreement in writing to submit to arbitration an existing controversy arising out of the contract, transaction, or refusal, is valid, irrevocable, and enforceable except upon such grounds as exist at law or in equity for the revocation of any contract. However, any condition, stipulation, or provision requiring a franchisee to waive compliance with or relieving a person of a duty or liability imposed by or a right provided by this chapter or a rule or order under this chapter is void. S.D. CODIFIED LAWS § 53-5B-21.

Liquidated Damages

Liquidated damage provisions are void. S.D. CODIFIED LAWS § 53-9-5.

Waivers and Releases

No person may, directly or indirectly, in connection with the offer or sale of a franchise disclaim or require a prospective franchisee to waive reliance on any representation made in the disclosure document or in its exhibits or amendments. However, this provision is not intended to prevent a prospective franchisee from voluntarily waiving specific contractual terms and conditions set forth in his or her disclosure document during the course of franchise sale negotiations S.D. CODIFIED LAWS § 53-5B-26(8).

VIRGINIA

Retail Franchising Act, VA. CODE ANN. §§ 13.1-557 to -574.

Relationship Laws

Any "cross-default" provision in a franchise agreement in which a default by a franchisee on one agreement will cause a default in any other agreements with the franchisor is not enforceable when applied to a franchisee in Virginia because Virginia law prohibits any provision that allows a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right given to him by any provision in the franchise. § 13.1-564.

WASHINGTON

Franchise Investment Protection Act, WASH. REV. CODE §§ 19.100.010 to .940.

Arbitration

In any arbitration involving a franchise governed by Washington law, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. Interpretive Statement No. FIS-4.

Choice of Law and Forum

In the event of a conflict of laws, the provisions of Chapter 19.100 of the Act shall prevail. Policy Statement No. FPS-1.

Covenants Not To Compete

Every contract, combination, in form of trust or otherwise, or conspiracy in restraint of trade or commerce is hereby declared unlawful. Washington Revised Code §19.86.030

Termination and Renewal

Section 19.100.180 of the Act and court decisions may govern the relationship between the franchisor and the franchisee and supersede the terms of the franchise agreement, including provisions relating to the termination and renewal of the franchise agreement.

Transfer Fees

A franchisor may collect transfer fees to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer. Interpretive Statement No. FIS-2.

Waivers and Releases

A release or waiver of rights by a franchisee shall not include rights under the Act except when executed pursuant to a negotiated settlement after the franchise agreement is in effect and where the parties are represented by independent counsel. CODE § 19.100.220(2). Provisions 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.

WISCONSIN

Franchise Investment Law, WIS. STAT. §§ 553.01 to .78.
Fair Dealership Law, WIS. STAT. §§ 135.01 to .07.

Relationship Laws

To the extent any provisions of the franchise agreement regarding notice of termination or a change in the franchise agreement conflict with Section 135.04 of the Wisconsin Fair Dealership Law, the Wisconsin law will apply.

PUERTO RICO

Dealers' Contracts, P.R. LAWS ANN. tit. 10, §§ 278-278d.

VIRGIN ISLANDS

Franchised Business, V.I. CODE ANN. tit. 12A, §§ 130-139.

IN WITNESS WHEREOF the parties have signed this State Law Addendum as of this ___ day of __________, 20__.

FRANCHISEE
[use for a corporation, partnership, limited liability company, trust, or other form of entity]:

____
(Full Legal Name of Entity)

By: ______________________________
(Signature)

____
(Type or Print Name)

Its: ______________________________
(Title)

FRANCHISEE
[use for a sole proprietorship or ownership by multiple individuals]:

____
(Signature)

____
(Type or Print Name)

____
(Signature)

____
(Type or Print Name)

FRANCHISOR:

By: ______________________________
(Signature)

____
(Type or Print Name)

Its:______________________________

PITA JUNGLE

~~EXHIBIT C~~

FRANCHISE AGREEMENT

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PITA JUNGLE FRANCHISING CORP.

FRANCHISE AGREEMENT

This Franchise Agreement ("the Agreement") is made and entered into on ___________________, ____ (the "Effective Date") by and between PITA JUNGLE FRANCHISING CORP., a Delaware corporation ("Company"), and ___________________________ ("Franchisee") with reference to the following facts:

RECITALS

A. Company's affiliate, Pita Jungle – Tempe, Inc., owns and has granted Company the perpetual license to use and sublicense the PITA JUNGLE® name and service mark, as well as in other trademarks, service marks, **trade dress,** logos and commercial symbols which identify, and are used in connection with the development, operation and marketing of PITA JUNGLE® restaurants (collectively referred to as the "Proprietary Marks")

B. Company's affiliate, Pita Jungle – Tempe, Inc., owns and has granted Company the perpetual license to use and sublicense certain business methods for the development and operation of retail restaurants featuring a natural, healthful, Mediterranean cuisine, including salads, pizzas, vegetarian burgers, wraps, hot and cold pita sandwiches. These business methods include, without limitation, distinctive signs and restaurant design specifications; interior and exterior imaging requirements; uniform operating, merchandising and marketing methods; mandatory products and ingredients, including products which are specially formulated or branded for Company, which we refer to as Proprietary Products; and confidential information and trade secrets. These business methods encompass all aspects of developing, operating and marketing PITA JUNGLE® restaurants and are referred to in this Agreement as the "PITA JUNGLE® System."

C. Company reserves the right to modify the PITA JUNGLE® System and the Proprietary Marks in its sole discretion as often, and at such times, as it believes will best promote PITA JUNGLE® restaurants to the public.

D. Franchisee desires to obtain a franchise and license to use the PITA JUNGLE® System and the Proprietary Marks in the operation of a PITA JUNGLE® restaurant, and Company is willing to grant a license to Franchisee on the terms and conditions of this Agreement.

NOW, THEREFORE, the parties agree as follows;

I. DEFINITIONS

In addition to definitions incorporated in the body of this Agreement, the following capitalized terms in this Agreement are defined as follows:

A. "Accounting Period" means the specific period that Company designates from time to time in the Manual or otherwise in writing for purposes of Franchisee's financial reporting or payment obligations described in this Agreement. For example, an Accounting Period may, in Company's discretion, be based on a calendar month, a quarterly financial calendar (which may, or may not be subdivided into blocks of weeks, e.g., 4 weeks, 4 weeks and 5 weeks), or a shorter or longer time period that Company selects in its discretion. Company may designate different Accounting Periods for purposes of paying fees and for discharging reporting obligations under this Agreement.

B. "Addendum to Lease" means the written agreement by and between Franchisee and the landlord of the Franchise Location that adds specific terms and conditions required by Company to the Lease and grants Company the right, but not the obligation, to accept an assignment of the Lease under stated conditions, in the form attached hereto as Exhibit 3.

C. "Affiliate" means an entity that controls, is controlled by, or is under common control with, a party to this Agreement.

D. "Applicable Law" means and includes applicable common law and all statutes, laws, rules, regulations, ordinances, policies and procedures established by any governmental authority with jurisdiction over the operation of the Franchised Business that are in effect on or after the Effective Date, as they may be amended from time to time. Applicable Laws includes, without limitation, those relating to building permits and zoning requirements applicable to the use, occupancy and development of the Franchise Location; business licensing requirements; hazardous waste; occupational hazards and health; consumer protection; trade regulation; worker's compensation; unemployment insurance; withholding and payment of Federal and State income taxes and social security taxes; collection and reporting of sales taxes; and the American With Disabilities Act.

E. "Calendar Year" means the 12-month period starting on January 1 and ending on December 31.

F. "Controlling Interest" means the possession, directly or indirectly, of power to direct, or cause a change in the direction of, the management and policies of a business entity. Company shall consider whether a transfer, either alone or together with all other previous, simultaneous or proposed transfers, would have the effect of transferring, in the aggregate, a sufficient number of the equity or voting interests of business entity to enable the purchaser or transferee to direct, or cause a change in the direction of, the management and policies of the business entity. For purposes of this Agreement, any person who qualifies as a Primary Owner shall be deemed to own a Controlling Interest.

G. "Effective Date" is the date indicated on page 1 of this Agreement.

H. "Franchise Location" means the business premises approved by Company for the operation of the PITA JUNGLE® restaurant that is the subject of this Agreement, having the address shown on Exhibit 1.

I. "Gross Sales" means the aggregate of all sales and other income from the Franchised Business, including receipts from the sale of gift cards, whether payment is in cash credit, or other generally accepted form of payment. Gross Sales includes, without limitation, all proceeds from any business interruption insurance, the sale of Proprietary Products and approved wholesale transactions, but excludes: (1) all sales taxes and other taxes separately stated that Franchisee collects from customers and pays to taxing authorities under Applicable Laws; (2) all refunds and credits made in good faith to arms' length customers; and (3) the discount value of all authorized coupons, vouchers, gift cards or other allowances redeemed by Franchisee.

J. “Incapacity” means an inability due to medical reasons to devote full time and attention to supervising all administrative and operational activities of the Franchised Business and compliance with this Agreement continuing for at least 4 months in the aggregate during any consecutive 12 month period during the Term, based upon the examination and findings of a physician selected by Company. A period of Incapacity shall continue without interruption unless and until the person suffering the Incapacity resumes his or her duties under this Agreement on a full time basis for 30 consecutive days.

K. "Lease" refers to the written agreement by and between Franchisee and the owner of the real property business premises where the Franchise Location is situated, which grants Franchisee the right to occupy and use the Franchise Location for the operation of a PITA JUNGLE® restaurant.

L. "Malls" include regional shopping malls, discount outlet malls and pedestrian shopping destinations, whether or not the Mall is open on the Effective Date or first opens for business after the Effective Date. Regional shopping malls refer to an integrated multiple tenant building or buildings designated by a common name providing a physical destination for retail transactions, with one or more anchor tenants and dedicated parking facilities. Pedestrian shopping destinations are a unified grouping of stores that promote themselves as a destination shopping experience.

M. "Manual" refers to all of the confidential operating manuals and other written materials loaned to Franchisee in confidence during the Term.

N. "Non-Proprietary Products/Services" refers to all foods, ingredients, condiments, beverages, fixtures, furnishings, equipment, supplies, menus, packaging, and merchandise, other than Proprietary Products, as well as any accounting, financial, advertising or other services supplied by outside vendors, authorized by Company that Franchisee may, or must, use, offer, sell or promote in operating the Franchised Business.

O. "Non-Traditional Venues" encompass a broad variety of atypical retail sites, including, without limitation, office buildings and business complexes; arenas and stadiums; theater complexes; airports and other transportation terminals; educational, health and other types of institutional facilities; store in store (including, without limitation, within a supermarket, grocery or food store of any kind); and toll roads, whether or not the Non-Traditional Venue is open on the Effective Date or first opens for business after the Effective Date.

P. "Primary Owner" refers to any person who owns at least twenty-five percent (25%) of the outstanding equity or voting interests of a Franchisee that is a business entity.

Q. "Proprietary Products" refers to (i) all products and merchandise (a) manufactured by, or for, Company or Company's Affiliate in accordance with proprietary recipes, specifications or formulas, or (b) displaying any of the Proprietary Marks and promoted as a PITA JUNGLE® brand item; and (ii) uniforms displaying any of the Proprietary Marks.

R. "World Wide Web" means that portion of the Internet used primarily as a commercial computer network by the general public, and any successor technology, whether now existing or developed after the Effective Date, that enables the general public to purchase goods or services from merchant-controlled World Wide Web sites or through other electronic means.

II. GRANT

A. Award of Rights. Company hereby awards to Franchisee, and Franchisee accepts, the right and license to use the PITA JUNGLE® System and the Proprietary Marks in connection with the operation of one PITA JUNGLE® restaurant (the "Franchised Business") at the Franchise Location, on the terms and conditions of this Agreement.

1. Franchisee shall not relocate the Franchised Business except in accordance with this Agreement.

2. In accepting the award of rights, Franchisee agrees at all times to faithfully, honestly and diligently perform its obligations under this Agreement and to continuously exert its best efforts to promote and enhance the Franchised Business and the goodwill associated with the Proprietary Marks and the PITA JUNGLE® System.

B. Limitations.

1. Company grants Franchisee no rights other than the rights expressly stated in this Agreement. Franchisee's use of the PITA JUNGLE® System or the Proprietary Marks for any purpose, or in any manner, not permitted by this Agreement shall constitute a breach of this Agreement.

2. The franchise and license awarded to Franchisee apply to the Franchise Location, and to no other location.

3. Nothing in this Agreement gives Franchisee the right to sublicense the use of the Proprietary Marks or PITA JUNGLE® System to others.

4. Nothing in this Agreement gives Franchisee the right to object to Company's award of franchises or development rights to others.

5. Nothing in this Agreement gives Franchisee an interest in Company or the right to participate in Company's business activities, investment or corporate opportunities.

6. This Agreement authorizes Franchisee to engage only in retail transactions of authorized products and services to customers for their own use and consumption at the Franchise Location; provided, however, Franchisee may accept telephone orders for sales.

7. Franchisee shall not engage in wholesale sales or distribution of products or services of any kind. The term "wholesale sales or distribution" means the direct or indirect sale of products or services to a third party for resale or further distribution through any trade

method or trade channel. Franchisee shall not maintain a World Wide Web site or otherwise maintain a presence or advertise using any public computer network (including but not limited to Facebook, blog, Twitter account or other similar electronic media) in connection with the Franchised Business. Franchisee shall not advertise or sell merchandise or services by mail order, catalog sales or comparable methods that solicit business from customers by means not requiring the customer's physical presence in the Franchise Location to complete the transaction.

C. Improvements; Duty to Conform to Modifications.

1. Any improvements, modifications or additions which Company makes to the PITA JUNGLE® System, or which become associated with the PITA JUNGLE® System, including, without limitation, ideas suggested or initiated by Franchisee, shall inure to the benefit, and become the exclusive property, of Company. Franchisee hereby assigns to Company or its designee all intellectual property rights, including, without limitation, all copyrights, in and to any improvements or works that Franchisee may create, acquire or obtain in operating the Franchised Business. Franchisee understands and agrees that nothing in this Agreement shall constitute or be construed as Company's consent or permission to Franchisee modifying the PITA JUNGLE® System. Any modification which Franchisee desires to propose or make to the PITA JUNGLE® System shall require Company's prior written consent.

2. Any goodwill resulting from Franchisee's use of the Proprietary Marks or the PITA JUNGLE® System shall inure to the exclusive benefit of Company. This Agreement confers no goodwill or other interest in the Proprietary Marks or the PITA JUNGLE® System upon Franchisee, except a license to use the Proprietary Marks and the PITA JUNGLE® System during the Term subject to the terms and conditions stated in this Agreement.

3. Franchisee understands and agrees that Company may modify the PITA JUNGLE® System from time to time in its sole discretion as often as Company's believes, in the exercise of reasonable business judgment, is necessary to best promote PITA JUNGLE® stores, as a chain, to the public. Such change or improvement may result in new fees. In the event of any change to the PITA JUNGLE® System, Company shall give Franchisee written notice of the change. Franchisee shall, at its own cost and expense, promptly adopt and use only those parts of the PITA JUNGLE® System specified by Company and shall promptly discontinue the use of those parts of the PITA JUNGLE® System which Company directs are to be discontinued. Franchisee shall not change, modify or alter the PITA JUNGLE® System in any way, except as Company directs.

D. Deviations from the PITA JUNGLE® System. Company, in its sole discretion, may allow other franchisees and licensees to deviate from the PITA JUNGLE® System in individual cases. Franchisee understands and agrees that it has no right to object to any variances that Company may allow to itself, Company's Affiliate or other franchisees, and has no claim against Company for not enforcing the standards of the PITA JUNGLE® System uniformly. Franchisee understands and agrees that Company has no obligation to waive, make any exceptions to, or permit Franchisee to deviate from, the uniform standards of the PITA JUNGLE® System. Any exception or deviation that Company does allow Franchisee must be stated in writing and executed by Company in order to be enforceable against Company.

E. Additional Franchises. Franchisee understands and agrees that this Agreement does not grant Franchisee any implied or preferential right of any kind to acquire an additional franchise to operate another Franchised Business.

III. FRANCHISE LOCATION; NO TERRITORIAL RIGHTS

A. Selection of Franchise Location.

1. Franchisee shall select the Franchise Location, subject to Company's approval, pursuant to the procedures stated in this Paragraph.

a. In evaluating potential sites, Franchisee shall consider Company's current site selection criteria set forth in the Manual as well as Company's current prototype floor plans and specifications for the design, appearance and leasehold improvements of a typical PITA JUNGLE® restaurant, which Company shall provide to Franchisee, without charge, following the parties' execution of this Agreement.

b. To obtain Company's approval of a proposed site, Franchisee shall submit a written site proposal to Company, in the form indicated in the Manual. A letter of intent or other evidence satisfactory shall accompany franchisee's site proposal to Company, which confirms the owner of the Franchise Location's willingness to offer Franchisee a lease and to execute an Addendum to Lease in the form required by Company**. Company strongly recommends that Franchisee provide the Addendum to Lease to the owner of the Franchise Location at the earliest opportunity**.

c. Following receipt of Franchisee's written site proposal Company may, in its discretion, make an on-site visit to the proposed site at its expense if Company reasonably believes that physical inspection of the demographic conditions of the area, or the proposed site, is necessary or desirable to evaluate Franchisee's proposal. Franchisee understands and agrees that the on-site visit is at Company's option and not required by this Agreement.

d. Company shall have 21 days following receipt of Franchisee's completed site proposal to complete any site visit that it chooses to make and approve or disapprove the proposed site by giving written notice to Franchisee. If Franchisee proposes more than one site, Company need only approve one site, or it may disapprove all proposed sites. Franchisee understands and agrees that Company's failure to give timely notice of approval shall constitute Company's disapproval of all sites proposed by Franchisee.

e. Franchisee understands and agrees that:

(1) It is solely responsible for site selection and, unless it retains Company's lease negotiation services, for negotiation of a lease for the Franchise Location;

(2) Neither Company's proposal or approval of a site, nor Company's lease negotiation services, constitute a guaranty, recommendation, assurance or warranty that operation of a PITA JUNGLE® restaurant located at the approved site will be

successful or profitable. Company's approval of a site signifies only that the site meets Company's current site criteria; and

(3) Neither Company's proposal or approval of a site, nor Company's lease negotiation services, certify that Franchisee's development, use or occupancy of the proposed site as a PITA JUNGLE® restaurant will conform to applicable local laws, codes or permit requirements. Franchisee understands and agrees that it is solely responsible for investigating and complying with all applicable local laws, codes and permit requirements concerning its development and occupancy of each Franchise Location.

f. When Company notifies Franchisee of its approval of Franchisee's proposed site, the parties shall execute Exhibit 1 to indicate the street address of the Franchise Location.

g. Promptly following Company's approval of the Franchise Location, Franchisee shall (i) execute a Lease and Addendum to Lease with the real property owner or master landlord of the Franchise Location, and (ii) deliver to Company a copy of the fully-executed Lease and Addendum to Lease, together with an original UCC-1 listing Company as the secured party and such other UCC filings as are necessary to properly reflect the security interest of Company. If Franchisee retains Company's lease negotiation services, Franchisee shall execute the Lease and Addendum to Lease promptly after Company delivers them in form satisfactory to Franchisee, and shall deliver them to Company together with an original UCC-1 and any amendments listing Company as the secured party.

h. Company may terminate this Agreement if Franchisee fails to secure Company's approval of the Franchise Location within four months after the Effective Date and deliver the executed Lease, Addendum to Lease and UCC-1 and related amendments to Company within six months after the Effective Date. If this Agreement terminates for the reasons stated in this paragraph, Franchisee shall not be entitled to a refund of any fees or other payments paid to Company or Company's Affiliate.

B. No Territorial Rights.

1. Franchisee will not receive an exclusive territory. Franchisee also understands and agrees that nothing in this Agreement grants to Franchisee any area, market or territorial rights or protection of any kind. Company may open or operate, or grant others, including (without limitation) Company's Affiliate, the right to open or operate, PITA JUNGLE® restaurants anywhere regardless of the proximity to the Franchise Location. Franchisee understands that it may face competition from other franchisees, from outlets that the company owns or from other channels of distribution or competitive brands that Company may control in the future.

2. Franchisee understands and agrees that (i) the rights and license awarded to Franchisee are nonexclusive; (ii) Company reserves all other rights to use the Proprietary Marks and the PITA JUNGLE® for all purposes; (iii) Franchisee shall have no right to enjoin or be compensated for the opening or operation of another PITA JUNGLE® restaurant or for any other type of use of the PITA JUNGLE® System regardless of its proximity to the Franchise Location; and (iv):

a. Company expressly reserves the absolute right to distribute any and all Non-Proprietary Products/Services and Proprietary Products using the Proprietary Marks through all channels of trade and distribution, regardless of whether (i) the channel of distribution now exists or is developed after the Effective Date, or (ii) the Non-Proprietary Products/Services or Proprietary Products are now, or in the future, authorized for sale at PITA JUNGLE® restaurants.

b. As examples of Company's reserved rights, and not by limitation, Company may, directly or indirectly, itself or through Company's Affiliate, licensee, franchisee, assignee, agent and others:

(1) Produce, license, distribute, market and sell products and services of any kind, including, without limitation, Proprietary Products, through other retail and wholesale channels of distribution, including, without limitation, by means of electronic communication, the World Wide Web, mail order catalogues, direct mail advertising, and comparable methods that solicit business from customers by means not requiring a physical transaction at a retail or wholesale location;

(2) Produce, license, distribute, market and sell products and services of any kind, including, without limitation, Proprietary Products, from supermarkets, health food stores and other wholesale and retail food stores owned by third parties that are not licensed to do business under the Proprietary Marks;

(3) Operate other kinds of businesses under the Proprietary Marks that do not feature nutritional products, Proprietary Products, or other products and services similar to those now, or in the future, featured at PITA JUNGLE® restaurants; and

(4) Operate other retail and wholesale concepts under trade names dissimilar to the Proprietary Marks that compete with PITA JUNGLE® restaurants, including retail and wholesale businesses that feature vegetarian and non-vegetarian food products, including wraps and pita sandwiches, and services similar to those now, or in the future, featured at PITA JUNGLE® restaurants.

C. Relocation.

1. If (i) the Lease expires or terminates for reasons other than Franchisee's breach; (ii) the Franchise Location or building in which the Franchised Business is located is destroyed, condemned or otherwise rendered unusable; or (iii) the parties' mutually believe that relocation will increase the business potential of the franchise, Franchisee agrees to relocate the Franchised Business, at Franchisee's sole expense, to a new location selected by Franchisee, and approved by Company, in accordance with Company's then-current site selection procedures as specified in the Manual. The parties shall amend Exhibit 1 to reflect the address of the new Franchise Location.

2. At Franchisee's sole expense, Franchisee shall construct and develop the new premises to conform to Company's then-current specifications for design, appearance and leasehold improvements for new PITA JUNGLE® restaurants, and remove any signs or other

property from the original Franchise Location which identified the original Franchise Location as part of the PITA JUNGLE® System.

3. Franchisee shall complete relocation without any interruption in the continuous operation of the Franchised Business unless Company's prior written consent is obtained. In the event Company consents to a disruption in operations and such operations cease, then Franchisee agrees that, until operations resume at the new location: (i) the term of this Agreement shall not be abated, and (ii) Franchisee shall remain liable to pay Royalty Fees and Advertising Fees (the Advertising Fund Fee and the Creative Fund Fee, as further described in this Agreement are both referred to as "Advertising Fees") in an amount equal to the average amount paid by Franchisee during the 4 calendar quarters immediately preceding the date that operations cease or the shorter period that Franchisee has been in business at the original Franchise Location.

IV. TERM AND RENEWAL

A. Term. This Agreement shall begin on the Effective Date and shall expire without notice 10 years from the Effective Date, unless this Agreement is sooner terminated as provided herein (the 10-year period is referred to as the "Term")**. This Term may be extended by Company in writing for a limited time not to exceed six months to take into account the term of any applicable lease for the Franchised Business**.

B. Renewal Term. Provided Company is granting new franchises at the time when Franchisee is permitted to exercise each renewal option granted by this Agreement, Franchisee may, at its option, renew the franchise for successive options each for an additional 5 years (each option is for a period described as the "Renewal Term" or individually, and successively, as the "First Renewal Term" and "Second Renewal Term"). To exercise each renewal option, Franchisee must comply with the following conditions:

1. Franchisee must give Company written notice of Franchisee's election to renew (the "Renewal Notice") at least 9 months, but not more than 12 months, before the end of the Term or the applicable Renewal Term. Each successive Renewal Term shall begin on the day immediately following the expiration of the Term or prior Renewal Term. Franchisee shall have no right to exercise the Second Renewal Term unless Franchisee has exercised the First Renewal Term.

2. Franchisee's Renewal Notice must each be accompanied by a non-refundable renewal fee equal to 25% of the Initial Franchise Fee that Company is then charging for a new single-unit franchise in the United States.

3. Franchisee must not be in default under this Agreement or any successor Franchise Agreement at the time it gives its Renewal Notice or on the first day of the applicable Renewal Term. Further, Franchisee must not have received more than 3 notices of default during any 24 month period during the Term or then-current Renewal Term, whether or not the notices relate to the same or to different defaults, and whether or not the defaults have each been timely cured by Franchisee.

4. To exercise each renewal option, Franchisee shall execute Company's then-current form of Franchise Agreement for a 5-year term, which agreement shall supersede this Agreement in all respects; provided, however, Franchisee shall have no additional renewal rights even if the renewal Franchise Agreement provides for a renewal option that is different than this Agreement. Franchisee shall not be required to pay the Initial Franchise Fee stated in each renewal Franchise Agreement, but instead shall pay the renewal fee stated in this Agreement. Exercise of the first renewal option shall result in an extension of this Agreement for an additional 5 years only. Franchisee understands that the renewal Franchise Agreement it is required to execute may be materially different than this Agreement, including, without limitation, requiring payment of additional or different fees to Company. Failure to execute Company's then-current form of Franchise Agreement shall be good cause for failing to renew the franchise.

5. Franchisee shall satisfy Company's then-current training requirements for renewing franchisees.

6. Franchisee shall satisfy Company's then-current appearance and design standards and equipment specifications that apply to new PITA JUNGLE® restaurants, including (without limitation) conforming the Franchised Business to Company's then-current requirements relating to decoration, furnishings, merchandise, services and inventory and accounting systems.

7. Franchisee shall execute and deliver a general release, in form satisfactory to Company, of any and all claims against Company, Company's Affiliate and their respective officers, directors, shareholders, employees and agents.

C. Ineffective Exercise of Renewal Option. Franchisee's failure to deliver the agreements and release required by this Paragraph within 30 days after Company delivers them to Franchisee shall be deemed an election by Franchisee not to exercise the applicable renewal option.

D. Extension. If Company is in the process of revising, amending or renewing its franchise disclosure documents or registration to sell franchises in the state where the Franchised Business is located, or, under Applicable Law, cannot lawfully offer Franchisee its then-current form of Franchise Agreement at the time Franchisee delivers a Renewal Notice, Company may, in its sole and absolute discretion, offer to extend the terms and conditions of this Agreement on a day-to-day basis following the expiration of a Renewal Term for as long as Company deems necessary so that Company may lawfully offer its then-current form of Franchise Agreement; provided, however, nothing in this paragraph shall require Company to extend this Agreement if, at the time Franchisee delivers a Renewal Notice (i) Company is not granting new franchises and Company cannot lawfully offer Franchisee its then current-form of Franchise Agreement, or (ii) Franchisee is in default under this Agreement or a successor Franchise Agreement.

E. Failure to Satisfy Renewal Conditions. If any of the renewal conditions are not timely satisfied, this Agreement will expire on the last day of the Term without further notice from Company; provided, however, Franchisee shall remain obligated to comply with all provisions of this Agreement which expressly, or by their nature, survive the expiration or termination of this Agreement.

V. FRANCHISE LOCATION DEVELOPMENT AND OPENING DATE

A. Franchisee's Design Plans.

1. Company shall provide Franchisee with a set of Company's prototype plans and specifications for a typical PITA JUNGLE® restaurant after the parties execute this Agreement, which Franchisee shall use in evaluating potential sites and to select the Franchise Location.

2. At Franchisee's sole expense, Franchisee shall retain the services of a licensed and qualified architect or other construction personnel to prepare design and construction plans ("Franchisee's Design Plans") that adapt Company's prototype plans and specifications to the specific dimensions and conditions of the Franchise Location and to the requirements of the Lease and Applicable Laws. Franchisor may require that Franchisee utilize a particular architect or construction personnel. At a minimum, Franchisee's Design Plans shall address, without limitation, exterior design and lighting plans, interior design and layout plans, and specifications for the items of equipment, fixtures, furniture, signs, supplies, utilities, materials and decorations that Franchisee intends to install and use in the Franchise Location, together with such other information as may be specified in the Manual.

3. Franchisee shall submit Franchisee's Design Plans to Company for approval by Company or Company's architect. Company shall promptly review Franchisee's Design Plans and may reject or approve Franchisee's Design Plans completely, or approve Franchisee's Design Plans subject to specified modifications. If Franchisee requests architecture changes that Company must have reviewed by its architect, then Franchisee agrees to pay Company the additional architectural fees incurred by Company. Company shall communicate its decision in writing within 15 days after receipt of complete Franchisee's Design Plans. Once the Design Plans are finalized, including the unique design elements described below, Franchisee may not make any changes without Franchisor's prior approval.

4. Each PITA JUNGLE® restaurant contains different design elements, to enable each restaurant to be unique while preserving the atmosphere and ambiance included within the PITA JUNGLE® SYSTEM. To enable the System to be preserved while allowing each restaurant to have unique features, certain of the design elements for the restaurant will be chosen by the Company after the Franchisee's Design Plans have been completed. A list of those design elements are contained in the Operations Manual and may vary from one PITA JUNGLE® restaurant to another. Franchisee agrees that it will amend the Franchisee's Design Plans to include the design elements prescribed by the Company that will be unique for Franchisee's restaurant, and will cause the restaurant to be constructed to include those design elements.

B. Development of Franchise Location.

1. Franchisee shall cause all construction and other development work to be carried out in compliance with the version of Franchisee's Design Plans that Company

approves, including any required specified modifications. Franchisee is solely responsible for procuring all equipment, fixtures, furniture, computer systems, signs, supplies, materials and supplies required for development and operation of the PITA JUNGLE® restaurant. Franchisee shall not make any material changes to the approved Franchisee's Design Plans without first submitting the changes to Company for its approval. Franchisee shall furthermore cause all construction and development work to conform to the Lease and Applicable Laws, including, without limitation, all government and utility permit requirements (such as, for example, zoning, sanitation, building, utility and sign permits). Franchisee shall complete development of the Franchise Location diligently, expeditiously and in a first-class manner. Company shall have access to the Franchise Location to inspect the work and performance by Franchisee's construction personnel.

2. Franchisee understands and agrees that it is solely responsible for selecting competent construction personnel and for supervising, and for the acts and omissions of, its construction personnel. Franchisee shall obtain all customary contractors' lien waivers for the work performed.

3. Company shall have no responsibility for any delays in development or opening of the Franchised Business or for any loss resulting from the design of the Franchise Location. Franchisee understands and agrees that if Company inspects the work and performance of Franchisee's construction personnel, the inspection is not for purposes of reviewing or certifying that development is in compliance with the Lease or Applicable Laws, but solely to evaluate that development conforms with the set of Franchisee's Design Plans that Company has approved and otherwise with Company's specifications for design, appearance and leasehold improvements.

4. Franchisee may not open the Franchise Location for business to the public under the Proprietary Marks unless and until Company issues a written completion certificate. The certificate shall signify that Company finds that the Franchise Location, as built, substantially conforms to Company's design specifications.

C. Opening Date.

1. Company may terminate this Agreement effective upon written notice to Franchisee if Franchisee fails to complete construction of improvements and open for business to the public by no later than twelve months after the Effective Date (the "Opening Date"). If this Agreement terminates for the reasons stated in this paragraph, Franchisee shall not be entitled to a refund of any fees or other payments paid to Company or Company's Affiliate.

2. Upon request, Company may extend the Opening Date for one six month extension if Franchisee pays a $3,500 fee for the right to extend ("Extension Fee") and Company believes Franchisee has been diligently involved in the site selection and other development process. Franchisee must request an extension at least 30 days before Franchisee is required to be open for business. Franchisee must provide a check for the $3,500 fee upon request along with the reasons for the delay, proposed solutions, estimated opening date and supporting documentation that satisfies Company's requests. The fee is non-refundable regardless of whether Company grants or denies Franchisee's request.

3. Company may further extend the Opening Date if Company determines that the Franchise Location's opening has been, or will be, delayed due to events of Force Majeure. The term "Force Majeure" includes, without limitation, an event caused by or resulting from an act of God, labor strike or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government, failure of the landlord to substantially complete its work in a timely manner for reasons not directly or indirectly attributable to Franchisee, or other cause which Company determines is not within Franchisee's control. Both the determination that an event of Force Majeure has occurred, and the length of the extension, shall be made solely by Company based upon the event causing the delay. Company shall identify the extended Opening Date in writing delivered to Franchisee. If Company extends the Opening Date, Franchisee must open for business to the public by no later than the extended Opening Date.

VI. TRAINING

A. Initial Training Program.

1. As of the Effective Date, Company's initial training program consists of two parts: (i) approximately 40-50 hours of administrative and operational training ("Part One Training") conducted in a classroom environment and/or at an operating PITA JUNGLE® restaurant that Company shall designate; and (ii) approximately four weeks of instruction (five-six days per week, 40-50 hours per week) at an operating PITA JUNGLE® restaurant, in the Phoenix, Arizona metropolitan area, at a mutually scheduled time prior to the Opening Date ("Part Two Training"). Any person who successfully completes Part One Training shall be designated a "Certified General Manager." Any person who successfully completes Part Two Training shall be designated a "Certified Kitchen Manager." Company reserves the right to modify Company's initial training program at any time without notice, and to determine the content, duration and manner of conducting the initial training program in Company's sole discretion.

2. Company shall provide the initial training program at no extra charge only once, before the opening of the Franchised Business, up to 4 persons, provided both attend the same initial training sessions. Franchisee may enroll additional trainees in the initial training program under the conditions specified in this Agreement. Company shall not be obligated to provide an initial training program in connection with Franchisee's exercise of any renewal option. Franchisee shall reimburse Company for any expenses, such as travel, room and board, which may be incurred by Company personnel in connection with the initial training program.

3. Either Franchisee or Franchisee's Primary Owner must successfully complete Part One Training on general management and administration responsibilities. Franchisee must have a general manager that has successfully completed training who will have general management and supervisory responsibilities for Franchisee's PITA JUNGLE® restaurant but Franchisee's Primary Owner may be the general manager. The general manager must successfully complete Part One Training and Part Two Training on kitchen and food preparation training before the opening of the Franchised Business and become a Certified General Manager. Franchisee shall have another one of Franchisee's employees successfully compete Part Two Training and become a Certified Kitchen Manager. The

Franchised Business must have both a Certified General Manager and a Certified Kitchen Manager (who may not be the same person) but a Primary Owner may fulfill one of these roles. If, at the end of the initial training program, all persons designated by Franchisee fail to demonstrate the requisite competency to operate and manage a PITA JUNGLE® restaurant in Company's judgment, based on Company's sole subjective evaluation, Company may terminate this Agreement. Termination shall be effective upon delivery of written notice.

4. At all times during the Term, Franchisee must employ at least one Certified General Manager and one Certified Kitchen Manager (who may not be the same person). Notwithstanding Company's designation, Company shall have no responsibility for the operating results of the Franchised Business or the performance of Franchisee's employees. Company may change the criteria for designation as a Certified General Manager or Certified Kitchen Manager at any time effective upon notice to Franchisee. Company's notice shall specify the additional training and other requirements applicable to new Certified General Managers or Certified Kitchen Managers which existing Certified General Managers and Certified Kitchen Managers must complete to maintain their designations. Company shall allow existing Certified General Managers and Certified Kitchen Managers 90 days after the new criteria become effective in which to satisfy the additional training and other requirements without suffering a lapse in their designations.

5. Any people who will be working full-time or part-time within the PITA JUNGLE® restaurant must be hired as employees and not independent contractors. This requirement does not include service personnel hired to repair or maintain the equipment or facilities in the PITA JUNGLE® restaurant.

B. Additional Training.

1. All newly hired and replacement management personnel shall demonstrate the requisite competency to operate and manage a PITA JUNGLE® restaurant in Company's judgment, based on Company's sole subjective evaluation.

2. Franchisee may request permission (i) to send additional persons to the initial training program, (ii) to enroll its employees in other initial training program sessions during the Term or in connection with the opening of subsequent PITA JUNGLE® restaurants, (iii) to extend the initial training program for a longer period, or (iv) to receive additional training and on-site assistance after the Opening Date. Franchisee understands and agrees that all additional training shall be at mutually scheduled times, subject to space availability and Company's other training commitments, and that, as a condition to receiving additional training, Franchisee must pay Company's then-current per person training fees stated in the Manual. In connection with additional on-site instruction, Franchisee shall also reimburse Company for its reasonable travel-related expenses, including, without limitation, expenses for air and ground transportation, lodging, meals, and personal charges.

3. Company reserves the right to require that Franchisee's Certified General Managers or other designated personnel attend specified additional training programs; provided, however, Company shall not require that more than 2 persons employed in any one Franchised Business designated by Company complete more than one additional training

program of up to 3 days during any 12 month period. As a condition to completing mandatory additional training, Franchisee shall pay Company's then current per person training fees.

4. In connection with any event of transfer, Franchisee or the proposed transferee shall be solely responsible for all personal expenses that the proposed transferee and its employees incur in connection with such training. Franchisee shall remain responsible for operation and management of the Franchised Business until the proposed transferee and its personnel complete and demonstrate the requisite competency to operate and manage a PITA JUNGLE® restaurant in Company's judgment, based on Company's sole subjective evaluation.

C. Additional Provisions.

1. Company shall schedule all training, including, without limitation, on-site Training, according to its training schedule, subject to space availability.

2. Franchisee understands and agrees that (i) it is solely responsible for all personal expenses that it and its employees incur to attend any and all training provided by Company whether before or after the Opening Date, including, without limitation, costs for air and ground transportation, lodging, meals, personal expenses and salaries, and (ii) that Company shall pay no compensation for any services performed by trainees in connection with any training program provided by Company.

VII. PROPRIETARY MARKS

A. Ownership.

1. Franchisee understands and agrees that, as between the parties, Company or Company's Affiliate owns the Proprietary Marks and the PITA JUNGLE® System, and Franchisee owns no rights in the Proprietary Marks or the PITA JUNGLE® System except for the license granted by this Agreement.

2. Franchisee agrees not to contest, or assist any other person to contest, the validity of Company's or Company's Affiliate's rights and interest in the Proprietary Marks or the PITA JUNGLE® System either during the Term or after this Agreement terminates or expires.

B. Use of Proprietary Marks and PITA JUNGLE® System.

1. In operating the Franchised Business, Franchisee shall (i) use only the Proprietary Marks and elements of the PITA JUNGLE® System designated by Company and only in the manner authorized and permitted by Company; (ii) use the Proprietary Marks only to operate the Franchised Business and in connection with no other activities; (iii) display notices of trademark and service mark registrations in the exact manner that Company specifies; (iv) obtain fictitious or assumed name registrations as required by Applicable Law; and (v) prominently post notices to customers informing them that Franchisee is the independent owner of the Franchised Business under license from Company.

2. Franchisee shall not use any of the Proprietary Marks or any part thereof (i) in its corporate or legal name (if Franchisee is a business entity); (ii) with any prefix, suffix or other modifying words, terms, designs, colors or symbols; (iii) in any modified form; (iv) in connection with the sale of any unauthorized products or services; (v) in any manner not expressly authorized in writing by Company; or (v) in any manner that may result in Company's liability for Franchisee's debts or obligations.

3. Company reserves the right to: (i) modify or discontinue licensing any of the Proprietary Marks; (ii) add new names, marks, designs, logos or commercial symbols to the Proprietary Marks and require that Franchisee use them; and (iii) require that Franchisee introduce or observe new practices as part of the PITA JUNGLE® System in operating the Franchised Business. Franchisee understands and agrees that the term Proprietary Marks means the specific names, marks, designs, logos or commercial symbols licensed by Company at any given point in time, subject to Company's right to impose changes. Franchisee shall comply, at Franchisee's sole expense, with Company's directions regarding changes in the Proprietary Marks and PITA JUNGLE® System within a reasonable time after written notice from Company. Company shall have no liability to Franchisee for any cost, expense, loss or damage that Franchisee incurs in complying with Company's directions and conforming to required changes.

4. Franchisee understands and agrees that any unauthorized use of the Proprietary Marks or the PITA JUNGLE® System by Franchisee shall constitute both a breach of this Agreement and an infringement of Company's intellectual property rights.

C. Defense of Proprietary Marks and PITA JUNGLE® System.

1. Company shall have the sole right to handle disputes with third parties concerning Company's ownership of, rights in, or Franchisee's use of, the Proprietary Marks or the PITA JUNGLE® System.

2. Franchisee shall immediately notify Company in writing if Franchisee receives notice, or is informed, of any: (i) improper use of any of the Proprietary Marks or elements of the PITA JUNGLE® System; (ii) use by any third party of any mark, design, logo or commercial symbol which, in Franchisee's judgment, may be confusingly similar to any of the Proprietary Marks; (iii) use by any third party of any business practice which, in Franchisee's judgment, unfairly simulates the PITA JUNGLE® System in a manner likely to confuse or deceive the public; or (iv) claim, challenge, suit or demand asserted against Franchisee based upon Franchisee's use of the Proprietary Marks or the PITA JUNGLE® System.

3. Company shall have sole discretion to take such action as it deems appropriate, including, without limitation, to take no action, and the sole right to control any legal proceeding or negotiation arising out of any infringement, challenge or claim or otherwise relating to the Proprietary Marks or the PITA JUNGLE® System. Franchisee may not initiate any communication or respond with any information on any infringement or challenge with any person other than its legal counsel, Company, Company's affiliates, or Company's counsel.

4. Franchisee shall not settle or compromise any claim, suit or demand asserted against it and agrees to be bound by Company's decisions in handling disputes

regarding the Proprietary Marks and the PITA JUNGLE® System. Franchisee shall cooperate fully with Company and execute such documents and perform such actions as may, in Company's judgment, be necessary, appropriate or advisable in the defense of such claims, suits or demands and to protect and maintain Company's rights in the Proprietary Marks and the PITA JUNGLE® System.

5. Unless it is established that a third party claim asserted against Franchisee is based, directly or indirectly, upon Franchisee's misuse of the Proprietary Marks or the PITA JUNGLE® System, Company agrees to defend Franchisee against the third party claim, provided Franchisee has notified Company immediately after learning of the claim and fully cooperates in the defense of the action. Because Company will defend the third party claim, Franchisee is not entitled to be reimbursed for legal or other professional fees or costs paid to independent legal counsel or others in connection with the matter. Notwithstanding Company's agreement to defend Franchisee under the conditions stated in this paragraph, Franchisee understands and agrees that Company agrees to indemnify or reimburse Franchisee for any liability, costs, expenses, damages or losses arising solely from a third party claim based on the Proprietary Marks or the PITA JUNGLE® System provided Franchisee's use of the Proprietary Marks or the PITA JUNGLE® System is in full compliance with the terms of this Agreement and as required by the Manual. Franchisee, on behalf of itself and each Covered Person, hereby waives any claim against Company, Company's Affiliates, and their respective officers, directors, shareholders, employees and agents based on third party claims involving the PITA JUNGLE® System or the Proprietary Marks, including, without limitation, for lost profits or consequential damages of any kind.

VIII. MANUAL

A. Loan. Company will loan Franchisee two copies of its current Manual for so long as this Agreement is in effect and the following conditions apply to Franchisee's use of the Manual. The Manuals are, and at all times shall remain, Company's sole property and shall promptly be returned to Company upon expiration, termination or an assignment of this Agreement.

1. Franchisee shall treat all information contained in the Manual as confidential, and shall use all reasonable efforts to keep the information secret. Franchisee shall not, without Company's prior written consent, copy, duplicate, record or otherwise reproduce the Manual, in whole or in part, or otherwise make it available to any person not required to have access to its contents in order to carry out his or her employment functions. At all times that the Manual is not in use by authorized personnel, Franchisee shall keep the Manual in a locked receptacle at the Franchise Location and shall only grant authorized personnel, as defined in the Manual, access to the key or lock combination of the receptacle.

2. The Manual contains both mandatory and recommended specifications, standards, procedures, rules and other information pertinent to the PITA JUNGLE® System and Franchisee's obligations under this Agreement. The Manual, as modified by Company from time to time, is an integral part of this Agreement and all provisions now or hereafter contained in the Manual or otherwise communicated to Franchisee in writing are expressly incorporated in this Agreement by this reference and made a part hereof. Franchisee shall fully comply with all mandatory requirements now or hereafter included in the Manual, and

understands and agrees that a breach of any mandatory requirement shall constitute a breach of this Agreement and grounds for termination.

B. Updating. Company reserves the right to modify the Manual from time to time to reflect changes that it may implement in the mandatory and recommended specifications, standards and operating procedures of the PITA JUNGLE® System. All revisions will be reflected in written supplements to the Manual or in other written communications delivered to Franchisee, and each supplement or communication shall become effective upon receipt or on the later date specified in the writing. Franchisee shall insert any updated pages in its copies of the Manuals upon receipt and remove superseded pages and return them to Company within 5 days following receipt. Franchisee shall immediately conform its operations to all revisions in mandatory specifications, standards, operating procedures and rules prescribed by Company.

C. Lost or Destroyed Manual. Franchisee shall promptly notify Company if any volume or part of its copies of the Manuals are lost or destroyed for any reason. Provided (i) the loss is not the result of Franchisee's breach of its duty to keep the contents of the Manual confidential, and (ii) Franchisee is not otherwise in default under this Agreement, Company shall furnish Franchisee with the needed replacement copy or portion of the current Manual. Franchisee shall pay Company a replacement Manual fee of $1,000.00, per volume, plus all shipping expenses, in full within 10 days following receipt of invoice. If either (i) or (ii) is not satisfied, Company may terminate this Agreement on account of the loss or destruction of the Manual or any portion thereof.

IX. CONFIDENTIAL INFORMATION

A. Confidential Information Defined. As used in this Agreement, the term "Confidential Information" includes, without limitation, the following: any information or knowledge concerning the formulation, ingredients, raw materials, recipes, and food preparation processes for Proprietary Products, Non-Proprietary Products/Services and other merchandise and services sold at PITA JUNGLE® restaurants; knowledge of supply relationships; inventory purchase and control procedures; knowledge of pricing, sales, profit performance or other results of operations of any individual PITA JUNGLE® restaurant, including the Franchised Business, or group of PITA JUNGLE® restaurants or the entire chain; knowledge of employee practices, procedures and systems, demographic data for determining sites and territories; the results of customer surveys and promotional programs; and, in general, methods, specifications, customer data, pricing and cost data, procedures, information systems and knowledge about the operation of PITA JUNGLE® restaurants or the PITA JUNGLE® System, whether it is now known or exists or is acquired or created in the future, and whether or not the information is included in the Manual, and any information which Company expressly designates as Confidential Information. Confidential Information does not include (i) information which Franchisee can demonstrate came to its attention independent of the PITA JUNGLE® franchise and prior to Company's disclosure of the information in the Manual or otherwise, and (ii) information that Company agrees is, or has become, generally known in the public domain, except where public knowledge is the result of wrongful disclosure (whether or not deliberate or inadvertent).

B. Limitations. Company will disclose Confidential Information to Franchisee in furnishing Franchisee with the Manual, in providing or arranging for the supply of Proprietary

Products, and otherwise through the performance of Company's obligations and the exercise of its rights under this Agreement. Franchisee shall acquire no interest in Confidential Information, other than a license to utilize it in the operation of the Franchised Business subject to the terms of this Agreement.

1. Franchisee's use, publication or duplication of Confidential Information for any purpose not authorized by this Agreement constitutes an unfair method of competition by Franchisee and, additionally, grounds for termination of this Agreement.

2. Pursuant to Paragraph XVI of this Agreement, Franchisee shall deliver to Company a separate Confidentiality and Non-Competition Agreement in the form attached hereto as Exhibit 4, executed by Franchisee and by each person who is now, or during the Term becomes, a Covered Person, as defined in that Exhibit 4. Franchisee shall deliver to Company a separate Confidentiality Agreement in the form attached hereto as Exhibit 5 executed by Franchisee and by each person who is now, or during the Term is an equity owner of the Franchisee but who would not otherwise be required to sign a Confidentiality and Non-Competition Agreement.

3. Franchisee agrees to: (i) confine disclosure of Confidential Information to those of its employees and agents who require access in order to perform the functions for which they have been hired or retained; and (ii) observe and implement reasonable procedures prescribed from time to time by Company to prevent the unauthorized or inadvertent use, publication or disclosure of Confidential Information including, without limitation, requiring that employees with access to Confidential Information, who are not otherwise required to sign a Confidentiality and Non-Competition Agreement, execute Company's current form of Confidentiality Agreement with Franchisee. Upon request from Company, Franchisee shall deliver to Company a copy of each executed Confidentiality Agreement for its records.

4. Company may terminate this Agreement if Franchisee, or any person required by this Agreement to execute a Confidentiality and Non-Competition Agreement or a Confidentiality Agreement with Company or Franchisee, breaches that Agreement.

5. All agreements contained in this Agreement pertaining to Confidential Information shall survive the expiration, termination or Franchisee's assignment of this Agreement.

6. The provisions concerning non-disclosure of Confidential Information shall not apply if disclosure of Confidential Information is legally compelled in a judicial or administrative proceeding, provided Franchisee shall have used its best efforts, and shall have afforded Company the opportunity, to obtain an appropriate protective order or other assurance satisfactory to Company of confidential treatment for the information required to be disclosed.

7. The restrictions in this Section B are imposed for the term of this Agreement, and after this Agreement is terminated (or expires), the entire length of time that any Confidential Information is a trade secret and otherwise, the longest of either four years or as long as may be required by applicable law.

C. Extraordinary Relief. Franchisee understands and agrees that Company will suffer irreparable injury not capable of precise measurement in money damages if any Confidential Information is obtained by any person, firm or corporation and is used to compete with Company or another PITA JUNGLE® franchisee or otherwise in a manner adverse to Company's interest. Accordingly, in the event a breach of any provision regarding use of Confidential Information, Franchisee, on behalf of itself and each Covered Person, hereby consents to entry of a temporary restraining order or other injunctive relief as well as to any other equitable relief which may be granted by a court having proper jurisdiction, without the requirement that Company post bond. Franchisee further agrees that the award of equitable remedies to Company in the event of such breach is reasonable and necessary for the protection of the business and goodwill of Company.

D. Assignment of Copyrights.

1. Franchisee and Company acknowledge that, during the Term, Company may authorize Franchisee to use certain works in operating the Franchised Business for which Company or Company's Affiliate own a copyright, or own a license to use a copyrighted work granted by a third party (collectively referred to as the "Copyrighted Works"); that the Copyrighted Works are, and shall remain, valuable property of Company; and Franchisee shall acquire no interest in the Copyrighted Works, other than a license to use those Copyrighted Works that Company designates in the operation of the Franchised Business subject to the terms of this Agreement.

2. Franchisee understands and agrees that the Copyrighted Works may include, without limitation, the Manual, advertising and promotional materials supplied by Company, proprietary software, and other categories of works eligible for protection under federal copyright laws that are created by, or for, Company or Company's Affiliate and are designated by Company for use in connection with operating a PITA JUNGLE® restaurant.

3. To the extent Franchisee creates, or arranges to have created for Franchisee's benefit, any improvement or work eligible for protection under federal copyright laws, Franchisee shall execute, or have the creator execute, all documents necessary to assign all intellectual property and ownership rights, including (without limitation) all copyrights, to Company. Franchisee understands and agrees that the consideration for the assignment is the grant of the franchise to Franchisee. The Company may apply for copyright registration of such works and Franchisee agrees that Franchisee's contribution to such works shall have been as "work for hire."

4. Franchisee understands and agrees that nothing in this Agreement shall constitute or be construed as Company's consent to Franchisee modifying, or creating any derivative work based upon, any of the Copyrighted Works. Franchisee must obtain Company's prior written consent before modifying or creating, directly or indirectly, any type of derivative work based on any Copyrighted Works.

5. Company may take photographs of its events in order to promote the event and the System. Franchisee consents to Company's usage of any photograph that contains an image of Franchisee that Company takes at an event or at the

Franchised Business location such as training, conferences, seminars, events or at Company's office.

X. ADVERTISING

Recognizing the value of advertising and the importance of standardizing advertising to maximize goodwill in the Proprietary Marks, enhance general consumer awareness of PITA JUNGLE® restaurants, and promote the Franchised Business, Franchisee agrees as follows:

A. Local Advertising.

1. Franchisee must spend an amount during each calendar quarter on Local Advertisements as set forth in Section X.A.8 hereof.

2. Company must approve all Local Advertisements in the manner set forth in this Agreement before Franchisee may use them.

3. The term "Local Advertisements" is used in its broadest sense to include, without limitation: (i) any written, printed or electronic communication of any kind; (ii) any communication by means of a recorded telephone message, spoken on radio, television or similar communication media; (iii) any promotional item or promotional or publicity event; (iv) listings in approved telephone directories; or (v) the use of any of the Proprietary Marks on merchandise, displays, signs, packaging materials, boxes, novelty items or other tangible personal property of any kind.

4. Company shall provide Franchisee with written guidelines for Local Advertisements. Franchisee shall not use, disseminate, broadcast or publish any material using the Proprietary Marks or promoting the Franchised Business without first obtaining Company's written approval of the copy, proposed media, method of distribution and marketing plan for the proposed Local Advertisements**. Company has the right to require Franchisee to include certain statements in Franchisee's advertising related to the System as described in the Manual, including but not limited to statements regarding the availability of franchises, Franchisor's contact information, and social media information**.

5. To apply for Company's approval, Franchisee shall submit a true and correct copy, sample or transcript of the proposed Local Advertisements, a written business plan which explains the proposed promotional event or use of the Local Advertisements, and any additional information material to the proposal disclosing Franchisee's intended use of the proposed Local Advertisements. Company shall have 14 business days from the date of receipt in which to approve or disapprove of the submitted materials. If written approval is not received by the end of 14 business days, Company shall be deemed to have rejected the proposed Local Advertisements. If written approval is given on or before the end of 14 business days, Franchisee may use the proposed Local Advertisements, but only in the exact form submitted to Company.

6. Franchisee shall have the right to determine the prices at which Franchisee sells all authorized products and services. Submission of a proposed Local

Advertisement to Company for approval shall not be for purposes of allowing Company to approve Franchisee's prices, over which Company shall have no control.

7. Franchisee shall maintain white page listings for the Franchised Business, in the form approved by Company, in one or more telephone directories designated by Company, which services the Franchised Business' market area. At Franchisee's option, Franchisee may elect to also obtain yellow page telephone directory listings for the Franchised Business. All telephone directory advertising shall be considered Local Advertisements, subject to Company's prior approval.

8. Franchisee shall conduct Local Advertising in an amount to be established by the Company from time to time up to three percent of Franchisee's Gross Sales. The exact requirement will be established by changes in the Manual or by directives sent by the Company to Franchisee. The amount required to be spent by franchisees may not be uniform throughout the system and may depend on local competitive and demographic considerations. Franchisee shall report to the Company by the tenth of each calendar month as to the nature and amount of Franchisee's Local Advertising for the preceding month. Failure to spend the required amount on Local Advertising on a cumulative basis for a calendar year shall be a default of this Agreement, permitting termination by the Company.

9. The Company may from time to time establish and abolish Regional Advertising Cooperatives. Any such Co-op will consist of all PITA JUNGLE® restaurants in a metropolitan region, whether franchised or owned by the Company. Each Co-op will be managed by the Company, which will make all decisions on its behalf, but the Company will be advised by a council composed of one representative from each PITA JUNGLE® restaurant in the region. Each Co-op will conduct advertising and marketing programs for the benefit of all PITA JUNGLE® restaurants in the region. Each Co-op will pay for such programs by assessments of up to one percent of the Gross Sales of each PITA JUNGLE® restaurant in the region, including restaurants owned by the Company or its affiliates. Franchisee agrees to pay all such assessments on Franchisee's restaurant made by any Co-op covering Franchisee's region. Franchisee may credit any assessments made by a Regional Advertising Cooperative against the requirement for Local Advertising expenditures set forth in Sections X.A.8.

10. The Company has established an internet page on which Franchisees location is disclosed. Franchisees may not maintain a separate internet page without the express written consent of the Company.

B. Electronic Advertising. Company has a right to control all use of URL's domain names, websites, addresses, metatags, links, email addresses and other means of electronic identification or origin ("e-names") related to the Franchised Business and System. Company also has the right to designate, approve, control or limit all aspects of Franchisees' use of the Internet, Intranet, World Wide Web, wireless technology, digital cable, use of e-names, email, websites, home pages, bulletin boards, chat rooms, linking, framing, on-line purchasing cooperatives, marketplaces, barter exchanges, and related technologies, methods, techniques, registrations, networking, and any electronic communication, commerce, computations, or any means of interactive electronic documents contained in a network of computers or similar devices linked by communications software (collectively, "e-commerce"). Accordingly, the Franchisee shall not develop, create, distribute, disseminate or use any e-names, internet advertising or website, or any multimedia, social media, electronic media, telecommunication, mass electronic mail, facsimile or audio/visual advertising, promotional or marketing materials, directly or indirectly related to the PITA JUNGLE® restaurant, the Proprietary Marks or the PITA JUNGLE® System in any e-commerce including any meta-tags, key words, linking or framing ("Electronic Advertising") without the Company's prior written consent, which may be withheld in the Company's sole discretion. The Company shall retain the exclusive right to develop and control the content of all Electronic Advertising for PITA JUNGLE® restaurants. However, the Franchisee may utilize certain social media websites approved by the Company to post messages in accordance with the Company's then current guidelines. If the Franchisee is permitted to use approved social media outlets as a form of Electronic Advertising, Franchisee shall state in the content of the page and any subsequent posting that the Franchisee is an independent franchisee of the Company. **Franchisee also agrees to provide Company with the current passwords to any social media account that Franchisee uses to promote the Franchised Business within five days after opening the account, upon any changes, as part of any transfer, upon termination and otherwise promptly upon Company's request. Franchisee grants Company the right to access any social media accounts to take corrective action if such advertising and postings are in violation of Company's advertising policy, are misleading or misuse the Proprietary Marks, and to operate such accounts after termination of this Agreement.** Any and all photographs and other media posted to any social media platform must comply with all applicable laws, including federal and state laws governing copyright. The Company reserves the right to require the Franchisee to utilize and participate in any social media programs or other Electronic Advertising. The Company reserves the right to revoke the Franchisee's right to use Electronic Advertising or to require that the Franchisee obtain the Company's approval of any message that Franchisee intends to post prior to posting. If the Company permits the Franchisee to develop any Electronic Advertising, the Franchisee shall do so in compliance with the Company's policies and rules regarding the creation, maintenance, use and content of such Electronic Advertising, as set forth in this Agreement and as part of the PITA JUNGLE® System. Franchisee agrees that Company owns all right, title and interest in and to, any and all websites and e-names Company commissions or utilizes or requires or permits Franchisee to utilize in connection with the System or which bear the Company's Proprietary Marks or any derivative of the Company's Proprietary Marks. Franchisee recognizes and agrees that Company also owns all rights and interest in any data collected via e-commerce related to the System, including any customer data, click-stream data, cookies, user data and hits and that such information is also included in Company's Confidential Information.

C. Grand Opening Advertising.

1. In addition to Franchisee's obligations for Advertising Fees, Franchisee shall spend a minimum of $5,000 on grand opening advertising and promotion in Franchisee's market to publicize the opening of the Franchised Business. If the Franchise Location is in a Mall or Non-Traditional Venue, Franchisee shall be excused from this obligation, but shall be obligated to comply with all grand opening and continuing advertising obligations imposed under the Lease that Franchisee enters into for the Mall or Non-Traditional Venue location.

2. Company shall assist Franchisee to develop a grand opening promotional program and implementation plan. All grand opening advertising is subject to Company's approval, which Franchisee shall obtain according to the procedure for Local Advertisements.

3. Franchisee shall account for its grand opening expenditures by submitting reports and documentation on Company's forms upon Company's request.

D. PITA JUNGLE® Marketing Fund.

1. Company has a PITA JUNGLE® Marketing Fund ("Marketing Fund") for the purpose of underwriting expenses associated with the publication of advertising and promotional programs designed to enhance consumer awareness and identity of the Proprietary Marks and PITA JUNGLE® restaurants generally.

2. Franchisee shall pay to Company, without offset, credit or deduction of any nature, an Advertising Fund Fee at a rate up to two percent of Franchisee's Gross Sales (the "Advertising Fund Fee"). The Advertising Fund Fee shall be due and payable weekly, at the same time and in the same manner as Franchisee pays Royalties. Company shall deposit the Advertising Fee into the Marketing Fund, which shall be maintained in a separate bank account segregated from the Company's other funds.

a. Company shall use the Marketing Fund to meet all costs of maintaining, administering, directing and preparing advertising and marketing programs, public relations and market research. Company will not be restricted with respect to what, where and how the Marketing Fund will be applied for these purposes. Company will retain complete discretion over the form, content, time, location, market and choice of media and markets for all advertising and promotion paid for from the Marketing Fund proceeds. Without limiting the scope of Company's general authority and discretion, Company may use the Marketing Fund to pay for the cost to (i) create, prepare and produce advertising and promotional formats, materials and samples including, without limitation, point of sale materials, promotional graphics, brochure take-away graphic menus, and coupons; purchase media space or time; purchase outdoor advertising art and space; create direct mail advertising and literature of all kinds; (ii) administer local, regional and national advertising programs, including buying direct mail and other media advertising, and purchasing electronic listings in white and yellow page web sites; (iii) conduct electronic advertising promoting the PITA JUNGLE® System and Proprietary Marks; (iv) employ advertising, public relations and media buying agencies; (v) support public relations, market research, consumer research and new product research; (vi) maintain a toll-free telephone number and system-wide intranet for franchisees to access for marketing assistance; and (vii) pay expenses directly associated with maintaining and administering the Marketing Fund, including, without limitation, the cost to prepare annual accountings, expenses to collect Advertising Fees from delinquent franchisees, and the cost of conducting the Annual Meeting if Company elects to hold one. Company may elect to have a portion of its web-site be related to franchise sales and any advertising materials prepared with Marketing Fund proceeds may state that franchises are available.

b. Company makes no representation that any amount of the Marketing Fund will be spent in any given geographic region or area, that monies will be spent on advertising or promotion which is national in scope or that money will be spent in Franchisee's market area in proportion to Franchisee's contributions to the Marketing Fund.

c. Franchisee understands and agrees that Company may (i) collect rebates, credits or other payments from suppliers based on purchases or sales by Franchisee, and (ii) condition its approval of a supplier on the supplier's willingness to agree to make such payments to Company or Company's Affiliates on account of Franchisee's purchases. Company shall have sole discretion to refund the payments to Franchisee, contribute the payments to the Marketing Fund, or retain the payments for Company's own use, regardless of any designation given to the payments by the supplier. If Company elects to contribute a payment to the Marketing Fund, the contribution shall not reduce Franchisee's obligation for Advertising Fund Fees.

d. As long as Franchisee is not in default under this Agreement, Company shall make marketing, advertising and promotional formats and sample materials created by the Marketing Fund available to Franchisee with, or without, additional reasonable charge, in Company's sole discretion; provided, however, Company's pricing policies shall apply to all PITA JUNGLE® operators. Franchisee shall be solely responsible for all costs to reproduce the formats and materials for its own use and distribution. In connection with reproduction and use of formats and materials created by the Marketing Fund, Franchisee shall observe Company's requirements with respect to protecting Confidential Information.

e. Company will prepare an annual accounting of the Marketing Fund, and will furnish a copy of it to Franchisee upon request. While Company will attempt to expend Marketing Fund collections on a current basis, it may recover over-expenditures from subsequent years and may carry forward under-expenditures. Company may reimburse itself for internal expenses that it and its Affiliate incur directly associated with maintaining and administering the Marketing Fund including, without limitation, expenses to collect contributions and general operating expenses (such as for rent and salaries in proportion to time devoted to Marketing Fund matters) and for attorneys' fees and other costs related to claims by, or against, the Marketing Fund.

f. Company may, but is not obligated to, loan money to the Marketing Fund in the event desired expenditures for any period exceed the balance in the Marketing Fund. Any funds loaned to the Marketing Fund will be repayable upon demand when funds are available and bear interest at no more than 2 points over the prime lending rate of Bank of America, its successor, or, if no longer in operation, another national banking institution with headquarters in the United States.

g. Although Company intends the Marketing Fund to be of perpetual duration, Company reserves the right to terminate the Marketing Fund at any time. If there is a balance in the Marketing Fund after payment of final expenses when Company terminates the Marketing Fund, Company shall refund part of the balance to all PITA JUNGLE® operators who paid Advertising Fund Fees for the Accounting Period before Company announced the Marketing Fund's termination in proportion to the amount of each operator's payment. Company may reinstate the Marketing Fund on the terms and conditions stated in this Agreement effective upon no less than 30 days written notice to Franchisee.

h. For each PITA JUNGLE® restaurant which Company or Company's Affiliate own, Company or Company's Affiliate shall contribute to the Marketing Fund an amount equal to the product of the lowest percentage rate of contribution that any PITA JUNGLE® franchisee is then required to pay to the Marketing Fund multiplied by the Gross Sales of the restaurant.

E. PITA JUNGLE® Creative Fund.

1. Company may establish a PITA JUNGLE® Creative Fund ("Creative Fund") for the purpose of underwriting expenses associated with the creation and development of advertising and promotional programs designed to enhance consumer awareness and identity of the Proprietary Marks and PITA JUNGLE® restaurants generally.

2. During such time as the Creative Fund is in existence, Franchisee shall pay to Company, without offset, credit or deduction of any nature, a Creative Fee at a rate up to one-half of one percent of Franchisee's Gross Sales (the "Creative Fee"). The Creative Fee shall be due and payable weekly, at the same time and in the same manner as Franchisee pays Royalties. Company shall deposit the Creative Fee into the Creative Fund, which shall be maintained in a separate bank account segregated from the Company's other funds.

a. Company shall use the Creative Fund to meet all costs of creating, developing and preparing advertising and marketing programs, public relations and market research. Company will not be restricted with respect to what, where and how the Creative Fund will be applied for these purposes. Without limiting the scope of Company's general authority and discretion, Company may use the Creative Fund to pay for the cost to (i) create, prepare and produce advertising and promotional formats, materials and samples including, without limitation, point of sale materials, promotional graphics, brochure take-away graphic menus, and coupons; and create direct mail advertising and literature of all kinds; (ii) employ advertising, public relations and media buying agencies; (iii) support public relations, market research, consumer research and new product research; and (iv) pay expenses directly associated with maintaining and administering the Creative Fund, including, without limitation, the cost to prepare annual accountings and expenses to collect Creative Fees from delinquent franchisees. Any advertising materials prepared with Creative Fund proceeds may state that franchises are available.

b. Company makes no representation that any amount of the Creative Fund will be spent in any given geographic region or area, that monies will be spent on advertising or promotion which is national in scope or that money will be spent in Franchisee's market area in proportion to Franchisee's contributions to the Creative Fund.

c. Franchisee understands and agrees that Company may (i) collect rebates, credits or other payments from suppliers based on purchases or sales by Franchisee, and (ii) condition its approval of a supplier on the supplier's willingness to agree to make such payments to Company or Company's Affiliates on account of Franchisee's purchases. Company shall have sole discretion to refund the payments to Franchisee, contribute the payments to the Creative Fund, or retain the payments for Company's own use, regardless of any designation given to the payments by the supplier. If Company elects to contribute a payment to the Creative Fund, the contribution shall not reduce Franchisee's obligation for Creative Fees.

d. As long as Franchisee is not in default under this Agreement, Company shall make marketing, advertising and promotional formats and sample materials created by the Creative Fund available to Franchisee with, or without, additional reasonable charge, in Company's sole discretion; provided, however, Company's pricing policies shall apply to all PITA JUNGLE® operators. Franchisee shall be solely responsible for all costs to reproduce the formats and materials for its own use and distribution. In connection with reproduction and use of formats and materials created by the Creative Fund, Franchisee shall observe Company's requirements with respect to protecting Confidential Information.

e. Company will prepare an annual accounting of the Creative Fund, and will furnish a copy of it to Franchisee upon request. While Company will attempt to expend Creative Fund collections on a current basis, it may recover over-expenditures from subsequent years and may carry forward under-expenditures. Company may reimburse itself for internal expenses that it and its Affiliates incur directly associated with maintaining and administering the Creative Fund including, without limitation, expenses to collect contributions and general operating expenses (such as for rent and salaries in proportion to time devoted to Marketing Fund matters) and for attorneys' fees and other costs related to claims by, or against, the Creative Fund.

f. Company may, but is not obligated to, loan money to the Creative Fund in the event desired expenditures for any period exceed the balance in the Creative Fund. Any funds loaned to the Creative Fund will be repayable upon demand when funds are available and bear interest at no more than 2 points over the prime lending rate of Bank of America, its successor, or, if no longer in operation, another national banking institution with headquarters in the United States.

g. Although Company intends the Creative Fund to be of perpetual duration, Company reserves the right to terminate the Creative Fund at any time. If there is a balance in the Creative Fund after payment of final expenses when Company terminates the Creative Fund, Company shall refund part of the balance to all PITA JUNGLE® operators who paid Creative Fees for the Accounting Period before Company announced the Creative Fund's termination in proportion to the amount of each operator's payment. Company may reinstate the Creative Fund on the terms and conditions stated in this Agreement effective upon no less than 30 days written notice to Franchisee.

h. For each PITA JUNGLE® restaurant which Company or Company's Affiliate own, Company or Company's Affiliate shall contribute to the Creative Fund an amount equal to the product of the lowest percentage rate of contribution that any PITA JUNGLE® franchisee is then required to pay to the Marketing Fund multiplied by the Gross Sales of the restaurant.

XI. PAYMENTS

A. Initial Franchise Fee.

1. In consideration of the franchise and license granted to Franchisee, Franchisee shall pay to Company in full upon execution of this Agreement as an initial franchise fee (the "Initial Franchise Fee") the sum of $50,000, less the application processing fee, if any, paid by Franchisee to Company before the date of this Agreement.

2. The Initial Franchise Fee is fully earned when paid and no portion of it is refundable under any circumstance; however, if Franchisee participates in the initial training

program and fails to demonstrate the requisite competency required to operate and manage a PITA JUNGLE® restaurant in Company's judgment, so that the Company terminates the franchise pursuant to Section VI.A.3 of this Agreement, the Company will refund all of the Initial Franchise Fee except $5,000.

B. Royalty Fee. Beginning on the Opening Date and for the remainder of the Term, Franchisee shall pay to Company, without offset, credit or deduction of any nature, a Royalty Fee of five percent of total Gross Sales by the Franchisee. If any governmental taxing authority imposes a tax (other than Income tax) on us upon or against the Royalties payable under this Agreement, you shall pay these taxes together with the Royalty Fee payment to us.

1. The Royalty Fee shall be due and payable within five days after the end of each week (Monday through Sunday), or such other Accounting Period as may be designated by Company in the Operating Manual, based upon the Franchised Business' aggregate Gross Sales during the Accounting Period just ended.

2. Franchisee shall pay the Royalty Fee by automatic bank debit in accordance with the procedure established from time to time in the Operating Manual.

C. Advertising Fee. Beginning on the Opening Date and for the remainder of the Term, Franchisee shall pay to Company, without offset, credit or deduction of any nature, the Advertising Fee described in this Agreement at the same time, for the same period and in the same manner as the Royalty Fee.

D. Unauthorized Marketing Fee. If Franchisee fails to obtain Company's prior approval on any advertising material before use as required in Section X.A or Franchisee fails to stop using any advertising materials that Company has withdrawn its approval to use, then Company will impose the then-current unauthorized marketing fee per violation. The current unauthorized marketing fee will be stated in the Manual. The current fee is $200 per violation. Such a fee will continue to be imposed on a monthly or per use basis if Franchisee continues to use unauthorized materials or fail to correct the unauthorized advertising after notification.

E. Noncompliance Fee Payment. If Franchisee fails to comply with Company's requirements after due notice, then, in additional to all other remedies in this Agreement or in substitution of any other remedies, as Company by elect, Company has the right to impose its then-current noncompliance fee per violation. The current noncompliance fee will be stated in the Manual. The current fee is $200 per violation. Such a fee will continue to be imposed on a monthly or per violation basis if Franchisee continues to violate Company's standards or requirements.

F. ~~D.~~ Late Payment.

1. If Franchisee fails to pay any amount due to Company under this Agreement by the date payment is due, Franchisee shall additionally be obligated to pay, as a late charge, the sum of $200. Additionally, Franchisee shall pay interest on the amount outstanding at the rate of 1 1/2% per month (but not to exceed the maximum legal rate of

interest) imposed from the date payment was due until the entire sum and late charge is paid in full.

a. Interest shall accrue on the total past due sum from the date payment is due.

b. Interest shall accrue on the $200 late charge starting 10 days after the date payment is due if Franchisee fails to pay, in full, within 10 days from the due date, the amount outstanding, together with the late charge and interest on the late payment.

2. Franchisee understands and agrees that the provisions of this paragraph do not constitute an agreement by Company to accept any payment after the date payment is due or a commitment by Company to extend credit to, or otherwise finance, the Franchised Business, and that Franchisee's failure to pay all amounts when due shall constitute grounds for termination of this Agreement notwithstanding this provision.

G. ~~E.~~ Application of Fees. Notwithstanding any designation by Franchisee, Company shall have the sole discretion to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, Advertising Fees, purchases from Company or Company's Affiliate, interest or any other indebtedness, in such amounts and in such order as Company shall determine.

H. ~~F.~~ Taxes. If Company is engaged in business in the jurisdiction in which Franchisee's PITA JUNGLE® restaurant is located (Franchisee's Jurisdiction) otherwise than by entering into franchise agreements and taking actions required by the franchise agreements, and if Franchisee's Jurisdiction imposes a franchise, transaction privilege, excise, sales or use tax upon Company for the Royalties or Advertising Fees paid by Franchisee to Company, Franchisee agrees that it will pay Company such additional sums equal to the franchise, transaction privilege, excise, sales or use tax imposed on Company relating to the Royalties or Advertising Fees paid by the Company to Franchisee's Jurisdiction.

XII. ACCOUNTING AND RECORDS

A. Maintenance of Business Records.

1. During the Term, Franchisee shall maintain full, complete and accurate business records in accordance with the standards stated in the Manual or otherwise prescribed by Company in writing.

2. Franchisee shall keep all business records and required business equipment and software systems together at the place where notices to Franchisee are required to be sent, unless Company grants Franchisee permission to keep its business records elsewhere.

3. All business records that this Agreement requires Franchisee to maintain shall be retained by Franchisee for a minimum of 7 years during, and following, the expiration, termination, or Franchisee's assignment, of this Agreement.

B. Reports.

1. Franchisee shall submit to Company weekly statistical control forms and such other financial, operational and statistical information as Company may require to (i) assist Franchisee in the operation of the Franchised Business in accordance with the PITA JUNGLE® System; (ii) allow Company to monitor Franchisee's Gross Sales, purchases, costs and expenses; (iii) enable Company to develop chain-wide statistics; (iv) assist Company to develop new authorized products, remove unsuccessful authorized products, including unsuccessful Proprietary Products, and improve and enhance Proprietary Products; and (v) implement changes in the PITA JUNGLE® System to respond to competitive and marketplace changes; provided, however, nothing herein shall prevent Company from polling Franchisee's point of sale cash collection system and other financial records daily, or more frequently, by electronic or other remote means.

2. Franchisee shall comply with Company's requests for additional information, including, without limitation, supplying a copy of all sales and income tax returns relating to the Franchised Business at the time Franchisee files them with governmental authorities.

3. Franchisee shall conform to Company's prescribed inventory control procedures, including, without limitation, using prescribed proprietary systems to document inventory sold, remaining inventory levels and other information pertinent to inventory and restocking. Such information shall be conveyed to Company electronically and, upon request, in writing.

4. After the Opening Date, Franchisee shall submit to Company:

a. Financial reports substantiating and documenting actual Gross Sales of the Franchised Business and providing such additional information as Company may request, on forms, and in the manner, prescribed by Company, which cover the same Accounting Period as, and must be submitted to Company on or before the date for payment of, Royalty Fees.

b. On or before 20 days after the end of each Accounting Period, in the form approved by Company, a profit and loss statement and balance sheet, providing the results of operation during the Accounting Period just ended and cumulative information for the Calendar Year-to-date.

c. Within 45 days after the end of each Calendar Year during the Term and any Renewal Term, a profit and loss statement and balance sheet as of the last day of the Calendar Year, prepared in accordance with the accounting procedures stated in the Manual.

5. All reports submitted to Company pursuant to this Agreement shall be executed by Franchisee or a duly authorized representative of Franchisee, certifying that the information is true and correct and that no material fact has been omitted which is necessary in order to make the information disclosed not misleading.

C. Recording of Transactions.

1. Franchisee shall track and record all sales and transactions with customers of the Franchised Business utilizing the equipment, recording and point-of-sale systems prescribed by Company in the Manual. Franchisee shall additionally utilize a computer terminal, dedicated modem and such other business equipment required by Company and shall purchase, install and use designated non-proprietary and proprietary software programs to record business activities, sales and inventories and to prepare operating reports in accordance with the requirements of the Manual. All of the foregoing equipment and software shall by purchased and maintained by Franchisee at its sole expense and shall at all times conform to Company's specifications, which Company may modify in its discretion from time to time.

2. If Company requires Franchisee to use proprietary software in operating the Franchised Business, Franchisee shall execute Company's form of separate software license agreement within 10 days after its delivery by Company.

3. Company may inspect and copy any and all records of Franchisee at any time upon reasonable notice, but shall keep all such information in such records confidential except to the extent necessary for Company to enforce its rights under this Agreement and to the extent necessary for Company to comply with any law or court or administrative order.

D. Audit Rights.

1. Company and its representatives shall have full access to examine, audit and copy Franchisee's business records relating to the Franchised Business, including Franchisee's federal and state income tax returns and sales tax returns, bank statements (including deposit slips and canceled checks), data stored on Franchisee's computer terminal, point-of-sale systems or on disk, and any other documents and information that Company reasonably requests in order to verify Gross Sales or other information reported to Company.

2. Franchisee understands and agrees that Company or its representatives may access Franchisee's business records kept on disk or stored on Franchisee's computer terminal at any time, without notice, by remote electronic means.

3. Company may conduct its examination in Franchisee's business office where the records are kept or request that copies of documents be made by Franchisee and sent to Company or to its representatives for their examination in their office. Additionally, Company may, at its expense, have an independent audit made of Franchisee's business records at any time.

4. If any examination or audit conducted by Company reveals an understatement in the Gross Sales or other information reported by Franchisee to Company, then Franchisee shall, within 10 days after notice from Company, pay to Company any additional Royalty Fees and Advertising Fees that are owed, together with interest at the rate of 10 percent per annum plus late charges as provided in this Agreement. Additionally, Company may require that, until further notice from Company, all future reports and financial statements submitted by Franchisee pursuant to this Agreement be prepared by an independent certified public accountant, or such other independent accountant acceptable to Company.

5. If Company discovers that Franchisee has underreported Gross Sales, Franchisee shall also pay and reimburse Company for all expenses that Company incurs connected with Company's examination and audit, including, but not limited to, Company's accounting and legal fees and travel expenses.

6. If 2 or more audits or examinations of Franchisee's business records conducted within any 24 month period disclose that Franchisee has underreported Gross Sales, then the second understatement shall be conclusively presumed to have been intentional for purposes of this Agreement. In addition to the consequences identified in this Agreement arising because of the understatement, Company may terminate this Agreement upon discovery of the second understatement based upon Franchisee's intentional underreporting of Gross Sales.

E. Electronic Payment. Company reserves the right to collect from Franchisee all obligations arising under this Agreement, and all sums owed to Company's Affiliate, electronically through one ore more depository transfer accounts or using such methods as Company may designate in the Manual or otherwise in writing. Franchisee shall bear all costs to establish and maintain the required electronic payment system and shall comply with Company's procedures for electronic payment, which Company may modify in its discretion during the Term.

F. Project Management Software. Company reserves the right to require that Franchisee use specific software applications, tracking systems or other similar means, at Franchisee's cost, which Company may, from time to time, designate or specify to manage the process of developing the Franchise Location, from selection of potential sites through the completion of construction and restaurant opening obligations.

XIII. STANDARDS OF QUALITY AND PERFORMANCE

A. Strict and Punctual Performance. Franchisee understands and agrees that its strict and punctual performance of all obligations set forth in this Agreement, the Manual or otherwise communicated to Franchisee in writing is a condition of the franchise granted to Franchisee. Without limiting the scope of Franchisee's duties, Franchisee understands and agrees that the failure to abide by Company's standards of quality and performance shall not only constitute a breach of this Agreement, but infringement of the Proprietary Marks.

B. Proprietary Products.

1. Company may, from time to time throughout the Term, in its sole discretion, require that Franchisee purchase, use, offer, sell and promote, and maintain in stock at the Franchise Location in quantities needed to meet reasonably anticipated consumer demand, certain proprietary foods, food supplements, equipment and other consumable and non-consumable merchandise constituting Proprietary Products. Company shall not be obligated to reveal the specifications, formulas, recipes or supply arrangements of Proprietary Products, which information Franchisee understands and agrees constitutes Confidential Information. Franchisee understands and agrees that Company may, in its discretion, as frequently as it deems necessary, change the identity, specifications, formulas, recipes, inventory requirements and designations, and add new products and delete existing products,

from the items that it designates as Proprietary Products. Franchisee shall conform to all changes immediately upon written notice from Company unless Company's written notice specifies a later implementation date.

2. Franchisee shall purchase Proprietary Products only from Company's designated suppliers, which may include Company's Affiliate. Franchisee understands and agrees that Company shall not be liable to Franchisee for delays or shortages in the supply of Proprietary Products or for any defect in the Proprietary Products purchased, and that Franchisee's sole remedy in any of the foregoing events shall be against the manufacturer or supplier of the Proprietary Products.

C. Non-Proprietary Products/Services; Alternative Suppliers.

1. Company shall designate all Non-Proprietary Products/Services that Franchisee may, or must, use, offer, sell or promote in operating the Franchised Business.

2. To the extent any Non-Proprietary Products/Services constitute inventory sold to the public, or ingredients or raw materials used to prepare foods or beverages sold to the public, Franchisee shall maintain sufficient quantities of the Non-Proprietary Products/Services in stock at the Franchise Location in order to meet reasonably anticipated consumer demand.

3. Franchisee shall purchase Non-Proprietary Products/Services only from suppliers included on Company's then-current list of approved suppliers, which Company may revise in its discretion as frequently as it deems necessary. All changes in the specifications for Non-Proprietary Products/Services, or to the list of approved suppliers, shall be communicated to Franchisee by written supplements to the Manual or otherwise in writing. Franchisee shall not place a new order, utilize or enter into a new contract for any Non-Proprietary Products/Services with a supplier after receiving written notice of changes in the Non-Proprietary Products/Services' specifications or that Company's approval of the supplier has been withdrawn or revoked.

4. If Franchisee desires to offer for sale or use at the Franchised Business any item or service which does not, at that time, meet Company's specifications for Non-Proprietary Products/Services, or desires to purchase Non-Proprietary Products/Services from a supplier not on Company's approved supplier list, Franchisee shall submit a written request to Company identifying the proposed item/service or supplier, together with (i) samples of the item/service for examination, evaluation and/or testing so that Company may evaluate if the item/service meets its specifications and quality standards, and/or (ii) information supporting the proposed supplier's financial capability, business reputation, delivery performance and credit rating. Company reserves the right to impose a testing fee to cover its direct costs to approve an alternative product/service or supplier. Franchisee's payment of the testing fee shall be a condition to obtaining approval to offer for sale, or use, an item/service or buy from a supplier not previously approved by Company.

a. Company will notify Franchisee in writing within 30 days after all requested information is received and inspection or testing is completed if it approves the proposed item/service and/or supplier. Company's failure to timely respond shall constitute its disapproval. Each supplier designated or approved by Company must comply with Company's usual and customary requirements regarding insurance, indemnification and non-disclosure.

b. Franchisee understands and agrees that it is generally advantageous to the PITA JUNGLE® System to limit the number of suppliers of certain Non-Proprietary Products/Services in any given market area and that, among the factors Company may consider in deciding whether to approve a proposed supplier, is the effect its approval may have on the ability of Company and its franchisees to obtain the lowest prices, on the quality and uniformity of Non-Proprietary Products/Services used or sold under the Proprietary Marks, and on whether the supplier will grant discounts or rebates to the Company, its affiliates or its franchisees as a result of purchases from franchisees.

c. At any time, Company may re-inspect the facilities of an approved supplier and revoke its approval of a supplier or item/service if Company, in the exercise of reasonable business judgment, determines doing so is in the best interests of Company or the PITA JUNGLE® System. Revocation shall be effective upon written notice to Franchisee. Following receipt of Company's notice, Franchisee shall not place any new orders for the item/service or with the supplier, nor may you use or make arrangements for services with the supplier.

d. Franchisee understands and agrees that Company's recommendation or approval of a supplier does not constitute a representation or warranty of the supplier's ability to meeting Franchisee's purchasing/serving requirements nor of the fitness or merchantability of the Non-Proprietary Products/Services sold by the supplier. Franchisee understands and agrees that its sole remedy in the event of any shortages, delays or defects in the Non-Proprietary Products/Services purchased shall be against the manufacturer or supplier of the Non-Proprietary Products/Services.

D. Purchases from Company or Company's Affiliate. From time to time, Company or Company's Affiliate may be a designated supplier of specific Proprietary Products and Non-Proprietary Products/Services in which case the following terms shall apply:

1. Franchisee understands and agrees that Company or Company's Affiliate, as supplier, shall have sole discretion to make a profit, establish and change prices and other terms of sale, shipment and delivery, which shall be stated on the contract, invoice or purchase order form or in the Manual or by other means of communication; provided, however, the prices that Franchisee shall pay shall be the same as the prices charged to similarly situated franchisees.

2. Neither Company nor Company's Affiliate shall be liable to Franchisee for delays or shortages in any Proprietary Products or Non-Proprietary Products/Services that they elect to sell to Franchisee due to causes beyond their control.

3. At any time, Company or Company's Affiliate, as supplier, may discontinue the sale of any Proprietary Products or Non-Proprietary Products/Services for any reason without notice.

4. Neither Company nor Company's Affiliate shall be obligated to fill or ship any orders to Franchisee if Franchisee is in breach of any obligation under this Agreement, or after the Effective Date of Termination or Expiration of this Agreement.

E. Standards of Service. Franchisee shall (i) offer for sale, and sell/use, only the specific foods, beverages, Proprietary Products, Non-Proprietary Products/Services, equipment, and other merchandise designated by Company; (ii) label and identify all items offered for sale by the specific name designation given to them by Company; (iii) use only the equipment, supplies, utensils, materials, signs, menu boards, packaging and delivery services prescribed by Company or which conform to Company's current specifications and standards; (iv) adhere to Company's instructions for storing, handling, preparing, serving and delivering foods and beverages, including, without limitation, following Company's recipes and specifications for weight, dimensions and other characteristics of consumable products, Company's requirements for food safety, and Company's specifications for reproducing the Proprietary Marks on containers, napkins and packaging; (v) adhere to Company's instructions regarding signs, awnings, lighting and security; and (vi) operate the Franchised Business in accordance with Company's inventory, restocking, and customer service standards and specifications. All specifications shall be set forth in the Manual or otherwise communicated to Franchisee and may be revised by Company as frequently as Company deems necessary in its sole discretion.

1. Franchisee understands and agrees that Company's authorized menu and menu formats may include, in Company's discretion, requirements concerning organization, graphics, product descriptions, illustrations and other design and content features; that Company may vary the menu, menu format, descriptions and other designations depending on market size, geographic region, restaurant size and other factors in Company's sole discretion; and Company may implement changes in the menu and menu formats and authorize tests and special promotions of new foods, beverages, Proprietary Products, Non-Proprietary Products/Services, equipment, and other merchandise at selected PITA JUNGLE® restaurants or within selected regions, all in Company's sole discretion.

2. Franchisee shall, at its own expense, conform to all changes implemented by Company immediately upon written notice from Company unless Company's written notice specifies a later implementation date. Franchisee shall not offer for sale or sell any other kind of merchandise or services, or deviate from Company's current standards or specifications, except with Company's prior written consent. All such changes, additions or revisions as provided for in this subsection shall be binding on Franchisee. These changes may affect your rights and financial obligations. Any change, addition or revision to the System may include additional costs or additional fees to be paid to a third party or directly to the Company. Franchisee agrees to adopt and implement all such changes at his own expense, as though they were part of the System at the time of the execution of this Agreement.

3. All foods and beverages shall be of the quality required by the Manual and sold only in containers and with packaging and other materials approved by Company.

4. Franchisee shall not install or maintain on the Franchise Location any video games, juke boxes, gaming machines, gum machines, games, rides, vending machines or other similar devices.

5. Company may, from time to time, authorized Franchisee to test market specific products or services in connection with operation of a PITA JUNGLE® restaurant. Franchisee shall cooperate in test marketing programs and shall comply with Company's rules and regulations established in connection therewith, without reimbursement or compensation of any kind.

6. Franchisee shall cooperate with and participate in any e-commerce programs that Company implements, to serve as a local retail support center or in another capacity that Company designates.

F. POS System and Camera Surveillance. Franchisee shall use and maintain the point of sale cash collection system and camera surveillance system specified in the Manual or otherwise by Company in writing. Additionally, Franchisee shall maintain electronic data exchange service designated by Company to enable Company to remotely retrieve sales, inventory and other operating data as frequently as Company deems necessary.

G. Point of Sale ("POS") Surveillance Software. The Company reserves the right to require the Franchisee, at its sole expense, to install POS surveillance software on the POS system installed in the Franchised Business if the Company determines, at its sole discretion, there is a need for such surveillance to ensure all financial transactions are being properly handled or reported by Franchisee. Should Franchisee elect to install such software independent of Company's demand, Franchisee agrees to provide Company copies of any reports from such software at Company's request.

H. Mystery Shopping Service. The Company reserves the right, from time to time but no greater than once a month if the Franchisee is in compliance with this Agreement, through itself, a designee or through a third party secret shopping service to evaluate the operation and quality of the Franchisee's PITA JUNGLE® restaurant, including the Franchisee's adherence to the PITA JUNGLE® System. The Company may use such service evaluations to inspect the Franchisee's PITA JUNGLE® restaurant at any time at the Company's expense, without prior notification to the Franchisee. The Company may make the results of any such service evaluation available to the Franchisee, in the Company's sole discretion. Company also has the right to make regular inspections as stated in Article XIV.

I. Franchise Location and Tangible Property.

1. Franchisee shall, at its own expense, maintain the condition and appearance of the Franchise Location and all tangible property used to operate the Franchised Business in the highest degree of cleanliness, orderliness and repair, consistent with the standards, specifications and requirements of the PITA JUNGLE® System and as Company may from time to time direct. Franchisee shall promptly replace any tangible property used to operate the Franchised Business that becomes worn, damaged and non-repairable, or mechanically impaired to the extent that it no longer adequately performs the function for which it was originally intended. All replacement items shall be of the same type, model and quality then specified in the Manual at the time replacement is required.

2. Franchisee understands and agrees that its failure to repair or maintain the Franchise Location and the tangible property of the Franchised Business in accordance with

Company's standards shall constitute a breach of this Agreement. Without waiving its right to terminate this Agreement for such reason, Company may notify Franchisee in writing specifying the action to be taken by Franchisee to correct the deficiency. If Franchisee fails or refuses to initiate a bona fide program to complete any required repair, maintenance or corrective work within 30 days after receiving Company's notice, Company shall have the right, in addition to all other remedies, to enter the Franchise Location and complete the required repair, maintenance or corrective work on Franchisee's behalf. Company shall have no liability to Franchisee for any work performed. To the extent Company elects to perform required repair, maintenance or corrective work, or to replace non-conforming property with conforming property, Franchisee shall be invoiced for labor and materials, plus a 25 percent service charge and an amount sufficient to reimburse Company for Company's actual direct costs to supervise, perform and inspect the work and procure any replacement items, including (without limitation) labor, materials, transportation, lodging, meals, contractor fees and other direct expenses, all of which shall be due and payable upon receipt of invoice.

3. Franchisee shall not alter or modify the Franchise Location or any of the tangible property used to operate the Franchised Business in a manner contrary to Company's then-current standards.

4. In addition to maintaining the Franchise Location and tangible property in continuous good condition and repair in accordance with this Agreement, Franchisee shall, at its sole expense, periodically make reasonable capital expenditures to remodel, modernize and redecorate the Franchise Location and equipment contained therein so that the Franchised Business at all times reflects the then-current image and standards of operation and performance capability of the PITA JUNGLE® System. All remodeling, modernization or redecoration of the Franchise Location must be done in accordance with the standards and specifications that Company prescribes, subject to Company's right to modify those standards and specifications reasonably in the exercise of Company's business judgment.

J. Compliance With Laws. Franchisee shall at all times operate the Franchised Business in strict compliance with all Applicable Laws. Franchisee shall secure and maintain in good standing all necessary licenses, permits, deposits and certificates required to operate the Franchised Business lawfully and shall provide Company with proof of compliance promptly following Company's request.

K. Credit Cards Gift Certificate and Other System-Wide Marketing Programs. Franchisee shall honor all credit cards designated by Company and enter into and maintain, at Franchisee's sole expense, all necessary credit card agreements with the issuers of designated cards. Franchisee shall participate in, and abide by, the PITA JUNGLE® gift certificate program described in the Manual, as Company may revise it from time to time, and such other system-wide marketing programs identified by Company, including, without limitation, participation in designated e-commerce programs to serve as a retail support center or in another capacity for Company's electronic distribution activities; provided, however, nothing herein shall limit Franchisee's right to establish the resale price of goods and services offered for sale at the Franchised Business. Franchisee acknowledges and agrees that protection of customer privacy and credit card information is necessary to protect the goodwill of the System. Franchisee must implement all administrative, physical and technical safeguards necessary to be in accordance with applicable law and best industry practices to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, email addresses, social security numbers, employee identification numbers, signatures, passwords, financial information, credit cards information, vehicle identification numbers, account numbers, biometric or health data, government-issued identification numbers and credit-report information ("Personal Identifiable Information" or "PII"). It is Franchisee's responsibility to confirm that the safeguards Franchisee uses to protect Personal Identifiable Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of PII even if Company provides Franchisee with any suggestions or guidance. If Franchisee becomes aware of any suspected or actual breach of security or unauthorized access involving Personal Identifiable Information, Franchisee will immediately notify Company and provide specifics on the Personal Identifiable Information was compromised or disclosed.

L. Complaints and Other Actions. Franchisee shall submit to Company promptly upon receipt copies of all customer complaints and notices and communications received from any government agency relating to alleged violations of Applicable Laws and hereby authorizes the government agency to provide the same information directly to Company upon Company's request. Additionally, Franchisee shall promptly notify Company of any written threat, or the actual commencement, of any action, suit or proceeding against Franchisee, any person who is a Primary Owner or involving the Franchise Location or the business assets which might adversely affect the operation or financial condition of the Franchised Business, and provide Company with a copy of all relevant documents.

M. Hours of Operation. Franchisee shall operate the Franchised Business on all of the days and during the hours prescribed in the Manual, unless Company's prior written approval of different days or hours is obtained or unless prohibited by the Lease. Before the Opening Date, Franchisee shall advise Company of the Franchised Business' operating hours and promptly notify Company of any changes in its operating hours required by the Lease. Franchisee shall prominently disclose its operating hours to the public in the manner required by the Manual, and shall be open and fully prepared to conduct business during all, posted operating hours.

N. Employees.

1. Franchisee shall employ a sufficient number of competent employees and cause them to receive such in-store training in the PITA JUNGLE® System as Company may require. All employees whose duties include customer service shall have sufficient literacy and fluency in the English language, in Company's judgment, to adequately meet the public. Franchisee shall cause all employees, while working in the Franchised Business to wear uniforms in the color, style and design then specified by Company, if the Company makes such requirements in the Manual, and to present a neat and clean appearance.

2. Franchisee is solely responsible for hiring, firing and establishing employment policies applicable to its employees, and understands and agrees that this Agreement does not impose any controls, or otherwise impinge, on Franchisee's discretion to make all employment-related decisions.

3. Franchisee's Certified General Managers are solely responsible for training all employees who do not participate in Part-One Training before the Opening Date of the Franchised Business.

4. The Franchised Business shall at all times be under the direct, personal supervision of Franchisee or a Primary Owner, who shall be a Certified General Manager. If for any reason Franchisee does not provide direct, personal supervision, the Franchise shall be under the supervision of at least one Certified General Manager.

XIV. COMPANY'S OPERATIONS ASSISTANCE

In addition to obligations stated elsewhere in this Agreement, and provided Franchisee is not in default under the terms of this Agreement, Company shall provide the following services:

A. Continuing Consultation and Advice. As and to the extent required in Company's judgment, Company shall provide:

1. Consultation and advice to Franchisee in response to Franchisee's inquiries about specific administrative and operating issues that Franchisee brings to Company's attention. Company shall have absolute discretion to determine the method for communicating the consultation or advice, which may differ from the methods used for other PITA JUNGLE® franchisees. For example and without limitation, consultation and advice may be provided by telephone, in writing (in which case Company shall determine the method for delivering such writing (i.e., facsimile or mail), electronically, in person, or by other means.

2. Upon Franchisee's request, Company may agree to provide on-site instruction and assistance at a mutually-scheduled time, provided Franchisee pays Company its then-current per diem fee set forth in the Manual, plus reimbursement of Company's reasonable expenses in providing on-site instruction, including, without limitation, expenses for air and ground transportation, lodging, meals, and personal charges.

B. Inspections. In addition to Company's audit rights described in this Agreement, Franchisee expressly authorizes Company and its representatives, at any reasonable time, and without prior notice to Franchisee, to enter the premises of the Franchise Location and conduct regular inspections of the Franchised Business and Franchisee's methods of operation, including, without limitation, observing and conducting discussions with Franchisee's employees, observing customer interaction and services, and reviewing Franchisee's books and records (including, without limitation, data stored on Franchisee's computer hard drive and disks as well as camera surveillance tapes) in order to verify compliance with this Agreement and the Manual. Company and its representatives reserve the right to select or request that Franchisee provide them, free of charge, with inventory, equipment, advertising and other samples for inspection and evaluation purposes to make certain that the items conform with Company's then-current standards. Franchisee shall cooperate fully with Company's inspections and promptly cure all deviations from Company's standards, specifications and operating procedures that Franchisee is notified of either orally or in writing. Upon our reasonable request, Franchisee agrees to permit Company, its affiliates, any agents and any third party vendors that Company designates to have independent unlimited access to all information generated by Franchisee's computer system. If Franchisee has a third party vendor for Franchisee's computer system, Franchisee agrees to sign a release providing Company or its agent with unlimited access to Franchisee's data in the event of an actual or suspected data breach.

C. Annual Meeting. In addition to additional training, Company may conduct an annual meeting at a location that Company selects (the "Annual Meeting") to address recently-implemented changes in the PITA JUNGLE® System and other topics of common interest to franchisees, including, without limitation, new merchandising approaches, changes in Proprietary Products and Non-Proprietary Products/Services, industry trends, customer relations, personnel administration, local retail marketing, and competitive changes in the market for healthful, fresh and natural vegetarian and non-vegetarian foods and related products and merchandise. If Company chooses to conduct an Annual Meeting, it will establish its agenda and length; provided, however, the Annual Meeting shall not exceed 3 days in any 12-month period. Franchisee or at least one person who is a Primary Owner must attend each Annual Meeting held, and Company may additionally require the attendance of Franchisee's Certified General Managers or other designated personnel at one or more Annual Meetings, but in no event shall Company require attendance by more than 2 persons. Company will not impose a fee to attend the Annual Meeting, but Franchisee must pay the transportation, lodging, personal expenses and salary for each employee who attends an Annual Meeting.

D. Research and New Developments. As and to the extent required in Company's judgment, Company will investigate and conduct market research; monitor the activities of competitors; and monitor advances in products that compete with Proprietary Products in order to maintain and enhance the reputation and demand for PITA JUNGLE® franchises and the products and merchandise sold therefrom.

XV. INSURANCE

A. Minimum Coverage. Before the Opening Date, Franchisee shall procure, at its own expense, and maintain in full force and effect during the Term policies of insurance in accordance with the following terms and conditions:

1. Comprehensive general liability insurance with minimum coverage per Franchise Location of $2,000,000.00 combined single limit (including, without limitation, broad form contractual liability; **employer's liability coverage, cyber security and data privacy coverage,** products/completed operations; personal and advertising injury; medical payments and fire damage liability), or the higher amount required by the Lease, insuring Company and Franchisee against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from, or occurring in the course of, or otherwise relating to the Franchised Business or the activities of Franchisee's employees. The required liability coverage shall not be limited in any way by reason of any insurance that Company maintains. Company shall be named an additional insured on each liability policy.

2. Workers compensation and employer's liability insurance as required by Applicable Law.

3. All "Risks" or "Special" form general casualty insurance coverage insurance including (without limitation) fire and extended coverage, vandalism and malicious mischief insurance, for any vehicle that Franchisee uses in operating the Franchised Business and for additional perils (including, without limitation, flood and earthquake coverage) if applicable to the area with the Franchised Business is located, for the full replacement value of the Franchised Business and its contents based on the cost of replacing the damaged or destroyed property with property meeting Company's current specifications at the time replacement is required. The minimum coverage shall be no less than the amount specified in the Manual on the Effective Date.

4. Business interruption insurance covering actual losses and contract liabilities (including, without limitation, obligations to Company and Company's Affiliate under this Agreement ~~or~~**for royalties and advertising fund fees and** for minimum inventory quantities of Proprietary Products) that Franchisee may sustain, for a 12 month period minimum.

5. Additional types and amounts of insurance coverage as may be required by the Lease, including coverage for all parties that the Lease requires be covered as additional insureds.

B. Additional Insurance Specifications.

1. Franchisee shall cause Company to be named as an additional insured on each insurance policy obtained by Franchisee that is required by this Agreement. Franchisee shall deliver to Company a certificate of insurance proving the existence and coverage of each insurance policy required by this Agreement prior to the effective date of the policy.

2. Company shall specify the deductible limits for each required insurance policy and may, from time to time, increase the minimum insurance requirements, establish and change deductible limits, require that Franchisee procure and maintain additional forms of insurance, and otherwise modify the insurance requirements contained in this Agreement based upon inflation, general industry standards, Company's experience with claims, or for other commercially reasonable reasons. Franchisee shall comply with any change imposed by Company within 30 days after written notice from Company and shall submit written proof of compliance to Company upon request.

3. Insurance companies of recognized responsibility meeting the standards stated in the Manual shall write each insurance policy required by this Agreement. Before the Opening Date, or the earlier date specified in the Lease, Franchisee shall submit to Company certificates of insurance showing compliance with Company's insurance requirements. All certificates shall state that the policy will not be canceled or altered without at least 30 days prior written notice to Company. Maintenance of required insurance shall not relieve Franchisee of liability under the indemnity provisions set forth in this Agreement.

4. Franchisee shall cause each policy of insurance required by this Agreement to include a waiver of subrogation, which shall provide that Franchisee and Company each releases and relieves the other, and each waives its entire right to recover

damages, in contract, tort and otherwise, against the other for any loss or damage occurring to Franchisee's property arising out of or resulting from any of the perils required to be insured against under this Agreement. The effect of these releases and waivers by Company and Franchisee shall not be limited by the amount of insurance carried by Franchisee or required by this Agreement or by any deductible applicable thereto.

5. Should Franchisee not procure or maintain the insurance required by this Agreement, Company may, without waiving its right to declare a breach of this Agreement based on Franchisee's default, procure the required insurance coverage at Franchisee's expense, although Company has no obligation to do so. Franchisee shall pay Company an amount equal to the premiums and related costs for the required insurance in full upon receipt of invoice, plus a 25% service charge and an amount sufficient to reimburse Company for its actual direct costs in obtaining the required insurance.

6. Franchisee understands and agrees that the minimum insurance requirements set forth in this Agreement do not constitute a representation or warranty by Company that the minimum coverage and specified types of insurance will be sufficient for the Franchised Business. Franchisee understands and agrees that it is solely responsible for determining if the Franchised Business requires higher coverage limits or other types of insurance protection.

XVI. COVENANTS

A. Definitions. For purposes of this Agreement:

1. "Covered Person" means: (i) the individual executing this Agreement as Franchisee; (ii) each officer, director, shareholder, member, manager, trustee or general partner of Franchisee and each Franchisee Affiliate; and (iii) each member of Franchisee's or any of the foregoing individuals' immediate family.

2. "Covered Area" means anywhere within a 25 mile radius measured from: (i) the Franchise Location, and (ii) the franchise location of every other PITA JUNGLE® restaurant located anywhere in the world regardless of whether the PITA JUNGLE® restaurant opens before or after the Effective Date of Termination or Expiration of this Agreement or is owned by another franchisee, Company or Company's Affiliate.

B. Competition.

1. During the Term and any Renewal Term, it shall be a breach of this Agreement for Franchisee, Franchisee's Affiliate or any Covered Person, directly or indirectly, to own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any business located anywhere in the world which derives more than 10 percent of its gross sales from the manufacture, sale or distribution, at retail or wholesale, of natural Mediterranean foods and food supplements; provided, however, the restrictions stated in this paragraph shall not apply to any Covered Person after 2 years from the date the Covered Person ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Franchisee.

2. For 2 years following the Effective Date of Termination or Expiration of this Agreement (as defined in this Agreement) for any reason, or an event of transfer as defined in this Agreement, whichever occurs first, it shall be a breach of this Agreement for Franchisee, Franchisee's Affiliate or any Covered Person, directly or indirectly, to own, engage in or render any services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any restaurant business which:

a. is located in the Covered Area and derives more than 10 percent of its gross sales from the manufacture, sale or distribution, at retail or wholesale, of pizza, pita sandwiches, natural Mediterranean foods or food supplements;

b. The restrictions stated in this paragraph shall not apply to any Covered Person after 2 years from the date that the Covered Person ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Franchisee, except that this time period shall be tolled for whatever time period the Covered Person is violating this Agreement.

3. The restrictions against competition do not apply to the rights expressly granted to Franchisee, Franchisee's Affiliate or any Covered Person under another Franchise Agreement pertaining to the use of the PITA JUNGLE® System or Proprietary Marks.

4. This Agreement does not prohibit Franchisee, Franchisee's Affiliate or any Covered Person from owning 5 percent or less of the voting stock of an entity whose shares are publicly traded on a national or foreign stock exchange that manufactures, sells or distributes, at retail or wholesale, natural vegetarian food or food supplements.

C. Interference. Neither Franchisee nor any Covered Person shall, directly or indirectly, for itself or on behalf of any other person:

a. Divert, or attempt to divert, any business or customer of the Franchised Business to any competitor by direct or indirect inducement or perform any act which directly or indirectly could, or may, injure or prejudice the goodwill and reputation of the Proprietary Marks or the PITA JUNGLE® System; or

b. Employ or seek to employ any person who is at that time employed by Company, Company's Affiliate or another franchisee of Company or otherwise directly or indirectly induce or seek to induce the person to leave his or her employment.

D. Written Agreement. As a condition of this Agreement, unless they have already done so, Franchisee shall cause each Covered Person to execute Exhibit 4, the Company's form of Confidentiality and Non-Competition Agreement, or Exhibit 5, the Company's Confidentiality Agreement, as applicable, with Company containing restrictions substantively identical to the provisions of this Agreement.

E. Survival. The covenants stated in this Article shall survive termination, expiration or the transfer of this Agreement.

F. Savings Clause. The parties acknowledge that the covenants set forth in this Article are independent of the other covenants and provisions of this Agreement. If any provision in this Article is void or unenforceable under Arizona law, but would be enforceable as written or as modified under the laws of the state in which the Franchise Location is located (the "Local Laws"), the parties agree that the Local Laws shall govern any dispute concerning or involving the construction, interpretation, validity or enforcement of the provisions of this Agreement with respect to the subjects covered in this Article, but only with respect to those subjects. Franchisee expressly authorizes Company to conform the scope of any void or unenforceable covenant in order to conform it to the Local Laws. Franchisee expressly agrees, on behalf of itself and each Covered Person, to be bound by any modified covenant conforming to the Local Laws as if originally stated in this Agreement.

G. Enforcement. Franchisee understands and agrees that Company will suffer irreparable injury not capable of precise measurement in money damages if Franchisee or any Covered Person breaches the covenants set forth in this Article. Accordingly, in the event a breach occurs, Franchisee, on behalf of itself and each Covered Person, hereby consents to entry of a temporary restraining order or other injunctive relief as well as to any other equitable relief which may be granted by a court having proper jurisdiction, without the requirement that Company post bond. Franchisee further agrees that the award of equitable remedies to Company in the event of such breach is reasonable and necessary for the protection of the business and goodwill of Company.

H. Severability. If any provision of this Section XVI or any portion of any provision of this Section shall be deemed to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not alter the remaining portion of such provision, or any other provision hereof, as each provision of this Agreement shall be deemed severable from all other provisions hereof.

XVII. DEFAULT AND TERMINATION

A. Termination by Franchisee.

1. Franchisee may terminate this Agreement by written notice to Company for any reason constituting good cause, provided (i) Franchisee is not in default of any obligation under this Agreement when it serves written notice of default on Company, and (ii) termination is accomplished in accordance with the requirements of this Agreement. Any attempt by Franchisee to terminate this agreement except on the grounds, or according to the procedures, stated in this Agreement shall be void.

2. Good cause means that Company has committed a material and substantial breach of this Agreement that it has not cured within the period allowed by this Agreement. Franchisee's written notice must specify with particularity the matters cited to be in default and provide Company with a minimum of 30 days in which to cure the default. Additional time to cure must be provided as is reasonable under the circumstances if a default cannot reasonably be cured within the minimum 30-day period.

3. Franchisee's termination of this Agreement shall not entitle it to a refund of any monies that Franchisee has paid to Company or Company's Affiliate.

B. Termination By Company Without Opportunity to Cure.

Company may terminate this Agreement, in its discretion and election, effective immediately upon Company's delivery of written notice of termination to Franchisee based upon the occurrence of any of the following events which shall be specified in Company's written notice, and Franchisee shall have no opportunity to cure a termination based on any of the following events:

1. Should Franchisee fail to obtain approval of the Franchise Location or deliver an executed Lease, Addendum to Lease and UCC-1 on or before the deadlines specified in this Agreement;

2. Should Franchisee fail to open the Franchised Business to the public on or before the Opening Date, as specified in this Agreement;

3. Should Franchisee (or its Principal Owner) and its required staff fail to complete the Initial Training Program to the Company's satisfaction pursuant to the requirements under Article VI;

4. Should Franchisee cause an individual to serve in the role of general manager or kitchen/back of house manager of the Franchised Business without being approved as a Certified General Manager or Certified Kitchen Manager by Company pursuant to the requirements under Article VI;

5. Should Franchisee be found in violation of any applicable health, safety, sanitation, liquor or handicapped access laws, regulations or codes, by any governmental official, and fails to cure any such violation within 72 hours of receiving notice thereof;

6. Should Franchisee fail to comply with Article XIII by purchasing goods and/or services from non-designated or non-approved vendors or suppliers and fails to cure such noncompliance within 10 days after receiving notice thereof by Company;

7. Should Franchisee fail to execute the Addendum to Lease as required under Article III;

8. Should Franchisee fail or refuse to pay, on or before the date payment is due, any fees or other amounts payable to Company, Company's Affiliate or the Marketing Fund, and should the default continue for a period of 10 days after written notice of default is given by Company to Franchisee;

9. Should Franchisee fail or refuse to submit any report or financial statement on or before the date due, and should the default continue for a period of 10 days after written notice of default is given by Company to Franchisee;

10. Should Franchisee lose the right to possession of the Franchise Location due to Franchisee's breach of the Lease which either cannot be cured or which Franchisee has failed to cure within the allowed time period;

11. Should Franchisee commit an event of default under any other agreement by and between Franchisee and Company, or between Company and any entity affiliated with Franchise through any common ownership, which by its terms, cannot be cured or which Franchisee or its affiliate has failed to cure within the allowed time period, including (without limitation) a default under any personal guaranty;

12. Should Franchisee make any general arrangement or assignment for the benefit of creditors or become a debtor as that term is defined in 11 U.S.C. Section 101 or any successor statute, unless, in the case where a petition is filed against Franchisee, Franchisee obtains an order dismissing the proceeding within 60 days after the petition is filed; or should a trustee or receiver be appointed to take possession of all, or substantially all, of the assets of the Franchised Business, unless possession of the assets is restored to Franchisee within 30 days following the appointment; or should all, or substantially all, of the assets of the Franchised Business or the franchise rights be subject to an order of attachment, execution or other judicial seizure, unless the order or seizure is discharged within 30 days following issuance;

13. Should Franchisee, or any duly authorized representative of Franchisee, make a material misrepresentation or omission in obtaining the franchise rights granted hereunder, or should Franchisee, or any officer, director, shareholder, member, manager, or general partner of Franchisee, be convicted of or plead no contest to a felony charge or engage in any conduct or practice that, in Company's reasonable opinion, reflects unfavorably upon or is detrimental or harmful to the good name, goodwill or reputation of Company or to the business, reputation or goodwill of the PITA JUNGLE® System or the Proprietary Marks;

14. Should Franchisee fail to comply with the conditions governing the transfer of rights under this Agreement;

15. Should an order be made or resolution passed for the winding-up or the liquidation of Franchisee (if Franchisee a corporation, LLC, partnership or other business entity) or should Franchisee adopt or take any action for its dissolution or liquidation;

16. Should Franchisee have received from Company, during any consecutive 24 month period, 3 or more notices of default (whether or not the notices relate to the same or to different defaults and whether or not the defaults were timely cured by Franchisee);

17. Should Franchisee make any unauthorized use, publication, duplication or disclosure of any Confidential Information or any portion of the Manual, or should any person required by this Agreement to execute Exhibit 4 or 5, the Company's form of Confidentiality and Non-Competition Agreement or of Confidentiality Agreement, as applicable, with Company or Franchisee breach the provisions of the Confidentiality and Non-Competition Agreement, whether or not such person executed the agreement;

18. Should Franchisee give notice of its intent to stop operating, abandon or fail or refuse to actively operate the Franchised Business for any period such that Company may reasonably conclude that Franchisee does not intend to continue operating it, unless Franchisee obtains Company's written consent to close the Franchised Business for a specified period of time before Franchisee ceases regular activities;

19. Should Franchisee materially misuse or make an unauthorized use of any of the Proprietary Marks or commit any other act which does, or can reasonably be expected to, materially impair the goodwill or reputation associated with any of the Proprietary Marks or the PITA JUNGLE® System;

20. Should Franchisee intentionally underreport Gross Sales under the criteria established in this Agreement; or

21. Should Franchisee fail to comply with any violation of federal, state or local law within 10 days after being notified of non-compliance.

22. Should any of the owners of the Franchisee be at an impasse which materially affects the operations of the Franchised Business and such impasse continues for more than a two month period after written notice to the Franchisee demanding that the matter be resolved to ~~Franchisor~~**Company**'s reasonable satisfaction, if the default is not cured within the two-month period.

23. Should Company receive creditable reports or evidence of Franchisee's owners, officers or managers engaging in abuse of any other living being anywhere, engaging in any abuse of customers whether online or at or near the PITA JUNGLE® restaurant; exhibiting drug or alcohol problems on site in the PITA JUNGLE® restaurant, or having at least three unresolved customer complaints within a six month time frame.

C. Termination by Company With Right to Cure.

1. Should Franchisee breach, or refuse to fulfill or perform, any obligation arising under this Agreement not identified in subparagraph B. above, or fail or refuse to adhere to any mandatory operating procedure, specification or standard prescribed by Company in the Manual or otherwise communicated to Franchisee, Company may terminate this Agreement, in its discretion and election, effective at the close of business 30 days after giving written notice of default to Franchisee which specifies the grounds of default, if Franchisee fails to cure the default cited in the notice. Company shall indicate its decision to terminate by notice given to Franchisee either before, or after, the end of the 30-day cures period.

2. If a default cannot reasonably be cured within 30 days, Franchisee may apply to Company for additional time to complete the cure. The length of the additional cure period, if any, allowed by Company shall be stated in writing signed by Company. If Company grants an extension and if Franchisee does not complete the required cure within the extended cure period, termination of this Agreement shall be effective at the close of business on the last day of the extended cure period without further notice from Company.

D. Effect of Termination or Expiration.

1. Termination or expiration of this Agreement shall result in the concurrent, and automatic, termination of all agreements between the parties pertaining to the Franchised Business or the franchise granted by this Agreement.

2. Notwithstanding the termination of this Agreement, the parties agree that any other Franchise Agreements then in effect between the parties concerning other PITA JUNGLE® restaurants owned by Franchisee shall remain in full force and effect, unless the grounds which Company has relied upon to terminate this Agreement also constitute grounds for terminating the other Franchise Agreements and Company has satisfied all requirements to terminate the other Franchise Agreements.

3. In any proceeding in which the validity of termination of this Agreement is at issue, Company shall not be limited to the reasons set forth in any notice of termination or default given to Franchisee.

E. Effective Date of Termination or Expiration of this Agreement.

For purposes of this Agreement, the Effective Date of Termination or Expiration of this Agreement is defined as follows:

1. The Effective Date of Termination is: (i) the date Franchisee receives notice of termination described in Paragraph XV.B., or (ii) the last day of the permitted cure period for a default described in Paragraph XV.C.; and

2. The Effective Date of Expiration of this Agreement is the last day of the Term.

XVIII. RIGHTS AND DUTIES OF PARTIES UPON EXPIRATION OR TERMINATION

A. Franchisee's Obligations.

On and after the Effective Date of Termination or Expiration of this Agreement, Franchisee must comply with the following duties:

1. Within 10 days following the Effective Date of Termination or Expiration of this Agreement, Franchisee shall pay all fees and other amounts owed to Company, including, without limitation, late charges and interest on any late payments.

a. Royalty Fees and Advertising Fees imposed pursuant to this Agreement shall continue to be due and payable (and late charges and interest thereon assessed) after the Effective Date of Termination or Expiration of this Agreement until the date that Franchisee completes all post-termination obligations required by this Agreement.

b. When termination is based upon Franchisee's default, Franchisee shall also pay to Company all damages, costs and expenses, and reasonable attorneys' fees, incurred by Company in enforcing the default and termination.

c. Franchisee's payments shall be accompanied by all reports required by Company regarding Gross Sales and business transactions through the date of payment.

2. Franchisee shall immediately cease, using and, within 48 hours after the Effective Date of Termination or Expiration of this Agreement, deliver to Company the Manual;

all documents, proprietary software and supporting documentation, if any, and all other confidential or proprietary materials that Company has provided to Franchisee pursuant to this Agreement; and shall retain no copy or record of any of the foregoing. Continued use by Franchisee of any copyrighted material shall constitute willful copyright infringement by Franchisee.

3. With respect to the Franchise Location, Company may, pursuant to the Addendum to Lease, accept an assignment of the Lease, in which case, upon notice from Company, Franchisee shall forthwith vacate the Franchise Location, leaving it in good condition and repair with all fixtures and equipment in good working order. Company shall give Franchisee written notice of its election to accept an assignment of the Lease within 10 days after the Effective Date of Termination or Expiration. Company's failure to timely notify Franchisee shall signify its decision not to accept an assignment of the Lease. If Company does not accept an assignment of the Lease, Franchisee shall, at its sole cost and expense, within 20 days after the Effective Date of Termination or Expiration, remove all signs and other physical and structural features that readily identify the site as a PITA JUNGLE® restaurant, in a manner acceptable to Company, so that the former Franchise Location no longer suggests or indicates a connection or past connection with the PITA JUNGLE® System.

4. Franchisee shall execute and deliver a general release, in form satisfactory to Company, of any and all claims against Company and its officers, directors, shareholders, employees and agents.

5. Franchisee shall cease selling all Proprietary Products. This obligation shall extend to perishable and non-perishable Proprietary Products, regardless of their condition.

6. Franchisee shall permanently cease using, in any manner whatsoever, the Proprietary Marks, Confidential Information, Proprietary Products, and any other property associated with the PITA JUNGLE® System or which suggest or indicate that Franchisee is or was an authorized PITA JUNGLE® franchisee or continues to remain associated with the PITA JUNGLE® System. Franchisee shall cancel all advertising and promotional activities that associate Franchisee with the PITA JUNGLE® System. Franchisee shall transfer to the Company any Internet domain names or social media accounts containing in whole or in part any portion of any of the Proprietary Marks and shall delete or destroy any Internet or equivalent pages or information which contains any of the Proprietary Marks or Confidential Information. Continued use by Franchisee of any of the Proprietary Marks or Confidential Information shall constitute willful trademark infringement and unfair competition by Franchisee.

7. Franchisee shall take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to its use of the Proprietary Marks.

8. Franchisee shall cease using all telephone and facsimile numbers and listings or social media accounts used in operating the Franchised Business and take all steps necessary to remove all telephone and other business directory listings or social media accounts that display any of the Proprietary Marks. Franchisee shall furnish Company with evidence satisfactory to Company demonstrating Franchisee's compliance with this obligation

within 10 days after the Effective Date of Termination or Expiration of this Agreement. Company shall have the right to demand an assignment of the telephone and facsimile numbers and listings and social media accounts, in which case Franchisee hereby consents to the assignment, without compensation, as of the Effective Date of Termination or Expiration. Franchisee does hereby appoint Company as its attorney in fact with authority to direct the telephone companies or other communications providers to transfer all telephone and facsimile numbers and listing to Company or to another PITA JUNGLE® restaurant designated by it.

9. Franchisee shall comply with the covenants set forth in this Agreement regarding competition, non-interference and Confidential Information.

10. Franchisee shall keep and maintain all business records pertaining to the business conducted at the Franchised Business for 7 years after the Effective Date of Termination or Expiration of this Agreement. During this period, Franchisee shall permit Company to inspect such business records as frequently as Company deems necessary.

B. Company's Right to Purchase Proprietary Products and Other Assets.

1. Company shall purchase from Franchisee, and Franchisee shall sell to Company, all non-perishable Proprietary Products in resalable condition at Franchisee's actual cost.

2. Additionally, Company shall have the right, but not the obligation, to purchase all, or any, of Franchisee's remaining physical assets, at Franchisee's original cost less depreciation, based upon the depreciation schedule which Company or Company's Affiliate uses for like or comparable property. Company may exercise this option by giving Franchisee written notice within 10 days after the Effective Date of Termination or Expiration of this Agreement, specifying in the notice the assets it desires to purchase. Within 10 days following receipt of Company's notice, Franchisee shall furnish Company with documentation substantiating the original cost of each item identified by Company and depreciation taken as reported by Franchisee in its federal and state income tax returns. Within 10 days following receipt of Franchisee's documentation, Company shall notify Franchisee of the particular assets it will purchase and calculate the purchase price for the items in accordance with this paragraph, and within 5 days after giving the notice, Company will pay Franchisee the purchase price, less permitted set-offs. Company's failure to serve written notice of its election within 10 days after the Effective Date of Termination or Expiration of this Agreement shall signify its decision not to purchase any remaining physical assets of Franchisee.

3. With respect to the Proprietary Products and physical assets that Company purchases, Company shall have the absolute right to set off from the purchase price all sums owed by Franchisee to Company under this Agreement, including damages, costs and expenses and reasonable attorneys' fees in enforcing the default and termination, and under Applicable Law, as well as all amounts then due and owing to the Marketing Fund. The right to set off shall not limit Company's remedies under this Agreement or Applicable Law.

4. Franchisee shall deliver possession of the Proprietary Products and physical assets to Company upon Company's payment of the purchase price.

C. Survival of Obligations.

1. All obligations of the parties that expressly, or by their nature, survive the Effective Date of Termination or Expiration of this Agreement shall continue in full force and effect subsequent to the Effective Date of Termination or Expiration of this Agreement until they are satisfied in full.

2. Franchisee shall remain fully liable for any and all obligations of the Franchised Business, whether incurred before, or after, the Effective Date of Termination or Expiration of this Agreement, including, without limitation, obligations arising under this Agreement, the Lease, and all obligations owed to Company's Affiliate and other third parties including, without limitation, obligations for Proprietary Products, other inventory, equipment, supplies, materials, salaries to employees, and taxes.

D. Third Party Rights; Available Remedies.

1. No person acting for the benefit of Franchisee's creditors or any receiver, trustee in bankruptcy, sheriff or any other officer of a court or other person in possession of Franchisee's assets or business shall have the right to assume Franchisee's obligations under this Agreement without Company's prior consent.

2. Company's right to terminate this Agreement shall not be its exclusive remedy in the event of Franchisee's default, and Company shall be entitled, in its sole discretion and election, alternatively or cumulatively, to affirm this Agreement in the event of Franchisee's default and obtain damages arising from the default, injunctive relief to compel Franchisee to perform its obligations under this Agreement or to prevent Franchisee from breaching this Agreement, and any other remedy available under Applicable Law.

XIX. ASSIGNMENT AND TRANSFER

A. Assignment by Company. Franchisee acknowledges that Company maintains a staff to manage and operate the PITA JUNGLE® System and that staff members can change from time to time. Franchisee represents that it has not signed this Agreement in reliance on any shareholder, director, officer, or employee remaining with Company in that capacity. Company is free to transfer and assign all of its rights under this Agreement to any person or business entity, provided the assignee agrees in writing to assume Company's obligations. Upon such assignment and assumption, Company shall have no further obligation to Franchisee.

B. Assignment by Franchisee: In General.

1. Franchisee understands and agrees that the franchise rights granted to it are personal and are granted in reliance upon, among other considerations, the individual or collective character, skill, aptitude, attitude, experience, business ability and financial condition and capacity of Franchisee and, if Franchisee is a corporation, LLC or other business entity, that of its officers, directors, shareholders, managers, members, trustees or owners.

2. Franchisee understands and agrees that, without Company's prior written consent, it has no right, by operation of law or otherwise, to sell, assign, transfer, pledge, donate, encumber or otherwise deal with, directly or indirectly, (i) any interest in this Agreement, (ii) the right to use the PITA JUNGLE® System or the Proprietary Marks granted pursuant to this Agreement, or (iii) all or a significant portion of the other assets of the Franchised Business or Franchisee's leasehold rights. Company agrees not to withhold its consent unreasonably if, in Company's judgment, Franchisee satisfies the conditions to transfer identified in this Agreement. Without Company's prior written consent, Franchisee shall not offer for sale or transfer at public or private auction any of the individual assets of the Franchised Business.

3. For purposes of this Agreement, each of the following events is an event of transfer which requires Company's prior written consent and is subject to the conditions to transfer identified in this Agreement:

a. A change in ownership of Franchisee due to a consolidation or merger involving Franchisee or any Franchisee Affiliate.

b. If Franchisee is an individual, an order dissolving Franchisee's marriage.

c. A transfer of ownership that occurs as a result of the death or Incapacity of Franchisee if Franchisee is an individual, or the death or Incapacity of any person satisfying the definition of Franchisee's Primary Owner.

d. Either (i) the sale, assignment, transfer, pledge, donation, encumbrance or other alienation by any Primary Owner of its entire ownership interest, or of a smaller interest that constitutes a Controlling Interest in the equity or voting interests of Franchisee; (ii) the sale, assignment, transfer, pledge, donation, encumbrance or other alienation of a Controlling Interest in the equity or voting interests of any Franchisee Affiliate; or (iii) the issuance of additional shares representing a Controlling Interest in the equity or voting interests of Franchisee or any Franchisee Affiliate. For example, and without limitation, a financial restructuring or recapitalization secured by either a Controlling Interest in the equity or voting interests of Franchisee or all or substantially all of the physical assets of the Franchised Business, shall constitute an event of transfer subject to the provisions of this Agreement.

e. The sale, assignment, transfer, pledge, donation, encumbrance or other alienation of all, or substantially all, of the assets of the Franchised Business.

f. A transfer of any interest in this Agreement.

g. The transfer by Franchisee or any Primary Owner all of his or her rights under this Agreement to a newly formed corporation, LLC or other business entity or to a trust.

h. The offer or sale of securities of Franchisee pursuant to a transaction subject to registration under federal or state securities laws or by private placement pursuant to a written offering memorandum.

4. Any attempted or purported transfer that fails to comply with the requirements of this Agreement shall be null and void and shall constitute a default under this Agreement.

5. Franchisee understands and agrees that it may not transfer this Agreement without simultaneously transferring to the same proposed transferee all other Franchise Agreements then existing between Franchisee and Company and all assets of the PITA JUNGLE® restaurants subject to existing Franchise Agreements.

6. If the Franchisee intends to list the Franchise Business for sale with any broker or agent, the Franchisee shall do so after obtaining the Company's written approval of the broker or agent and of the listing agreement. The Franchisee may not use or authorize the use of any of the Proprietary Marks in advertising the transfer or other disposition of the Franchise Business or of any ownership interest in the Franchisee without the Company's prior written consent. The Franchisee shall not use or authorize the use of, and no third party shall on the Franchisee's behalf use, any written materials to advertise or promote the transfer of the Franchise Business or of any ownership interest in the Franchisee without the Company's prior written approval of such materials.

C. Company's Right of First Refusal.

1. Except with respect to Qualified Transfers, if Franchisee, or the person to whom an offer is directed (the "Individual Transferor"), receives a bona fide written offer ("Third Party Offer") to purchase or otherwise acquire an interest which will result in an event of transfer within the meaning of this Agreement, Franchisee or the Individual Transferor, shall, within 5 days after receiving the Third Party Offer and before accepting it, apply to Company in writing for Company's consent to the proposed transfer. To constitute a bona fide written offer, the offer must apply to all of the Franchise Agreements then existing between Franchisee and Company and all assets of the PITA JUNGLE® restaurants subject to existing contracts between the parties.

2. Franchisee, or the Individual Transferor, shall attach to its application for consent to the transfer a complete copy of the Third Party Offer together with (i) information relating to the proposed transferee's experience and qualifications, (ii) a copy of the proposed transferee's current financial statement, and (iii) any other information material to the Third Party Offer, proposed transferee and proposed assignment or that Company requests.

3. Company or its nominee shall have the right, exercisable by written notice ("Notice of Exercise") given to Franchisee or the Individual Transferor, within 30 days following receipt of the Third Party Offer, all supporting information, and the application for consent, to notify Franchisee or the Individual Transferor that it will purchase or acquire the rights, assets, equity or interests proposed to be assigned on the same terms and conditions set forth in the Third Party Offer, except that Company may (i) substitute cash for any form of payment proposed in the offer discounted to present value based upon the rate of interest stated in the Third Party Offer, and (ii) deduct from the purchase price the amount of any commission or fee otherwise payable to any broker or agent in connection with the Third Party Offer and all amounts then due and owing from Franchisee to Company, Company's Affiliate and the Marketing Fund under this Agreement or otherwise.

4. The closing shall take place at Company's headquarters at a mutually agreed upon date and time, but not later than 60 days following Company's receipt of the Third Party Offer, all supporting information, and the application for consent to transfer.

a. At the closing, Franchisee or the Individual Transferor shall deliver to Company the same documents, affidavits, warranties, indemnities and instruments as would have been delivered by Franchisee or the Individual Transferor to the proposed transferee pursuant to the Third Party Offer. Additionally, Franchisee and the Individual Transferor shall deliver a general release, in form satisfactory to Company, of any and all claims against Company, Company's Affiliates and their respective officers, directors, shareholders, employees and agents.

b. All costs, fees, document taxes and other expenses incurred in connection with the transfer shall be allocated between Franchisee and Company in accordance with the terms of the Third Party Offer, and any costs not allocated shall be paid by Franchisee or the Individual Transferor.

5. In the event Company gives timely Notice of Exercise but, through no fault of Franchisee or the Individual Transferor, fails to close the purchase for any reason, Franchisee or the Individual Transferor shall have no recourse against Company. Franchisee or the Individual Transferor may not complete the sale to the proposed transferee without first obtaining Company's prior written consent and satisfying the other conditions to transfer stated in this Agreement.

D. Qualified Transfers.

1. The following events are collectively referred to as "Qualified Transfers:"

a. If Franchisee is a Business Entity, the sale, assignment, transfer, pledge, donation, encumbrance or other alienation of equity or voting interests constituting less than a Controlling Interest of the total outstanding equity or voting interests of a Franchisee; and

b. If Franchisee is an individual, the transfer by Franchisee of all of his or her rights under this Agreement to a newly formed Business Entity provided all of the equity or voting interests of the new Business Entity are owned by the individual.

2. In order to complete a Qualified Transfer, Franchisee must (i) give Company written notice of its desire to complete a Qualified Transfer; (ii) when the Qualified Transfer is to a newly-formed Business Entity, deliver the documents required to be delivered by a Business Entity Franchisee, including a duly executed personal guaranty in favor of Company from each Person who is required to give a personal guaranty under this Agreement; and (iii) pay a transfer fee of $1,500 to compensate Company for its expenses in recording the ownership change. The Qualified Transfer shall not be effective unless and until Franchisee satisfies conditions (i), (ii) and (iii).

3. Company shall not have any right of first refusal with respect to a Qualified Transfer, nor shall Franchisee be required to obtain Company's prior written consent to a Qualified Transfer if Franchisee satisfies the conditions stated in this Paragraph.

E. Conditions of Assignment to Third Party.

1. If Company does not exercise its right of first refusal or complete the purchase of an interest that is the subject of a Third Party Offer, Franchisee may not complete the proposed transfer without Company's prior written consent. Any transfer, or attempt to complete a transfer, in violation of this provision is a material breach of this Agreement. The requirements of this paragraph do not apply to a Qualified Transfer.

2. Company shall determine whether or not to issue its consent to the proposed transfer and shall notify Franchisee of its decision by no later than the following dates: (i) if Company gives timely Notice of Exercise but does not consummate the transfer through no fault of Franchisee or the Individual Transferor, notice shall be given within 10 days after the scheduled closing date for Company's purchase of the interest, or 30 days after Notice of Exercise is given, whichever occurs later, or (ii) in all other cases, notice shall be given 30 days following Company's receipt of the Third Party Offer (if any), all supporting information and the application for consent to transfer.

3. As a condition to issuing consent to a transfer, Company shall require that all of the following conditions be satisfied:

a. The proposed transferee must submit a completed franchise application to Company, pay a nonrefundable transfer fee of $5,000 at the time of submission, and meet Company's then-current qualifications for new PITA JUNGLE® franchisees, including qualifications pertaining to financial condition, credit rating, experience, moral character and reputation. The transfer fee shall be non-refundable.

b. As of the date consent is requested and through the date of closing of the proposed transfer and assignment, Franchisee must not be in default under this Agreement, the Lease, or any other agreements with Company, and must be current with all monetary obligations owed to third parties, including (without limitation) Company's Affiliate.

c. The **purchase prices and terms of the transfer or assignment must not be so burdensome to the prospective transferee as to impair or materially threaten the future operation of the business or the performance of the obligations and requirements in the franchise agreement. Further, if the sale is made on an installment basis, such that the Franchisee will be paid over more than 12 months for the purchase, then Franchisee and any owners of Franchisee must continue to guaranty the performance of all obligations under the assumed or current form of Franchise Agreement by the transferee until the final payment is made to Franchisee.**

d. Franchisee must request that that Company provide the prospective franchisee with the current form of franchise disclosure document at least fourteen calendar days before the closing.

e. **Franchisee hereby indemnifies Company for any representations made to any transferee.**

f. **Company has the right to disclose to any prospective franchisee any revenue reports or other financial information on Franchisee's specific location that Company has or that Franchisee provided to Company, subject to federal and state franchise laws.**

g. **The** transferee must sign Company's then-current ~~from~~**form** of Franchise Agreement, the terms of which may differ materially from any and all of the terms contained in this Agreement, and which shall supersede this Agreement in all respects, and, upon execution, pays the then-current Initial Franchise Fee and any other initial fees identified therein which are payable upon execution. In exchange for signing the then current Franchise Agreement, the transferee shall receive franchise rights equal in length to the term and any renewal terms granted by the then-current form of Franchise Agreement.

h. ~~d.~~ Franchisee will remain subject to all obligations stated herein that expressly, or by their nature, survive the Effective Date of Termination or Expiration of this Agreement, including, without limitation, the provisions prohibiting competition, non-interference and non-disclosure of Confidential Information.

i. ~~e.~~ Franchisee must execute and deliver a general release, in form satisfactory to Company, of any and all claims against Company, Company's Affiliate and their respective officers, directors, shareholders, employees and agents.

j. ~~f.~~ All required third party consents to the transfer must be obtained including, without limitation, the consent of the landlord of the Franchise Location.

k. ~~g.~~ The proposed transferee must execute all other documents and agreements required by Company to consummate the transfer of this Agreement. If the proposed transferee is a corporation, LLC or other business entity, each person who at the time of the transfer, or later, owns or acquires, either legally or beneficially, 10 percent or more of the equity or voting interests of the proposed transferee must execute the form of personal guaranty attached to this Agreement as Exhibit 2 and the Confidentiality and Non-Competition Agreement in Exhibit 4 and, if applicable, the Confidentiality Agreement in Exhibit 5and incorporated herein by reference.

l. ~~h.~~ Franchisee's right to receive the sales proceeds from the proposed transferee in consideration of the transfer, or otherwise, shall be subordinate to the proposed transferee's and Franchisee's duties owed to Company and Company's Affiliate under, or pursuant to, this Agreement or any other agreement. All contracts by and between Franchisee and the proposed transferee shall expressly include a subordination provision permitting payment of the sales proceeds to Franchisee only after any outstanding obligations owed to Company and Company's Affiliate are fully satisfied.

m. ~~i.~~ Except when the transferee is an existing franchisee, the proposed transferee, its Primary Owner, or a senior operations employee who will have general management and supervisory responsibilities for one or more of PITA JUNGLE® restaurants acceptable to Company, must complete to Company's sole satisfaction Company's next available Part-One Training immediately after possession of the Franchised Business is transferred to the proposed transferee, and must within six months thereafter become a Certified General Manager.

n. ~~j.~~ Franchisee must simultaneously transfer its rights under the Lease, and any other contracts whose continuation is necessary for operation of the Franchised Business, to the same proposed transferee and satisfy any separate conditions to obtain any third party consents required for the transfer of Franchisee's rights to the proposed transferee.

o. ~~k.~~ Within a reasonable period of time following the closing date, the proposed transferee shall conform the Franchised Business to Company's then-current appearance and design standards and equipment specifications then applicable to new PITA JUNGLE® Franchised Businesses.

F. Closing of Sale to Third Party.

1. Should Company consent to a transfer to a third party, Franchisee, or the Individual Transferor, may only complete the transfer to the proposed transferee on the terms identified in the Third Party Offer or as otherwise stated in Franchisee's application for consent.

2. If there is any material change in the terms of the Third Party Offer, Company has a right of first refusal to accept the new terms subject to the conditions stated in this Paragraph.

3. If Company consents to the transfer to a third party, the transfer must close within 60 days from the date the Third Party Offer is first submitted to Company unless Company grants an extension of time in writing; otherwise, it must again be offered to Company.

G. Business Entity Franchisee.

1. If Franchisee is a corporation, LLC, partnership, or other business entity, it shall furnish to Company, upon execution of this Agreement or at such other time as transfer to the business entity is permitted, a copy of its articles of incorporation, by-laws, operating agreement, partnership agreement or other governing agreement, and a list of all persons owning an interest in the equity or voting interests of the business entity. Additionally, Franchisee shall promptly provide Company with a copy of any amendments to, or changes in, the information during the Term.

2. During the Term, each person who now or later owns or acquires, either legally or beneficially, 10 percent or more of the equity or voting interests of Franchisee must execute Company's form of personal guaranty attached hereto as Exhibit 2.

3. Franchisee shall maintain stop transfer instructions against the transfer on its records of any equity or ownership interests. Each certificate representing an ownership interest in Franchisee shall bear a legend, in the form stated in the Manual, that it is held, and

further assignment or transfer thereof is, subject to all restrictions imposed upon transfer set forth in this Agreement.

4. The chief financial officer of Franchisee shall deliver a certificate to Company annually, when Franchisee's annual financial statements are delivered, which lists all owners of record and all beneficial owners of any interest in the equity or voting interests of Franchisee and identifies all transfers of equity or voting interests in Franchisee which have occurred during the period covered by the annual financial statement.

H. Death or Incapacity.

1. In the event of the death or Incapacity of Franchisee, if Franchisee is an individual, or the death or Incapacity of Franchisee's Primary Owner, if Franchisee is a business entity, the spouse, heirs or personal representative of the deceased or incapacitated individual, or the Franchisee's remaining shareholders, members, partners or owners, as appropriate to the circumstance (collectively referred to as the "Successor") shall have 180 days from the date of death or Incapacity in which to (i) purchase the interest owned by the deceased or incapacitated individual, or (ii) complete the sale or assignment of the interest to a qualified, approved third party, provided, in either case, the purchase or assignment complies with the conditions for transfer stated in this Paragraph.

2. During the period that the Successor operates Franchisee's Franchised Business, the Successor shall perform all of the obligations of Franchisee under this Agreement. At the end of the 180-day period, if the Successor has not purchased the franchise or obtained Company's consent to a transfer to a third party, Company may, at its election, terminate this Agreement.

I. No Release. Neither Company's exercise of its right of first refusal nor its consent to a transfer to an approved third party shall operate to release Franchisee or the Individual Transferor from this Agreement or any personal guaranty.

XX. RELATIONSHIP OF PARTIES INDEMNIFICATION SECURITY INTEREST

A. Independent Contractor.

1. This Agreement does not create a fiduciary relationship between the parties, nor does it make either party a general or special agent, joint venturer, partner or employee of the other for any purpose.

2. With respect to all matters, Franchisee relationship to Company is as an independent contractor.

3. Franchisee understands and agrees that it is the independent owner of the Franchised Business and in sole control of all aspects of its operation, and shall conduct its business using its own judgment and discretion, subject only to the provisions of this Agreement.

4. Franchisee shall conspicuously identify itself in all advertising and all dealings with customers, suppliers and other third parties as the owner of the Franchised Business operating under a license from Company.

5. Company has no right to control Franchisee's employment policies, including hiring, scheduling, pay rates, discipline or termination of Franchise's employees, except that Franchisee must adhere to our training requirements and System standards in your Franchise Business.

B. Indemnification by Franchisee.

1. Franchisee shall indemnify and hold Company, Company's Affiliate and their respective officers, directors, shareholders, employees, agents, successors and assigns, harmless from and against any and all costs, expenses, losses, liabilities, damages, causes of action, claims and demands whatsoever, arising from or relating to the business conducted by Franchisee at or from the Franchised Business, whether or not arising from bodily injury, personal injury or property damage, or any other violation of the rights of others, or in any other way.

2. Franchisee's obligation to indemnify Company shall extend, without limitation, to all claims for actual and consequential damages, and Company's costs and expenses incurred in defending any third party claim covered by Franchisee's indemnification, including, without limitation, attorneys and other professional fees, court costs, and travel and living expenses. Company shall have the right to retain its own counsel to defend any third party claim asserted against it which is covered by this indemnification agreement.

3. Franchisee's indemnification obligation shall survive the expiration, termination or assignment of this Agreement for any reason.

C. Security Interest. To secure Franchisee's performance under this Agreement, Franchisee hereby grants to Company a security interest in and to all of Franchisee's tangible and intangible property used to operate the Franchised Business. This Franchise Agreement is also a Security Agreement to create and perfect the security interest. In accordance with this Agreement, Franchisee authorizes the Company to file or record one or more UCC-1 Financing Statements and related amendments or terminations, a sample of which is at Exhibit 6 to this Franchise Agreement, to protect and perfect Company's rights as a secured party under Applicable Law. Except with Company's prior written consent, it shall be a breach of this Agreement for Franchisee to grant another Person a security interest in Franchisee's tangible or intangible assets of the Franchised Business even if subordinate to Company's security interest.

XXI. PERSONAL GUARANTY

A. Scope. If Franchisee is a corporation, LLC or other business entity, each person who owns or at anytime during the Term acquires, either legally or beneficially, 10 percent or more of the equity or voting interests of Franchisee shall furnish any financial information reasonably required by Company and execute Company's form of personal guaranty attached to this Agreement as Exhibit 2.

B. Default. An event of default under this Agreement shall occur if any guarantor fails or refuses to deliver to Company, within 10 days after Company's written request: (i) evidence of the due execution of the personal guaranty, and (ii) current financial statements of guarantor as may from time to time be requested by Company.

XXII. DISPUTE RESOLUTION

A. Agreement to Mediate Disputes. Except as provided in subparagraph B of this Section, neither party to this Agreement shall bring an action or proceeding to enforce or interpret any provision of this Agreement, or seeking any legal remedy based upon the relationship created by this Agreement or an alleged breach of this Agreement, until the dispute has been submitted to a mediation proceeding conducted in accordance with the procedures stated in this Agreement. Franchisee, however, must have notified Company of the underlying issues at least 30 days prior to filing for mediation and have discussed the issues with Company at least one time.

1. The mediation proceeding shall be conducted pursuant to the mediation rules of the National Franchise Mediation Program, a dispute resolution process for franchising administered under the auspices of the Center for Public Resources with offices in New York, New York (the "Mediation Service"). Either party may initiate the mediation proceeding (the "Initiating Party") by notifying the Mediation Service in writing, with a copy to the other party (the "Responding Party"). The notice shall describe with specificity the nature of the dispute and the Initiating Party's claim for relief. Thereupon, both parties will be obligated to engage in the mediation, which shall be conducted in accordance with the Mediation Service's then current rules, except to the extent such rules conflict with this Agreement, in which case this Agreement shall control.

2. A single mediator, who must be either a practicing attorney with experience in business format franchising or a retired judge, will conduct the mediation. To be qualified, the mediator shall have no past or present affiliation or conflict with any party to the mediation, and must be generally available to conduct the mediation within the time parameters required by this Agreement. The parties agree that the mediator and the Mediation Service's employees shall be disqualified as a witness, expert, consultant or attorney in any pending or subsequent proceeding relating to the dispute that is the subject of the mediation.

3. Upon receipt of the written mediation demand, the Mediation Service shall provide the parties with a list of mediators willing to serve. If the parties do not agree upon a mediator, and so advise the Mediation Service in writing, within 10 days of receipt of such list, the Mediation Service shall appoint the mediator. Except as otherwise provided in these Dispute Resolution Sections: (i) the fees and expenses of the Mediation Service, including (without limitation) the mediator's fee and expenses, shall be shared equally by the parties, and (ii) each party shall bear its own attorney's fees and other costs incurred in connection with the mediation irrespective of the outcome of the mediation or the mediator's evaluation of each party's case.

4. The mediation conference shall take place within 30 days after selection of the mediator. Regardless of whether Company or the Covered Person is the Initiating Party,

the mediation shall be conducted at Company's headquarters, unless the parties agree upon a mutually acceptable alternative location.

5. At least 7 days before the first scheduled session of mediation, each party shall deliver to the mediator and to the other party a concise written summary of its position with respect to the matters in dispute and the Initiating Party's claims for relief, and such other matters required by the mediator.

6. The parties shall participate in good faith in the entire mediation proceeding, including the mediation conference, with the intention of resolving the dispute, if at all possible. The parties shall each send at least one representative to the mediation conference who has authority to enter into a binding contract on that party's behalf and on behalf of all principals of that party who are required by the terms of the parties' settlement to be personally bound by it. The parties recognize and agree, however, that the mediator's recommendations and decision shall not be binding on the parties.

7. During the mediation conference, the mediator may have joint and separate meetings with the parties and their counsel, at the mediator's discretion. The mediation conference shall continue until conclusion, which is deemed to occur when: (i) a written settlement is reached, (ii) the mediator concludes, after a minimum of eight hours of mediation as required by subsection 8, and informs the parties in writing, that further efforts would not be useful, or (iii) the parties agree in writing that an impasse has been reached. Neither party may withdraw before the conclusion of the mediation conference.

8. Notwithstanding subsection 7, the parties agree that the mediation conference shall continue for at least 8 hours and be held on one day, if possible; if not, then over two consecutive days; provided, however, the parties are excused from this requirement if they succeed in reaching a written settlement in less than 8 hours.

9. If one party breaches this Agreement by refusing to participate in the mediation proceeding in accordance with this Agreement (including, without limitation, for breaching the conditions of subsection 8), the non-breaching party may immediately file suit and take such other action to enforce its rights as permitted by law and the breaching party shall be obligated to pay: (aa) the mediator's fees and costs, (bb) the non-breaching party's reasonable attorneys' fees and costs incurred in connection with the mediation, and (cc) to the extent permitted by law, the non-breaching party's reasonable attorneys' fees and costs incurred in any suit arising out of the same dispute, regardless of whether the non-breaching party is the prevailing party. Additionally, in connection with (cc), the breaching party shall forfeit any right to recover its attorneys' fees and costs should it prevail in the suit. The parties agree that the foregoing conditions are necessary in order to encourage meaningful mediation as a means for efficiently resolving any disputes that may arise.

10. At the mediator's discretion, or upon either party's request, the mediator will provide a written evaluation of each party's claims and defenses and of the likely resolution of the dispute if not settled. The parties agree that the mediator is not acting as an attorney or providing legal advice on behalf of any party.

11. The mediation proceeding will be treated as a compromise settlement negotiation. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation proceeding by any party or their agents, experts, counsel, employees or representatives, and by the mediator and the Mediation Service's employees, are confidential. Such offers, promises, conduct and statements may not be disclosed to any third party and are privileged and inadmissible for any purpose, including impeachment, under applicable federal and state laws or rules of evidence; provided however, that evidence otherwise discoverable or admissible shall not be rendered not discoverable or inadmissible as a result of its use in the mediation. If a party informs the mediator that it conveys information in confidence to the mediator, the mediator will not disclose the information.

B. Exceptions to Duty to Mediate Disputes.

The obligation to mediate shall not apply to:

1. Any claim by either party seeking interim relief, including, without limitation, requests for temporary restraining orders, preliminary injunctions, writs of attachment, appointment of a receiver, for claim and delivery, or any other orders which a court may issue when deemed necessary in its discretion to preserve the status quo or prevent irreparable injury, including the claim of either party for injunctive relief to preserve the status quo pending the completion of a mediation proceeding. The party awarded interim or injunctive relief shall not be required to post bond. Once interim relief is obtained, the parties agree to submit the dispute to, or continue, mediation in accordance with this Agreement.

2. Any claim by Company or the holder of rights under any lease or sublease for unlawful detainer or similar remedies available to a landlord or for the enforcement of Company's other rights under any Addendum to Lease with Debtor.

3. Any claim by Company that Franchisee is violating any provisions of this Agreement relating to use of the Confidential Information or Proprietary Marks of the Company.

C. Arbitration. If mediation fails or for any reason is not undertaken, except as set forth herein, the claim shall be the subject of binding arbitration.

1. Submission. Any controversy or claim arising out of or relating to this Agreement or any incorporated documents or related agreements **or based upon the relationship created by this Agreement or an alleged breach of this Agreement (whether arising in contract, tort or other action and except as specifically excluded in this Agreement)** must be submitted, after the failure of mediation to resolve the claim, to binding arbitration in the county of the state in which Company has its principal place of business, currently Maricopa County, Arizona, administered by the American Arbitration Association under its Commercial Arbitration Rules, including its Rules for Emergency Measures of Protection. These provisions are subject to the following exceptions: (i) Claims described in subparagraph B will not be subject to arbitration; (ii) without waiving any remedy under this Agreement, the Company may elect to bring any claim for injunctive or other provisional relief to compel compliance by Franchisee with this Agreement, or to protect the System or Marks, in any court having jurisdiction and (iii) except as otherwise agreed herein by the parties. Company and franchisee agree to pay half of the upfront arbitration fees regardless of the

number of officers or owners from either side that are also named in the arbitration demand. If either party fails to pay their portion of the arbitration fees, both parties agree that the arbitrator or arbitration panel may impose sanctions in addition to those stated below such as limiting discovery requests, not considering evidence submitted by the non-paying party, and awarding default judgment in favor of the paying party with an award of damages. The Company may join with the claim any other claims that arise out of the same acts or omissions.

2. Parties. The parties to each arbitration case shall be limited to the Company and a single franchisee and any individuals or entities that are jointly or severally or vicariously liable with them. Franchisee may not bring any claim in a representative capacity for other retailers **or franchisees**. Subject to state law, separate arbitration cases cannot be consolidated or be brought on a class action basis.

3. Arbitrators.

a. Any dispute submitted to arbitration involving a monetary claim or consequences to either party of less than $~~75,000~~**200,000** will be heard and determined by one arbitrator, unless the parties agree otherwise or the American Arbitration Association directs pursuant to its rules that the dispute be heard and determined by three arbitrators.

b. Disputes involving $~~75,000~~**200,000** or more will be heard and determined by three arbitrators.

c. Arbitrators may not have any relationship to either party. To the extent possible, arbitrators shall have franchise law experience or be former or retired federal or state court judges.

4. Discovery. The parties shall be entitled to conduct discovery of the types provided by the Federal Rules of Civil Procedure to the extent deemed reasonably necessary by the arbitrators consistent with the expedited nature of arbitration. The arbitrators may impose the sanctions of the Federal Rules of Civil Procedure for noncompliance. Company and Franchisee agree that, in any arbitration arising as described in this Section, requests for documents shall be limited to documents (including electronic documents) that are directly relevant to significant issues in the case or to the case's outcome, shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." For electronic document discovery requests, Company and Franchisee both agree that:

a. The production of electronic documents will be made on the basis of generally available technology in a searchable format which is convenient and economical for the party producing the documents and also usable by the party receiving the documents.

b. Unless there is a showing of compelling need, as determined by the arbitrator, the parties are not required to produce metadata, with the exception that the header fields of email correspondence may be produced.

c. Production of electronic documents need only be from sources used in the ordinary course of business. No documents shall be required to be produced from back-up servers, tapes or other media.

d. Only individuals whose electronic documents are reasonably expected to contain evidence that is material to the dispute shall be named as custodians and requested to provide such electronic documents.

e. When the costs and burdens of electronic discovery are disproportionate to the nature of the dispute or to the amount in controversy, or to the relevance of the materials requested, the arbitrator shall either deny such requests or order disclosure on the condition that the requesting party advances the reasonable cost of production to the providing side. Such production costs may be part of the allocation of the costs in the final arbitration award.

5. Award.

a. The final award of the arbitrators shall be accompanied by a reasoned opinion.

b. Any interim, interlocutory, or partial rulings, orders, and awards may be enforced through any court having jurisdiction.

c. Judgment on the final award rendered by the arbitrators may be confirmed as a judgment in any court having jurisdiction.

D. Judicial Relief.

1. ~~The parties agree that (i) all~~**All** disputes arising out of or relating to this Agreement which are not subject to arbitration, and ~~(ii)~~ all claims described in subparagraph B, shall be brought in the superior court of the county and state in which Company has its principal place of business, currently Superior Court of Arizona in Maricopa County, unless the subject matter of the dispute arises exclusively under federal law, in which event the dispute shall be submitted to the district court of the county and state in which Company has its principal place of business, currently United States District Court located in Maricopa County, Arizona. The parties agree to submit to the jurisdiction of the courts mutually selected by them pursuant to this paragraph and mutually acknowledge that selecting a forum in which to resolve disputes arising between them is important to promote stability in their relationship. Company may pursue any claim for judicial relief, including a claim for injunctive relief, either before, during or after any arbitration proceeding, if the claim is not subject to arbitration.

2. To the fullest extent that it may effectively do so under Applicable Law, Franchisee ~~waives~~**acknowledge the above geographic limitation and waive all questions of personal jurisdiction or venue, including** the defense of an inconvenient forum to the maintenance of an action in the courts identified in this paragraph and agrees not to commence any action of any kind against Company, Company's Affiliate and their respective officers, directors, employees, agents or property arising out of or relating to this Agreement except in the courts identified in this paragraph.

3. The parties agree to waive any right to a trial by jury in any action arising out of or relating to this Agreement.

E. Choice of Law.

Except as otherwise provided in this Agreement, the parties agree that Arizona law shall govern the construction, interpretation, validity and enforcement of this Agreement and shall be applied in any mediation or judicial proceeding to resolve all disputes between them, except to the extent the subject matter of the dispute arises exclusively under federal law, in which event the federal law shall govern.

F. Limitations Period.

To the extent permitted by Applicable Law, any legal action of any kind arising out of or relating to this Agreement or its breach, including without limitation, any claim that this Agreement or any of its parts is invalid, illegal or otherwise voidable or void, must be commenced by no later than the last to occur of the following: (i) 180 days after obtaining knowledge of the facts which constituted or gave rise to the alleged violation or liability, or (ii) one year after the act, event, occurrence or transaction which constituted or gave rise to the alleged violation or liability; provided, however, the applicable limitations period shall be tolled during the course of any mediation proceeding which is initiated before the last day of the limitations period, and such toll shall commence on the date the Responding Party receives the Initiating Party's demand for mediation and continue until the date the mediation is concluded.

G. Punitive or Exemplary Damages.

Company and Franchisee, and their respective directors, officers, shareholders and guarantors, as applicable, each hereby waive to the fullest extent permitted by law, any right to, or claim for, punitive or exemplary damages against the other and agree that, in the event of a dispute between them, each is limited to recovering only the actual damages proven to have been sustained by it.

H. Attorneys' Fees.

1. Except as expressly provided in this Agreement, in any arbitration or judicial action or proceeding brought to enforce any provision of this Agreement or arising out of or in connection with the relationship of the parties hereunder, the prevailing party shall be entitled to recover against the other its reasonable attorneys' fees and costs in addition to any other relief awarded by the court. As used in this Agreement, the "prevailing party" is the party who recovers greater relief in the action.

2. Company shall be entitled to reimbursement of all fees, costs and expenses that it incurs, including fees to retain attorneys, accountants or other experts, to enforce its rights under this Agreement under circumstances when no mediation, arbitration or judicial action is commenced.

XXIII. ACKNOWLEDGEMENTS

Franchisee understands and agrees and represents to Company, to induce Company to enter into this Agreement, that:

A. Acceptance of Conditions. Franchisee has read this Agreement and Company's Franchise Disclosure Document and understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Company's standards of service and quality and the uniformity of those standards at all PITA JUNGLE® Franchised Business in order to protect and preserve the PITA JUNGLE® System and the goodwill of the Proprietary Marks;

B. Independent Investigation. Franchisee has conducted an independent investigation of the business contemplated by this Agreement. Franchisee recognizes that the PITA JUNGLE® System may evolve and change over time; that an investment in this franchise involves business risks; and that the success of the investment depends upon Franchisee's business ability and efforts;

C. Reliance. ~~Franchisee has not received or relied upon any promise or guaranty, express or implied, about the revenues, profits or success of the business venture contemplated by this Agreement;~~**FRANCHISEE HAS NOT RECEIVED OR RELIED UPON ANY PROMISE OR GUARANTY, EXPRESS OR IMPLIED, ABOUT THE REVENUES, VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT; FRANCHISEE REPRESENTS THAT IT HAS NOT SIGNED THIS AGREEMENT IN RELIANCE ON ANY SHAREHOLDER, DIRECTOR, OFFICER, OR EMPLOYEE REMAINING WITH COMPANY IN THAT CAPACITY, AND SUCH PEOPLE ARE ONLY REPRESENTATIVES OF COMPANY;**

D. No Representations; Status of Franchisee.

1. No representations have been made by Company, Company's Affiliate or their respective officers, directors, shareholders, employees or agents, that are contrary to statements made in the Franchise Disclosure Document previously received by Franchisee or to the terms contained in this Agreement; and

2. ~~The financial performance representations do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenues 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 franchised business. Franchisees or former franchisees, listed in the disclosure document may be one source of information.~~**THE FINANCIAL PERFORMANCE REPRESENTATIONS DO NOT REFLECT THE COSTS OF SALES, OPERATING EXPENSES, OR OTHER COSTS OR EXPENSES THAT MUST BE DEDUCTED FROM THE GROSS REVENUES 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 FRANCHISED BUSINESS. FRANCHISEES OR FORMER FRANCHISEES, LISTED IN THE DISCLOSURE DOCUMENT MAY BE ONE SOURCE OF INFORMATION.**

3. Franchisee (if an individual) or each person executing a guaranty of Franchisee's obligations, is a United States citizen or a lawful resident alien of the United States; if Franchisee is a corporation, LLC, partnership or other business entity, it shall remain duly organized and in good standing for as long as this Agreement is in effect and it owns the franchise rights; and all financial and other information provided to Company in connection with Franchisee's application is true and correct and no material information or fact has been omitted which is necessary in order to make the information disclosed not misleading.

XXIV. MISCELLANEOUS

A. Notices.

1. All communications required or permitted to be given to either party hereunder shall be in writing and shall be deemed duly given on the earlier of (i) the date when delivered by hand; (ii) one business day after delivery to a reputable national overnight delivery service; (iii) 4 business days after being placed in the United States Mail and sent by certified or registered mail, postage prepaid, return receipt requested or (iv) one day after being sent by email provided no message is received that the email was undeliverable.

2. All notices shall be addressed as follows or to the last known email address:

To Company: PITA JUNGLE FRANCHISING CORP.
7333 E. Doubletree Ranch Road #250
Scottsdale, Arizona 85258
Telephone: 480-969-2427
Email: Nelly@pitajungle.com

To Franchisee:______________________________
____
____
____
____
Fax No.: ________________
Email:____________________

3. Either party may change its address for receiving notices by appropriate written notice to the other.

4. All payments and reports required to be delivered to Company shall be directed to Company at the above address.

5. Notwithstanding the parties' agreement regarding when notices shall be deemed to be given, any required payment or report not actually received by Company during regular business hours on the date it is due shall be deemed delinquent.

B. Time of the Essence.

Time is of the essence of this Agreement with respect to each and every provision of this Agreement in which time is a factor.

C. Withholding of Consent.

Except where this Agreement expressly obligates Company to reasonably approve or not unreasonably withhold its approval of any action or request by Franchisee, Company has the absolute right to refuse any request by Franchisee or to withhold its approval of any action by Franchisee. Further, whenever the consent or approval of Company is required under this Agreement such consent or approval must be in writing unless this Agreement specifies otherwise.

D. Waiver.

1. Any waiver granted by Company to Franchisee excusing or reducing any obligation or restriction imposed under this Agreement shall be in writing and shall be effective upon delivery of such writing by Company to Franchisee or upon such other effective date as specified in the writing, and only to the extent specifically allowed in such writing.

2. No waiver granted by Company, and no action taken by Company, with respect to any third party shall limit Company's discretion to take action of any kind, or not to take action, with respect to Franchisee. Any waiver granted by Company to Franchisee shall be without prejudice to any other rights Company may have. The rights and remedies granted to Company are cumulative.

3. No delay on the part of Company in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Company of any right or remedy shall preclude Company from fully exercising such right or remedy or any other right or remedy.

4. Company's acceptance of any payments made by Franchisee after a breach of this Agreement shall not be, nor be construed as, a waiver by Company of any breach by Franchisee of any term, covenant or condition of this Agreement.

E. Paragraph Headings, Language.

1. The paragraph headings used in this Agreement are inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants or conditions of this Agreement.

2. The language used in this Agreement shall in all cases be construed simply according to its fair meaning and not strictly for or against Company or Franchisee. The term "Franchisee" as used herein is applicable to one or more persons, corporations, partnerships or entities, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Franchisee hereunder, whether or not as partners or joint venturers, their obligations and liabilities to Company shall be joint and several. The term "including" shall be interpreted as "including but not limited to."

3. Nothing in this Agreement is intended, nor shall it be deemed, to confer any rights or remedies upon any person or business entity not a party hereto.

4. Whenever this Agreement refers to "business days," it shall mean weekdays only, excluding Saturdays, Sundays and holidays.

F. Binding on Successors.

The covenants, agreements, terms and conditions contained in this Agreement shall be binding upon, and shall inure to the benefit of, the successors, assigns, heirs and personal representatives of the parties hereto.

G. Validity, Conformity With Applicable Law.

1. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be valid under Applicable Law, but if any provision of this Agreement or any portion of any provision of this Agreement shall be deemed to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not alter the remaining portion of such provision, or any other provision hereof, as each provision of this Agreement shall be deemed severable from all other provisions hereof.

2. To the extent that the provisions of this Agreement provide for periods of notice less than those required by Applicable Law, or provide for termination, cancellation, non-renewal or the like other than in accordance with Applicable Law, such provisions shall be deemed to be automatically amended to conform them to the provisions of such Applicable Law.

3. To the extent any provision of this Agreement is deemed unenforceable by virtue of its scope in terms of geographic area, business activity prohibited or length of time, but could be enforceable by reducing any or all thereof, the parties agree that the provision shall be enforced to the fullest extent permissible under the laws of the jurisdiction in which enforcement is sought.

H. Amendments.

No amendment, change, modification or variance to or from the terms and conditions set forth in this Agreement shall be binding on any party unless it is set forth in writing and executed: (i) on behalf of Franchisee, by Franchisee if Franchisee is an individual, and, if not, by an authorized agent or officer of Franchisee; and (ii) on behalf of Company, by any duly authorized officer of Company.

I. Complete Agreement.

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

J. Covenant and Condition.

Each provision of this Agreement performable by Franchisee shall be construed to be both a covenant and a condition.

K. Submission of Agreement.

The submission of this Agreement to Franchisee does not constitute an offer to Franchisee, and this Agreement shall become effective only upon execution by Company and Franchisee.

XXV. WAIVER OF JURY TRIAL

COMPANY AND FRANCHISEE EACH HEREBY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, COUNTERCLAIM OR CROSS-COMPLAINT IN ANY ACTION, PROCEEDING AND/OR HEARING BROUGHT BY EITHER COMPANY OR FRANCHISEE ON ANY MATTER WHATSOEVER ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THIS AGREEMENT, THE RELATIONSHIP OF THE PARTIES, THE USE OF THE PROPRIETARY MARKS OR PITA JUNGLE® SYSTEM BY FRANCHISEE, OR ANY CLAIM OF INJURY OR DAMAGE, OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY LAW, STATUTE, REGULATION, EMERGENCY OR OTHERWISE, NOW OR HEREAFTER IN EFFECT, TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date stated on page 1.

[Company]

PITA JUNGLE FRANCHISING CORP.

By: ______________________________
Title: ____________________________

[FRANCHISEE]

____
[Signature]

____
[Print Name]

____
[NAME OF CORPORATION OR PARTNERSHIP]

By: ___________________________
Title: _________________________

EXHIBIT 1 TO PITA JUNGLE FRANCHISE AGREEMENT:

FRANCHISE LOCATION

The street address of the Franchise Location is as follows:

____

____

____

____

Dated: __________, _____

[COMPANY]

PITA JUNGLE FRANCHISING CORP.

____
[Signature]
Title: ______________________

[FRANCHISEE]

____
[Print Name]

By: _______________________
[NAME OF CORPORATION
OR PARTNERSHIP

By: _______________________
Title: ______________________

EXHIBIT 2 TO PITA JUNGLE FRANCHISE AGREEMENT:

GUARANTEE AND ASSUMPTION OF OBLIGATIONS AGREEMENT

THIS GUARANTEE AND ASSUMPTION OF OBLIGATIONS IS GIVEN THIS ________ day of ________________, 20___, by ______________________________________
____
____
____ (the "Guarantor").

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date (the "Agreement") by Pita Jungle Franchising Corp., (the "Franchisor"), each undersigned Guarantor personally and unconditionally (a) guarantees to Franchisor, and its successor and assigns, for the term of the Agreement and as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; (4) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability. **Each of the undersigned additionally waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (i) any "one action" or "anti-deficiency" law or any other law, including without limitation A.R.S. Sections 12-1566, 33-729 and 33-814, which may prevent Franchisor from bringing any action, including a claim for deficiency, against any of the undersigned, before or after Franchisor's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale or (ii) any defenses given to guarantors at law or in equity other than actual payment and performance of the indebtedness.**

Each of the undersigned consents and agrees that: (1) his direct and immediate liability under this guarantee shall be joint and several; (2) he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (4) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor 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 the Agreement.

Each of the undersigned Guarantors represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Guarantor hereby consents and agrees that:

(a) Guarantor's liability under this undertaking shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and the other owners of Franchisee;

(b) Guarantor shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;

(c) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of the Agreement by a trustee of Franchisee. Neither the Guarantor's obligations to make payment or render performance 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;

(d) Franchisor may proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee. Guarantor hereby waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed;

(e) Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor; and

(f) Guarantor agrees to be personally bound by the mediation obligations under Section 15 of the Agreement in accordance with its terms.

IN WITNESS THEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

GUARANTOR(S)	**PERCENTAGE OWNERSHIP IN FRANCHISEE**
________________________	________________________
________________________	________________________
________________________	________________________

EXHIBIT 3 TO FRANCHISE AGREEMENT:

LEASE LANGUAGE

If Franchisee leases the Site on which the Franchised Restaurant is to be located, Franchisee must include the following in such lease:

ADDENDUM TO LEASE

This Addendum to Lease (this "Addendum") is made as of ________________, 200_, by and among the undersigned Landlord, the undersigned Tenant, and Pita Jungle Franchising Corp. ("Franchisor"), for the purpose of amending and supplementing the Lease dated __________________, 200_, between Landlord and Tenant for the Premises described in the Lease. The parties agree as follows:

Tenant, as the franchisee, has entered into a Franchise Agreement with Franchisor for the operation of a PITA JUNGLE® restaurant (the "Franchise Business") on the Premises. Tenant must use the Premises only for a PITA JUNGLE restaurant. If Tenant defaults in the performance of any term of the Lease, Landlord agrees to notify Franchisor of the default at the same time and in the same manner as it notifies Tenant, and Franchisor has the right (but not the obligation) to cure the default within the cure period specified in the Lease, or within any longer cure period that may be specified in the notice.

Tenant conditionally assigns to Franchisor all of its rights and interests in and to the Lease, and Landlord consents to such assignment; provided, however, that the assignment will become effective only if and when Franchisor exercises the option to assume the Lease granted to Franchisor in this paragraph. Upon the expiration and non-renewal of the Franchise Agreement, or an early termination of the Franchise Agreement for any reason (other than an assignment approved by Franchisor), Franchisor will have the option to assume Tenant's rights and interests in and to the Lease. Franchisor may exercise this option by giving written notice to Landlord and Tenant. Immediately upon receiving the notice, Tenant must vacate the premises and turn them over to Franchisor. Exercise of the option will not affect any right or claim that Landlord may have against Tenant. Franchisor may subsequently assign its rights and obligations under this Lease Agreement to another franchisee of Franchisor and Landlord agrees in good faith to consent to such assignment if the subsequent franchisee is at least as creditworthy as Tenant was at the time of execution of the Lease Agreement.

This Addendum will remain in effect during the entire term of the Lease and any and all renewals or extensions of the Lease. The Lease may not be amended, assigned, extended, renewed or surrendered, nor may the Premises, or any part of it, be sublet, nor may the Lease be encumbered by Tenant, without the prior written consent of Franchisor in each case. Any failure to obtain Franchisor's consent will not alter or impair Franchisor's rights under this Addendum.

Notice to Franchisor must be in writing and mailed or delivered to Pita Jungle Franchising Corp., 7333 East Doubletree Ranch Road, Suite 250, Scottsdale, Arizona 85258.

EXHIBIT 4 TO PITA JUNGLE FRANCHISE AGREEMENT:

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

(Separate copy to be executed by each "Covered Person": (i) the individual executing the Franchise Agreement on behalf of the Franchisee; (ii) each Franchisee Affiliate and each officer, director, shareholder, member, manager, trustee or partner of Franchisee owning more than ten percent of the equity interest in Franchisee; and (iii) each member of Franchisee's and each of the foregoing individuals' immediate family).

THIS CONFIDENTIALITY AND NON-COMPETITION AGREEMENT (this "**Agreement**") is entered into as of the _____ day of _____________, 200__, by the undersigned individual (the "**Covered Person**"), who holds, or has been offered, an ownership or other interest or position (the **"Position"**) with ____, a franchisee (**"Franchisee"**) of Pita Jungle Franchising Corp. (**"Pita Jungle"**) under a Franchise Agreement between Franchisee and Pita Jungle dated ______________ ____, 200__ (the **"Franchise Agreement"**).

RECITALS:

A. Pita Jungle, together with its affiliates, has developed business methods for the development and operation of restaurants featuring a natural, healthful, Mediterranean cuisine including salads, pizzas, vegetarian burgers, wraps, and hot and cold pita sandwiches (the "**System**"). The System uses the trade name and trademarks "Pita Jungle" and other identifying logos, trademarks and names designated for use with the System (the **"Marks"**).

B. Under the Franchise Agreement, Pita Jungle has granted Franchisee a license to operate a Pita Jungle franchised business in a designated area using the System, including confidential and proprietary information of Pita Jungle.

C. The Position held, or to be held, by the Covered Person will place the Covered Person in a position of trust and confidence with both Pita Jungle and Franchisee. The Covered Person acknowledges the Position may result in the Covered Person having access to, or generating, **"Confidential Information"**, which includes any information about the System, whether contained in the Operating Manuals or otherwise and whether presently known or developed in the future, which is not generally known to the public and which has been disclosed by Pita Jungle to the Franchisee or to Covered Person in confidence. For purposes of this Agreement, Confidential Information shall not include any information that the Covered Person can demonstrate became known to him or her independently prior to having any contact with Franchisee or Pita Jungle, or that has become generally known in the public domain, and in either case, not as a result of wrongful disclosure (whether deliberate or inadvertent).

D. The Covered Person consequently agrees that it is reasonable and necessary for the protection of the System and for the benefit of both Pita Jungle and Franchisee to keep the Confidential Information confidential, and not to compete with any other Pita Jungle business, all pursuant to the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the mutual promises and conditions contained herein, and as an inducement to Pita Jungle to enter into a Franchise Agreement with Franchisee, or to approve a transfer to Franchisee, or the appointment of the Covered Person, and/or in consideration of the Covered Person's employment or continued employment by Franchisee, and/or other valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged by the Covered Person, the Covered Person hereby agrees as follows:

1. Confidential Information.

1.1. Ownership. The Covered Person acknowledges that Pita Jungle and/or its affiliates and/or Franchisee is/are the sole owner(s) of all the Confidential Information; that the Confidential Information is being imparted to the Covered Person in trust and confidence and only by reason of the Covered Person's Position; and that the Confidential Information is not generally known to the trade or public and is not known to the Covered Person except by reason of the Covered Person's Position. The Covered Person further acknowledges that the Covered Person shall acquire no interest in the Confidential Information, other than the right to utilize it in connection with the performance of any duties associated with the Covered Person's Position. The Covered Person agrees not to directly or indirectly contest the ownership of the Confidential Information by Pita Jungle, its affiliates and/or Franchisee, or their respective rights to register, use or license others to use any of the Confidential Information. In addition, the Covered Person acknowledges that Pita Jungle, its affiliates and/or Franchisee have expended a great amount of effort and money in obtaining and developing the Confidential Information, that they have taken reasonable precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information, so that the use, duplication or disclosure of the Confidential Information except as expressly permitted by this Agreement shall constitute an unfair method of competition and that Pita Jungle, its affiliates and Franchisee shall suffer irreparable injury thereby.

1.2. Confidentiality. The Covered Person acknowledges that the Confidential Information is disclosed to the Covered Person solely on the condition that the Covered Person agree, and the Covered Person does hereby agree, that the Covered Person: (a) will use the Confidential Information in strict accordance with the instructions and directions given by Franchisee or Pita Jungle from time to time; (b) will not use the Confidential Information in any other business or capacity; (c) will not, at any time, while holding any Position with Franchisee or thereafter, in any manner or form, directly or indirectly, disclose, duplicate, license, sell, reveal, divulge, publish or communicate the Confidential Information, or any portion thereof, to any person or entity other than Franchisee, or employees of Franchisee or Pita Jungle who need to have such information in connection with their jobs; (d) will not copy any materials containing the Confidential Information, including without limitation any manuals or computer software, without Pita Jungle's prior written consent (which Pita Jungle may refuse to give); (e) will observe and implement all reasonable procedures imposed from time to time by Pita Jungle and/or Franchisee to prevent the unauthorized use and disclosure of the Confidential Information; (f) will keep all manuals and other materials containing any portion of the Confidential Information in a secure place; and (g) if the Covered Person is legally compelled to disclose any of the Confidential Information, will do so only if the Covered Person has used his or her best efforts to afford Pita Jungle and Franchisee the opportunity of obtaining appropriate protective orders or other assurances of confidentiality satisfactory to Pita Jungle and Franchisee. Notwithstanding the foregoing, the Covered Person may disclose any of the Confidential Information on a confidential basis to his or her professional advisors. **The restrictions in this Section 1.2 are imposed for the term of this Agreement, and after this Agreement is terminated (or expires), the entire length of time that any Confidential Information is a trade secret and otherwise, the longest of either four years or as long as may be required by applicable law.**

1.3. Return of Confidential Material. Upon termination of his or her Position with Franchisee, the Covered Person shall promptly return to Franchisee all copies of any materials containing the Confidential Information and all property belonging to Franchisee and Pita Jungle, or either of them, in the Covered Person's possession, custody or control, including any of such items produced or prepared by the Covered Person.

2. Noncompetition.

2.1. Covenant. The Covered Person recognizes that: (a) the restaurant business is very competitive; (b) by virtue of his or her Position, the Covered Person will have access to the Confidential Information and will have close contacts with customers and suppliers; (c) for these very reasons, the Position also provides the Covered Person with the attendant ability to divert trade; and (d) consequently, Pita Jungle and Franchisee each have strong legitimate interests in obtaining the covenants herein for the protection of the System and their respective businesses and goodwill. Therefore, without the express prior written consent of Pita Jungle and Franchisee, which either may withhold in its sole absolute discretion, the Covered Person agrees that neither the Covered Person, nor any person or entity under the Covered Person's control, shall, during the Time Period (as defined in Paragraph A of Section 2.2 below), directly or indirectly, engage in, render services or provide financing to, or have any interest in, any Competitive Business (as defined in Paragraph B of Section 2.2 below) within the Competitive Region (as defined in Paragraph C of Section 2.2 below).

2.2. Definitions.

"Time Period" means (1) the period of time while the Franchise Agreement is in effect, including renewals; and (2) after any Transfer of this Agreement, for a period of two years after Franchisee and all Covered Persons have ceased engaging in any Competitive Business in the Competitive Region; and (3) after any Termination of this Agreement under any circumstances, for a period of two years after Franchisee and all Key Individuals have ceased engaging in any Competitive Business in the Competitive Region; *provided, however,* that at such time as the Covered Person no longer holds any Position with Franchisee, the Time Period defined above shall be reduced to the two years period after the Covered Person no longer holds a Position with Franchisee and has ceased engaging in any Competitive Business within the Competitive Region. The Covered Person acknowledges that the Time Period is reasonable and necessary in order for Pita Jungle and/or Franchisee to have sufficient time to find, train and introduce replacements, make the transition and establish a market presence and good relationships with customers.

"Competitive Business" means any business located or doing business in the Competitive Region that derives more than 10 percent of its gross sales from the manufacture, sale or distribution, at retail or wholesale, of pizza, pita sandwiches, natural Mediterranean foods or food supplements, *provided, however*, that the ownership of securities in a Competitive Business will not be a violation of this Agreement if such securities are listed on a stock exchange or traded on the over-the-counter market and represent in the aggregate 5% or less of that class of securities issued and outstanding.

"Competitive Region" means anywhere within a twenty-five mile radius measured from: (i) the Franchise Location (as defined in Franchisee's Franchise Agreement; and (ii) the franchise location of any other Pita Jungle Restaurant existing on the date of commencement of the Time Period.

3. **Non-Interference.** The Covered Person agrees, during the Time Period, not to solicit for employment or as an independent contractor, any person who is at the time employed by or under contract with Pita Jungle, its affiliates, Franchisee, or any other Pita Jungle franchisee. The Covered Person further agrees, during the Time Period, not to directly or indirectly induce any such person to leave their employment or terminate their contract with Pita Jungle, its affiliates, Franchisee, or any other Pita Jungle franchisee.

4. **Improvements.** All inventions, improvements, enhancements, creations, discoveries, modifications, copyrightable works or trade secrets developed by the Covered Person, or by anyone under the control of the Covered Person, in connection with the Pita Jungle business operated by Franchisee (**"Improvements"**), shall automatically become the sole property of Pita Jungle, without compensation to the Covered Person or anyone else. The Covered Person hereby assigns all proprietary rights, including copyrights, in the Improvements to Pita Jungle without additional consideration. The Covered Person agrees to execute such additional assignments or documentation to effectuate the assignment of all Improvements, as Pita Jungle may deem necessary in order to enable Pita Jungle, at its expense, to apply for, prosecute and obtain copyrights, patents or other proprietary rights in the United States and in foreign countries, or in order to transfer to Pita Jungle all right, title and interest in any Improvement. The Covered Person must promptly disclose to Pita Jungle any Improvement that the Covered Person, or anyone under the control of the Covered Person, has made or is developing solely, jointly or commonly with others, and the Covered Person must promptly create a written record of the same. These obligations shall continue beyond the termination of the Covered Person's Position with respect to Improvements conceived or made by the Covered Person while holding any Position with Franchisee, and shall be binding upon the Covered Person's assigns and personal representatives.

5. **Modification.** Each of the covenants set forth in this Agreement shall be construed as independent of any other agreement. Pita Jungle may reduce the scope of the obligations under any of the covenants in this Agreement unilaterally and without the consent of any other person or entity, effective upon giving notice thereof.

6. **Remedies.**

6.1. Acknowledgments. The Covered Person acknowledges and agrees that his or her experience and capabilities are such that he or she can obtain employment and engage in business activities which are of a different or non-competing nature from those prohibited hereunder; that the enforcement of a remedy of injunction will not prevent him or her from earning a reasonable living; and that the covenants contained in this Agreement are necessary for the protection of Franchisee and Pita Jungle's legitimate business interests and are reasonable in scope and in content.

6.2. Trade Secret Laws. The remedies set forth in this Agreement are in addition to and cumulative of any rights or remedies that may be available to Pita Jungle and/or Franchisee under any applicable laws relating to trade secrets and/or unfair competition, and nothing contained in this Agreement shall be construed as a waiver of any rights or remedies available to Pita Jungle and/or Franchisee under any applicable law.

6.3. Injunctive Relief. Nothing in this Agreement will prevent Pita Jungle or Franchisee from obtaining temporary restraining orders or temporary or preliminary injunctive relief in a court of competent jurisdiction. The Covered Person acknowledges that he or she is part of the Pita Jungle network that has other authorized Pita Jungle Franchisees and customers, and that the acts and omissions of the Covered Person may affect all those entities and individuals. The failure of the Covered Person to comply with the terms of this Agreement is likely to cause incalculable or irreparable damage to the System, to Pita Jungle and Franchisee and other Franchisees, and to their reputations and the good will of the Marks, for which there is no fully adequate remedy at law. For this reason, the Covered Person agrees that if Pita Jungle or Franchisee can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of breach or threatened breach of any of the terms of this Agreement that could have any of those effects, Pita Jungle or Franchisee will be entitled, without posting a bond, to a temporary restraining order or preliminary injunction enjoining the breach or to a decree of specific performance, without having to show or prove any actual damage. Nothing herein shall be construed as prohibiting Franchisee and Pita Jungle, or either of them, from pursuing any other available remedies for such breach. **In pursuing such other remedies, the provisions of Section XXII of the Franchise Agreement shall apply unless specifically revised by this Agreement.**

7. Survival. The provisions of this Agreement shall survive the expiration or termination of any agreement or relationship between Franchisee and the Covered Person for any reason, and shall be enforceable notwithstanding the existence of any claim or cause of action of the Covered Person against Franchisee or Pita Jungle, predicated on any contract or other basis whatsoever.

8. Severability. In the event any term or provision of this Agreement is declared to be invalid or unenforceable for any reason, the provision shall be modified to the extent necessary to make it enforceable, or if it cannot be so modified, then severed, and the remaining terms of this Agreement shall remain in full force and effect, and it is hereby declared the intention of the parties that they would have executed this Agreement as so modified.

9. Notice. Any notice to be given to the Covered Person under this Agreement will be sufficient and deemed delivered if it is in writing and delivered to the U.S. Post Office to be sent prepaid by certified or registered mail addressed to the Covered Person at his or her residential address as provided below, or to such other residential address as the Covered Person shall have provided in writing to both Franchisee and Pita Jungle.

10. Applicable Law. Except to the extent governed by federal trademark, copyright and arbitration statutes, the existence, validity, construction and sufficiency of performance of this Agreement and all matters relating to it shall be governed by the laws of the State of Arizona applicable to agreements made and to be entirely performed in Arizona, without regard to, and without giving effect to, the application of any Arizona conflict of laws rules; *provided, however,* that if any of the provisions of this Agreement would not be enforceable under the laws of Arizona, then such provisions shall be governed by the laws of the state in which the office of Franchisee's Pita Jungle business is located; *and provided further* that the Franchise Disclosure Document delivered to Franchisee prior to entering into the Franchise Agreement contained a State Law Addendum, which is hereby incorporated into this Agreement, referencing and summarizing certain existing local laws of other jurisdictions, and the application of Arizona law shall not abrogate or reduce any rights of Franchisee or the Covered Person provided for under such existing local laws which by their terms apply and supersede Arizona law (unless local law conflicts with federal law and is preempted).

11. General. Except as otherwise expressly provided herein, this Agreement contains the entire understanding between the parties with respect to the subjects hereof, and supersedes all prior oral and written negotiations and agreements. Except as provided in Section 5, this Agreement may be amended only by an instrument in writing signed by Franchisee and the Covered Person. The waiver of any breach or violation of this Agreement shall not be deemed to amend this Agreement and shall not constitute a waiver of any other or subsequent breach. Headings are for convenience and shall not limit or control interpretation. Words in this Agreement shall be deemed to refer to whatever number and gender the context requires. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. Pita Jungle shall be a third party beneficiary of this Agreement and entitled to enforce it as though Pita Jungle were a signatory **but shall not be obligated to do so**. Should Pita Jungle or Franchisee be required to enforce its rights hereunder, it shall be entitled to recover its reasonable costs and expenses, including without limitation attorneys' fees.

"COVERED PERSON"
(Individually, and on behalf of all persons and entities under the control of the Covered Person):

____
(Signature)

____
(Name: Printed or Typed)

Position(s) with Franchisee [check all that apply]:
☐ _____% Owner
☐ Director
☐ Entity Representative
☐ Officer:______________________ [provide title]
☐ General Manager
☐ Spouse of ________________ [spouse's name]
________________________ [spouse's Position]
☐ Other: ________________________ [specify]

____
(Residential Street Address)

____
(City, State, Zip Code)

ACCEPTED BY FRANCHISEE
(For itself and on behalf of Pita Jungle):

____
(Full Legal Name of Franchisee)

By:
____
(Signature)

____
(Name Printed or Typed)

Title:
____

EXHIBIT 5 TO PITA JUNGLE FRANCHISE AGREEMENT:

CONFIDENTIALITY AGREEMENT

(Separate copy to be executed by each "Covered Person" if that Covered Person is not required to execute a Confidentiality and Non-Competition Agreement: (i) the individual executing the Franchise Agreement on behalf of the Franchisee; (ii) each Franchisee Affiliate and each officer, director, shareholder, member, manager, trustee or partner of Franchisee (iii) each member of Franchisee's and each of the foregoing individuals' immediate family; and (iv) employees with access to Confidential Information, as defined herein).

THIS CONFIDENTIALITY AGREEMENT (this "**Agreement**") is entered into as of the _____ day of ______________, 200__, by the undersigned individual (the "**Covered Person**"), who holds, or has been offered, an ownership or other interest or position (the **"Position"**) with ____, a franchisee (**"Franchisee"**) of Pita Jungle Franchising Corp. (**"Pita Jungle"**) under a Franchise Agreement between Franchisee and Pita Jungle dated _______________ ____, 200__ (the **"Franchise Agreement"**).

R E C I T A L S:

A. Pita Jungle, together with its affiliates, has developed business methods for the development and operation of restaurants featuring a natural, healthful, Mediterranean cuisine including salads, pizzas, vegetarian burgers, wraps, and hot and cold pita sandwiches (the "**System**"). The System uses the trade name and trademarks "Pita Jungle" and other identifying logos, trademarks and names designated for use with the System (the **"Marks"**).

B. Under the Franchise Agreement, Pita Jungle has granted Franchisee a license to operate a Pita Jungle franchised business in a designated area using the System, including confidential and proprietary information of Pita Jungle.

C. The Position held, or to be held, by the Covered Person will place the Covered Person in a position of trust and confidence with both Pita Jungle and Franchisee. The Covered Person acknowledges the Position may result in the Covered Person having access to, or generating, **"Confidential Information"**, which includes any information about the System, whether contained in the Operating Manuals or otherwise and whether presently known or developed in the future, which is not generally known to the public and which has been disclosed by Pita Jungle to the Franchisee or to Covered Person in confidence. For purposes of this Agreement, Confidential Information shall not include any information that the Covered Person can demonstrate became known to him or her independently prior to having any contact with Franchisee or Pita Jungle, or that has become generally known in the public domain, and in either case, not as a result of wrongful disclosure (whether deliberate or inadvertent).

D. The Covered Person consequently agrees that it is reasonable and necessary for the protection of the System and for the benefit of both Pita Jungle and Franchisee to keep the Confidential Information confidential pursuant to the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the mutual promises and conditions contained herein, and as an inducement to Pita Jungle to enter into a Franchise Agreement with Franchisee, or to approve a transfer to Franchisee, or the appointment of the Covered Person, and/or in consideration of the Covered Person's employment or continued employment by Franchisee, and/or other valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged by the Covered Person, the Covered Person hereby agrees as follows:

1. Confidential Information.

1.1. Ownership. The Covered Person acknowledges that Pita Jungle and/or its affiliates and/or Franchisee is/are the sole owner(s) of all the Confidential Information; that the Confidential Information is being imparted to the Covered Person in trust and confidence and only by reason of the Covered Person's Position; and that the Confidential Information is not generally known to the trade or public and is not known to the Covered Person except by reason of the Covered Person's Position. The Covered Person further acknowledges that the Covered Person shall acquire no interest in the Confidential Information, other than the right to utilize it in connection with the performance of any duties associated with the Covered Person's Position. The Covered Person agrees not to directly or indirectly contest the ownership of the Confidential Information by Pita Jungle, its affiliates and/or Franchisee, or their respective rights to register, use or license others to use any of the Confidential Information. In addition, the Covered Person acknowledges that Pita Jungle, its affiliates and/or Franchisee have expended a great amount of effort and money in obtaining and developing the Confidential Information, that they have taken reasonable precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information, so that the use, duplication or disclosure of the Confidential Information except as expressly permitted by this Agreement shall constitute an unfair method of competition and that Pita Jungle, its affiliates and Franchisee shall suffer irreparable injury thereby.

1.2. Confidentiality. The Covered Person acknowledges that the Confidential Information is disclosed to the Covered Person solely on the condition that the Covered Person agree, and the Covered Person does hereby agree, that the Covered Person: (a) will use the Confidential Information in strict accordance with the instructions and directions given by Franchisee or Pita Jungle from time to time; (b) will not use the Confidential Information in any other business or capacity; (c) will not, at any time, while holding any Position with Franchisee or thereafter, in any manner or form, directly or indirectly, disclose, duplicate, license, sell, reveal, divulge, publish or communicate the Confidential Information, or any portion thereof, to any person or entity other than Franchisee, or employees of Franchisee or Pita Jungle who need to have such information in connection with their jobs; (d) will not copy any materials containing the Confidential Information, including without limitation any manuals or computer software, without Pita Jungle's prior written consent (which Pita Jungle may refuse to give); (e) will observe and implement all reasonable procedures imposed from time to time by Pita Jungle and/or Franchisee to prevent the unauthorized use and disclosure of the Confidential Information; (f) will keep all manuals and other materials containing any portion of the Confidential Information in a secure place; and (g) if the Covered Person is legally compelled to disclose any of the Confidential Information, will do so only if the Covered Person has used his or her best efforts to afford Pita Jungle and Franchisee the opportunity of obtaining appropriate protective orders or other assurances of confidentiality satisfactory to Pita Jungle and Franchisee. Notwithstanding the foregoing, the Covered Person may disclose any of the Confidential Information on a confidential basis to his or her professional advisors. **The restrictions in this Section 1.2 are imposed for the term of this Agreement, and after this Agreement is terminated (or expires), the entire length of time that any Confidential Information is a trade secret and otherwise, the longest of either four years or as long as may be required by applicable law.**

1.3. Return of Confidential Material. Upon termination of his or her Position with Franchisee, the Covered Person shall promptly return to Franchisee all copies of any materials containing the Confidential Information and all property belonging to Franchisee and Pita Jungle, or either of them, in the Covered Person's possession, custody or control, including any of such items produced or prepared by the Covered Person.

2. Non-Interference. The Covered Person agrees, during the Time Period, not to solicit for employment or as an independent contractor, any person who is at the time employed by or under contract with Pita Jungle, its affiliates, Franchisee, or any other Pita Jungle franchisee. The Covered Person further agrees, during the Time Period, not to directly or indirectly induce any such person to leave their employment or terminate their contract with Pita Jungle, its affiliates, Franchisee, or any other Pita Jungle franchisee.

3. Improvements. All inventions, improvements, enhancements, creations, discoveries, modifications, copyrightable works or trade secrets developed by the Covered Person, or by anyone under the control of the Covered Person, in connection with the Pita Jungle business operated by Franchisee (**"Improvements"**), shall automatically become the sole property of Pita Jungle, without compensation to the Covered Person or anyone else. The Covered Person hereby assigns all proprietary rights, including copyrights, in the Improvements to Pita Jungle without additional consideration. The Covered Person agrees to execute such additional assignments or documentation to effectuate the assignment of all Improvements, as Pita Jungle may deem necessary in order to enable Pita Jungle, at its expense, to apply for, prosecute and obtain copyrights, patents or other proprietary rights in the United States and in foreign countries, or in order to transfer to Pita Jungle all right, title and interest in any Improvement. The Covered Person must promptly disclose to Pita Jungle any Improvement that the Covered Person, or anyone under the control of the Covered Person, has made or is developing solely, jointly or commonly with others, and the Covered Person must promptly create a written record of the same. These obligations shall continue beyond the termination of the Covered Person's Position with respect to Improvements conceived or made by the Covered Person while holding any Position with Franchisee, and shall be binding upon the Covered Person's assigns and personal representatives.

4. Modification. Each of the covenants set forth in this Agreement shall be construed as independent of any other agreement. Pita Jungle may reduce the scope of the obligations under any of the covenants in this Agreement unilaterally and without the consent of any other person or entity, effective upon giving notice thereof.

5. **Remedies.**

5.1. Acknowledgments. The Covered Person acknowledges and agrees that his or her experience and capabilities are such that he or she can obtain employment and engage in business activities which are of a different or non-competing nature from those prohibited hereunder; that the enforcement of a remedy of injunction will not prevent him or her from earning a reasonable living; and that the covenants contained in this Agreement are necessary for the protection of Franchisee and Pita Jungle's legitimate business interests and are reasonable in scope and in content.

5.2. Trade Secret Laws. The remedies set forth in this Agreement are in addition to and cumulative of any rights or remedies that may be available to Pita Jungle and/or Franchisee under any applicable laws relating to trade secrets and/or unfair competition, and nothing contained in this Agreement shall be construed as a waiver of any rights or remedies available to Pita Jungle and/or Franchisee under any applicable law.

5.3. Injunctive Relief. Nothing in this Agreement will prevent Pita Jungle or Franchisee from obtaining temporary restraining orders or temporary or preliminary injunctive relief in a court of competent jurisdiction. The Covered Person acknowledges that he or she is part of the Pita Jungle network that has other authorized Pita Jungle Franchisees and customers, and that the acts and omissions of the Covered Person may affect all those entities and individuals. The failure of the Covered Person to comply with the terms of this Agreement is likely to cause incalculable or irreparable damage to the System, to Pita Jungle and Franchisee and other Franchisees, and to their reputations and the good will of the Marks, for which there is no fully adequate remedy at law. For this reason, the Covered Person agrees that if Pita Jungle or Franchisee can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of breach or threatened breach of any of the terms of this Agreement that could have any of those effects, Pita Jungle or Franchisee will be entitled, without posting a bond, to a temporary restraining order or preliminary injunction enjoining the breach or to a decree of specific performance, without having to show or prove any actual damage. Nothing herein shall be construed as prohibiting Franchisee and Pita Jungle, or either of them, from pursuing any other available remedies for such breach**. In pursuing such other remedies, the provisions of Section XXII of the Franchise Agreement shall apply unless specifically revised by this Agreement**.

6. **Survival.** The provisions of this Agreement shall survive the expiration or termination of any agreement or relationship between Franchisee and the Covered Person for any reason, and shall be enforceable notwithstanding the existence of any claim or cause of action of the Covered Person against Franchisee or Pita Jungle, predicated on any contract or other basis whatsoever.

7. **Severability.** In the event any term or provision of this Agreement is declared to be invalid or unenforceable for any reason, the provision shall be modified to the extent necessary to make it enforceable, or if it cannot be so modified, then severed, and the remaining terms of this Agreement shall remain in full force and effect, and it is hereby declared the intention of the parties that they would have executed this Agreement as so modified.

8. **Notice.** Any notice to be given to the Covered Person under this Agreement will be sufficient and deemed delivered if it is in writing and delivered to the U.S. Post Office to be sent

prepaid by certified or registered mail addressed to the Covered Person at his or her residential address as provided below, or to such other residential address as the Covered Person shall have provided in writing to both Franchisee and Pita Jungle.

9. **Applicable Law**. Except to the extent governed by federal trademark, copyright and arbitration statutes, the existence, validity, construction and sufficiency of performance of this Agreement and all matters relating to it shall be governed by the laws of the State of Arizona applicable to agreements made and to be entirely performed in Arizona, without regard to, and without giving effect to, the application of any Arizona conflict of laws rules; *provided, however,* that if any of the provisions of this Agreement would not be enforceable under the laws of Arizona, then such provisions shall be governed by the laws of the state in which the office of Franchisee's Pita Jungle business is located; *and provided further* that the Franchise Disclosure Document delivered to Franchisee prior to entering into the Franchise Agreement contained a State Law Addendum, which is hereby incorporated into this Agreement, referencing and summarizing certain existing local laws of other jurisdictions, and the application of Arizona law shall not abrogate or reduce any rights of Franchisee or the Covered Person provided for under such existing local laws which by their terms apply and supersede Arizona law (unless local law conflicts with federal law and is preempted).

10. **General**. Except as otherwise expressly provided herein, this Agreement contains the entire understanding between the parties with respect to the subjects hereof, and supersedes all prior oral and written negotiations and agreements. Except as provided in Section 5, this Agreement may be amended only by an instrument in writing signed by Franchisee and the Covered Person. The waiver of any breach or violation of this Agreement shall not be deemed to amend this Agreement and shall not constitute a waiver of any other or subsequent breach. Headings are for convenience and shall not limit or control interpretation. Words in this Agreement shall be deemed to refer to whatever number and gender the context requires. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. Pita Jungle shall be a third party beneficiary of this Agreement and entitled to enforce it as though Pita Jungle were a signatory **but shall not be obligated to do so**. Should Pita Jungle or Franchisee be required to enforce its rights hereunder, it shall be entitled to recover its reasonable costs and expenses, including without limitation attorneys' fees.

"COVERED PERSON"
(Individually, and on behalf of all persons and entities under the control of the Covered Person):

____
(Signature)

____
(Name: Printed or Typed)

Position(s) with Franchisee [check all that apply]:
- ☐ _____% Owner
- ☐ Director
- ☐ Entity Representative
- ☐ Officer:______________________ [provide title]
- ☐ General Manager
- ☐ Spouse of __________________ [spouse's name] ________________________ [spouse's Position]
- ☐ Other: _________________________ [specify]

____
(Residential Street Address)

____
(City, State, Zip Code)

ACCEPTED BY FRANCHISEE
(For itself and on behalf of Pita Jungle):

____
(Full Legal Name of Franchisee)

By:
____
(Signature)

____
(Name Printed or Typed)

Title:
____

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME				
OR 1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME		SUFFIX
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
1d. SEE INSTRUCTIONS / ADD'L INFO RE ORGANIZATION DEBTOR / 1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any		NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME				
OR 2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME		SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
2d. SEE INSTRUCTIONS / ADD'L INFO RE ORGANIZATION DEBTOR / 2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any		NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME				
OR 3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME		SUFFIX
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

4. This FINANCING STATEMENT covers the following collateral:

5. ALTERNATIVE DESIGNATION [if applicable]: LESSEE/LESSOR | CONSIGNEE/CONSIGNOR | BAILEE/BAILOR | SELLER/BUYER | AG. LIEN | NON-UCC FILING

6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional]: All Debtors | Debtor 1 | Debtor 2

8. OPTIONAL FILER REFERENCE DATA

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

Instructions for UCC Financing Statement (Form UCC1)

Please type or laser-print this form. Be sure it is completely legible. Read all Instructions, especially Instruction 1; correct Debtor name is crucial. Follow
Instructions completely.

Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. Filing office cannot give legal advice. Do not insert anything in the open space in the upper portion of this form; it is reserved for filing office use.

When properly completed, send Filing Office Copy, with required fee, to filing office. If you want an acknowledgment, complete item B and, if filing in a filing office that returns an acknowledgment copy furnished by filer, you may also send Acknowledgment Copy; otherwise detach. If you want to make a search request, complete item 7 (after reading Instruction 7 below) and send Search Report Copy, otherwise detach. Always detach Debtor and Secured Party Copies.

If you need to use attachments, you are encouraged to use either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP). A. To assist filing offices that might wish to communicate with filer, filer may provide information in item A. This item is optional.

B. Complete item B if you want an acknowledgment sent to you. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form a carbon or other copy of this form for use as an acknowledgment copy.

1. **Debtor name**: Enter only one Debtor name in item 1, an organization s name (1a) or an individual's name (1b). Enter Debtor's exact full legal name. Don't abbreviate.

1a. Organization Debtor. "Organization" means an entity having a legal identity separate from its owner. A partnership is an organization; a sole proprietorship is not an organization, even if it does business under a trade name. If Debtor is a partnership, enter exact full legal name of partnership; you need not enter names of partners as additional Debtors. If Debtor is a registered organization (e.g., corporation, limited partnership, limited liability company), it is advisable to examine Debtor's current filed charter documents to determine Debtor s correct name, organization type, and jurisdiction of organization.

1b. Individual Debtor. "Individual" means a natural person; this includes a sole proprietorship, whether or not operating under a trade name. Don't use prefixes (Mr., Mrs., Ms.). Use suffix box only for titles of lineage (Jr., Sr., III) and not for other suffixes or titles (e.g., M.D.). Use married woman's personal name (Mary Smith, not Mrs. John Smith). Enter individual Debtor's family name (surname) in Last Name box, first given name in First Name box, and all additional given names in Middle Name box.

For both organization and individual Debtors: Don't use Debtor's trade name, DBA, AKA, FKA, Division name, etc. in place of or combined with Debtor's legal name; you may add such other names as additional Debtors if you wish (but this is neither required nor recommended).

1c. An address is always required for the Debtor named in 1a or 1b.

1d. Reserved for Financing Statements to be filed in North Dakota or South Dakota only. If this Financing Statement is to be filed in North Dakota or South Dakota, the Debtor's taxpayer identification number (tax ID#)
— social security number or employer identification number must be placed in this box.

1e,f,g. "Additional information re organization Debtor" is always required.
Type of organization and jurisdiction of organization as well as Debtor's exact legal name can be determined from Debtor's current filed charter document. Organizational ID #, if any, is assigned by the agency where the charter document was filed; this is different from tax ID #; this should be entered preceded by the 2-character U.S. Postal identification of state of organization if one of the United States (e.g., CA12345, for a California corporation whose organizational ID # is 12345); if agency does not assign organizational ID #, check box in item 1g indicating "none."

Note: If Debtor is a trust or a trustee acting with respect to property held in trust, enter Debtor s name in item 1 and attach Addendum (Form UCC1Ad) and check appropriate box in item 17. If Debtor is a decedent s estate, enter name of deceased individual in item 1b and attach Addendum (Form UCC1Ad) and check appropriate box in item 17. If Debtor is a transmitting utility or this Financing Statement is filed in connection with a Manufactured-Home Transaction or a Public-Finance Transaction as defined in applicable Commercial Code, attach Addendum (Form UCC1Ad) and check appropriate box in item 18.

2. If an additional Debtor is included, complete item 2, determined and formatted per Instruction 1. To include further additional Debtors, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names.

3. Enter information for Secured Party or Total Assignee, determined and formatted per Instruction 1. To include further additional Secured Parties, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names. If there has been a total assignment of the Secured Party's interest prior to filing this form, you may either (1) enter Assignor SIP s name and address in item 3 and file an Amendment (Form UCC3) [see item 5 of that form]; or (2) enter Total Assignee's name and address in item 3 and, if you wish, also attaching Addendum (Form UCC1Ad) giving Assignor SIP's name and address in item 12.

4. Use item 4 to indicate the collateral covered by this Financing Statement. If space in item 4 is insufficient, put the entire collateral description or continuation of the collateral description on either Addendum (Form UCC1Ad) or other attached additional page(s).

5. If filer desires (at filer s option) to use titles of lessee and lessor, or consignee and consignor, or seller and buyer (in the case of accounts or chattel paper), or bailee and bailor instead of Debtor and Secured Party, check the appropriate box in item 5. If this is an agricultural lien (as defined in applicable Commercial Code) filing or is otherwise not a UCC security interest filing (e.g., a tax lien, judgment lien, etc.), check the appropriate box in item 5, complete items 1-7 as applicable and attach any other items required under other law.

6. If this Financing Statement is filed as a fixture filing or if the collateral consists of timber to be cut or as-extracted collateral, complete items 1-

5, check the box in item 6, and complete the required information (items
13, 14 andlor 15) on Addendum (Form UCC1Ad).

7. This item is optional. Check appropriate box in item 7 to request Search Report(s) on all or some of the Debtors named in this Financing Statement. The Report will list all Financing Statements on file against the designated Debtor on the date of the Report, including this Financing Statement. There is an additional fee for each Report. If you have checked a box in item 7, file Search Report Copy together with Filing Officer Copy (and Acknowledgment Copy). Note: Not all states do searches and not all states will honor a search request made via this form; some states require a separate request form.

8. This item is optional and is for filer s use only. For filer s convenience of reference, filer may enter in item 8 any identifying information (e.g., Secured Party s loan number, law firm file number, Debtor s name or other identification, state in which form is being filed, etc.) that filer may find useful.

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME,SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

~~11a. ORGANIZATION'S NAME~~

OR

11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11d. SEE ~~INSTRUCTIONS~~ ~~ADD'L INFO RE~~ ORGANIZATION DEBTOR ~~11e. TYPE OF ORGANIZATION~~ ~~11f. JURISDICTION OF ORGANIZATION~~ ~~11g. ORGANIZATIONAL ID #, if any~~ NONE

12. ADDITIONAL ~~SECURED PARTY'S~~ ~~or~~ ~~ASSIGNOR'S~~ ~~NAME - insert only one name (12a or 12b)~~

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

12c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

14. Description of real estate:

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate ~~(if Debtor does not have a record interest):~~

17. Check only if applicable and check only one box.

~~Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate~~

18. Check only if applicable and check only one box.

Debtor is a TRANSMITTING UTILITY

Filed in connection with a Manufactured-Home Transaction - effective 30 years

Filed in connection with a Public-Finance Transaction - effective 30 years

FILING OFFICE COPY — UCC FINANCING STATEMENT ADDENDUM (FORM UCC1Ad) (REV 05/22/02)

Instructions for UCC Financing Statement Addendum (Form UCC1Ad)

9. Insert name of first Debtor shown on Financing Statement to which this Addendum relates, exactly as shown in item 1 of Financing Statement.

1D. Miscellaneous Under certain circumstances, additional information not provided on Financing Statement may be required. Also, some states have non-uniform requirements. Use this space to provide such additional information or to comply with such requirements; otherwise, leave blank.

11. If this Addendum adds an additional Debtor, complete item 11 in accordance with Instruction 1 of Financing Statement. To include further additional Debtors, attach either an additional Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 of Financing Statement for determining and formatting additional names.

12. If this Addendum adds an additional Secured Party, complete item 12 in accordance with Instruction 3 of Financing Statement. To include further additional Secured Parties, attach either an additional Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 of Financing Statement for determining and formatting additional names. In the case of a total assignment of the Secured Party's interest before the filing of this Financing Statement, if filer has given the name and address of the Total Assignee in item 3 of Financing Statement, filer may give the Assignor's name and address in item 12.

13-15. If collateral is timber to be cut or as-extracted collateral, or if this Financing Statement is filed as a fixture filing, check appropriate box in item 13; provide description of real estate in item 14; and, if Debtor is not a record owner of the described real estate, also provide, in item 15, the name and address of a record owner. Also provide collateral description in item 4 of Financing Statement. Also check box 6 on Financing Statement. Description of real estate must be sufficient under the applicable law of the jurisdiction where the real estate is located.

16. Use this space to provide continued description of collateral, if you cannot complete description in item 4 of Financing Statement.

17. If Debtor is a trust or a trustee acting with respect to property held in trust or is a decedent's estate, check the appropriate box.

18. If Debtor is a transmitting utility or if the Financing Statement relates to a Manufactured-Home Transaction or a Public-Finance Transaction as defined in the applicable Commercial Code, check the appropriate box.

NO CHANGES

EXHIBIT D

MULTI-STORE AMENDMENT

This MULTI-STORE AMENDMENT (the "**Amendment**") is made by Pita Jungle Franchising Corp., a Delaware corporation ("**PITA JUNGLE**," "**us**," "**we**" or "**our**"), and ______________________________ ("**Franchisee,**" "**you**" or "**your**"), as an amendment to the franchise agreement (the "**Franchise Agreement**") dated as of ________________, 20___ between you and us. "**PITA JUNGLE**," "**us**," "**we**" or "**our**" also includes our Affiliates. This Amendment is to be effective as of the Effective Date of the Franchise Agreement.

RECITALS:

A. You wish to have the right and obligation to conduct a Pita Jungle Franchise Location within one or more geographical Area described in this Amendment, under a separate franchise agreement for each Franchise Location for a particular territory within a geographical area.

B. We wish to grant you the right to develop and operate more than one Franchise Location under the terms and conditions stated in this Amendment.

C. All capitalized terms used in this Amendment have the meanings defined in your Franchise Agreement unless they are specifically defined differently in this Amendment.

D. This Amendment is hereby incorporated by reference into your Franchise Agreement.

AGREEMENT:

1. Development Area.

1.1. Definition. You must open the Franchise Locations required in Section 2.1 of this Amendment within the following geographical Area (the "Development Area"):

____

____

____.

1.2. Your Protected Rights in the Development Area. For so long as you are in compliance with the Development Schedule in Section 2.1 of this Amendment and are not otherwise in material default of this Amendment or your Franchise Agreement and subject to our reserved rights in Section 1.3 below, then until six months following the commencement of operation of the last Franchise Location you are obligated to open under Section 2.1 of this Amendment, we agree that we will not operate and will not license anyone else to operate a Pita Jungle restaurant located in the Development Area, unless otherwise agreed to in writing.

1.3. **Our Reserved Rights.**

1.3.1. **Outside the Development Area.** We may operate or license Pita Jungle restaurants anywhere outside the Development Area.

1.3.2. **Other Channels of Distribution.** We may, within or outside of the Development Area, sell the same or similar services or products under a different name or mark, or sell the same or similar services or products through other channels of distribution such as catalogs and internet sales.

1.4. **Reversion of Development Area.**

1.4.1. The Development Area will revert back to us as provided in Section 4.3.1 below if you fail to meet the Development Schedule in Section 2.1 below.

1.4.2. At the end of the six-month period following the commencement of operation of the last Franchise Location you are obligated to open under Section 2.1 below, the Development Area will automatically revert back to us.

1.4.3. When the Development Area reverts back to us, we may locate Franchise Locations in the Development Area. However, we will not locate any Franchise Location anywhere that would be in violation of any provision of any of your franchise agreements for any Pita Jungle restaurant then in effect.

2. **Development Obligations.**

2.1. **Schedule.** You agree to lease sites for, construct, open, and continuously thereafter operate the following number of Franchise Location within the Development Area (including the first Franchise Location to be opened pursuant to your Franchise Agreement) in strict accordance with the following development schedule ("Development Schedule") and the requirements of this Amendment and the separate franchise agreements for each Franchise Location:

Number of Months Elapsed from Date of This Amendment	Cumulative Number of Franchise Locations for Which Franchise Agreements Must Be Signed	Cumulative Number of Franchise Locations That Must Be Open

2.2. **Location.** You will request a specific location within the Development Area in which you will open the Franchise. Each site selected is subject to our prior written approval.

2.3. **Lease.** The lease for each Franchise Location must meet our then-current franchise agreement requirements.

2.4. **Franchise Agreements.**

2.4.1. Each Franchise Location will be developed and operated under a separate franchise agreement.

2.4.2. Upon our designating the Territory for each Franchise Location, we will forward two copies of our then-current form of franchise agreement to you. You must execute and return both copies to us, together with the balance of the initial Franchise Fee for that Franchise Location as provided in Section 3.2 below. The franchise agreement may contain materially different terms from the form of Franchise Agreement for your first Franchise Location, except that:

(a) The initial Franchise Fee will be in the amount and payable as provided in this Amendment;

(b) The location for the Franchise will be as stated in the Franchise Agreement for that Franchise Location; and

(c) We will provide initial training for the individual Franchisee and Manager for each Franchise Location, but the individual Franchisee and Manager may request to be excused from the initial training program. We will not unreasonably withhold our consent.

2.4.3. You have no right to conduct a Franchise Location in a Development Area until you have our prior consent (which we may withhold if the location is in another franchisee territory or development area or for other reasonable business reasons) or we have executed the franchise agreement for that Territory and returned one copy to you.

2.4.4. If you do not return two executed copies of the franchise agreement and pay the initial Franchise Fee to us within 15 business days after receiving the agreements, our designation of a Territory will be void and you will have no right whatsoever to operate a Franchise Location in that Territory.

3. **Fees.**

3.1. **Development Fee.** Upon the execution of this Amendment, you must pay us a development fee (the "Development Fee") of $______________. This amount is calculated as 50% of the total initial Franchise Fee as provided in Section 3.2 below for each of the Franchise Locations to be opened pursuant to this Amendment, excluding the first Franchise Location.

3.2. **Initial Franchise Fee.** The initial Franchise Fee for each location is as stated below. The amount of the initial Franchise Fee for each Franchise Location (other than the first Franchise Location) that you have paid as part of the Development Fee will be credited against the initial Franchise Fee payable for each Franchise Location, as provided in Section 2.3.2 above.

Franchise Location Number	Total Initial Franchise Fee	Development Fee (Payable upon Signing Multi-Store Amendment)	Balance of Initial Franchise Fee (Payable upon Signing Franchise Agreement for each Franchise Location)
1	$50,000 (payable upon signing Franchise Agreement)	Not applicable	Not applicable
2 And each additional Franchise Location	$50,000	$25,000	$25,000

3.3. **Cancellation.** The Development Fee is fully earned and nonrefundable under all circumstances.

4. **Termination of Development Rights.**

4.1. **Reasonableness.** You represent that you have conducted your own independent investigation and analysis of the prospects for the Franchise Location to be opened within the Development Area. You also approve of the Development Schedule as being reasonable and viable. You also recognize that failure to open the Franchise Location required by the Development Schedule will be a material breach of this Amendment.

4.2. **Extensions.** We may, at our option, extend the time periods listed in the Development Schedule if you can demonstrate to our reasonable satisfaction that the need for additional time is due to unforeseeable delays that are not the result of your neglect, misconduct or financial inability. Any extension must be in writing.

4.3. **Failure to Meet Development Schedule.**

4.3.1. **Termination of Amendment.**

(a) In the event of your failure to meet the Development Schedule, we may (at our option) elect to terminate this Amendment.

(b) The termination will be effective 30 days after we give you written notice of termination if you have not cured the default and met the Development Schedule within the 30-day period.

(c) Any termination will end all your rights and future obligations under this Amendment. This includes your interests in the

Development Area and rights to open additional Franchise Locations.

4.3.2. **No Termination of Franchise Agreements**.

(a) Your failure to meet the Development Schedule will not constitute a breach or default of the Franchise Agreement and will not be grounds for termination of the Franchise Agreement.

(b) If this Amendment is terminated because of your failure to meet the Development Schedule, the franchise agreements that you have entered into with us pursuant to this Amendment will not be affected by the termination and will not be terminated just because the Amendment is terminated.

4.4. Termination of Franchise Agreement.

4.4.1. Any material breach or default of this Amendment by you other than your failure to meet the Development Schedule will be a material default of the Franchise Agreement, and we will have all of the rights and remedies in the Franchise Agreement for that breach or default. Our rights include the right to terminate the Franchise Agreement and this Amendment as provided in the Franchise Agreement.

4.4.2. If you materially breach or default under the Franchise Agreement for your first Franchise Location, or under any of your other franchise agreements with us, we may terminate the Franchise Agreement for your first Franchise Location and this Amendment as provided in the Franchise Agreement.

5. Interpretation. In the event of any conflict between the express provisions of this Amendment and the Franchise Agreement or any franchise agreement for additional Franchise Location entered into pursuant to this Amendment, the terms of this Amendment shall control. Except as expressly amended by this Amendment, the Franchise Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Multi-Store Amendment to be effective as of the date specified above.

"Franchisee":	**"PITA JUNGLE":**
______________________________	**Pita Jungle Franchising Corp., a Delaware corporation**
______________________________	

By: ______________________ By: ______________________

(Signature) (Signature)

______________________ ______________________

(Type or Print Name) (Type or Print Name)

Its: ______________________ Its: ______________________

(Title) (Title)

NO CHANGES

EXHIBIT E

PITA JUNGLE RESTAURANT OPERATIONS MANUAL
TABLE OF CONTENTS

TABLE OF CONTENTS

Use of the Operations Manual

Pita Jungle has created this Operations Manual as a resource that defines in detail all the standards that must be followed by managers and employees at all times. Standards may not be changed or disregarded. They have been defined to provide an understanding of the quality and level of service that we must provide to each and every guest, thus, ensuring the consistent delivery of a quality experience for our guests. Familiarizing yourself with this Operations Manual will allow you to better understand the expectations set forth by Pita Jungle.

EXHIBIT L
RECEIPTS

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF WE OFFER YOU A FRANCHISE, WE MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE PAYMENT TO US OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE OR GRANT.

NEW YORK~~, OKLAHOMA AND RHODE ISLAND REQUIRE~~ REQUIRES 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.

MICHIGAN REQUIRES THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS BEFORE THE EXECUTION OF ANY BINDING FRANCHISE OR OTHER AGREEMENT OF THE PAYMENT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.

IF WE DO NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT OR MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580, AND YOUR STATE AGENCY LISTED IN THE STATE AGENCIES EXHIBIT.

THE NAME, PRINCIPAL BUSINESS ADDRESS AND TELEPHONE NUMBER OF EACH FRANCHISE SELLER OFFERING THE FRANCHISE IS: NELLY KOHSOK, 7318 East Shea Boulevard, Suite #106, Scottsdale , AZ 85260 and ____.

Issuance Date: March ~~23, 2016~~28, 2017

See Exhibit K for our registered agents authorized to receive service of process.

On ___________, I received a disclosure document dated March ~~23, 2016,~~28, 2017, that included the following Exhibits:

Exhibit A - State Agencies
Exhibit B - State Law Addendum
Exhibit C - Franchise Agreement and Attached Exhibits:
1 - Franchise Locations
2 - Guarantee and Assumption of Obligations
3 - Addendum to Lease
4 - Confidentiality and Non-Competition Agreement
5- Confidentiality Agreement
6 - UCC-1 Financing Statement
Exhibit D - Multi-Store Amendment
Exhibit E - Tables of Contents of Manuals
Exhibit F - Existing Franchisees
Exhibit G - Former Franchisees
Exhibit H - Financial Statements
Exhibit I - Receipt for Completed Documents
Exhibit J - Confirmation of Sales Procedures
Exhibit K - Agents for Service of Process
Exhibit L - Receipts

Dated: _________________, 20__.

____
Individually and, if applicable, as an officer, partner, member or manager of, and on behalf of

____

a ____________________________ corporation

a ____________________________ partnership

a ____________________ limited liability company

EXHIBIT L
RECEIPTS

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IF WE OFFER YOU A FRANCHISE, WE MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE PAYMENT TO US OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE OR GRANT.

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MICHIGAN REQUIRES THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS BEFORE THE EXECUTION OF ANY BINDING FRANCHISE OR OTHER AGREEMENT OF THE PAYMENT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.

IF WE DO NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT OR MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580, AND YOUR STATE AGENCY LISTED IN THE STATE AGENCIES EXHIBIT.

THE NAME, PRINCIPAL BUSINESS ADDRESS AND TELEPHONE NUMBER OF EACH FRANCHISE SELLER OFFERING THE FRANCHISE IS: NELLY KOHSOK, 7318 East Shea Boulevard, Suite #106, Scottsdale , AZ 85260 and ____.

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Exhibit B -	State Law Addendum	Exhibit G -	Former Franchisees
Exhibit C -	Franchise Agreement and Attached Exhibits:	Exhibit H -	Financial Statements
	1 - Franchise Locations	Exhibit I -	Receipt for Completed Documents
	2 - Guarantee and Assumption of Obligations	Exhibit J -	Confirmation of Sales Procedures
	3 - Addendum to Lease	Exhibit K -	Agents for Service of Process
	4 - Confidentiality and Non-Competition Agreement	Exhibit L -	Receipts
	5- Confidentiality Agreement		
	6 - UCC-1 Financing Statement		
Exhibit D -	Multi-Store Amendment		
Exhibit E -	Tables of Contents of Manuals		

Dated: ________________, 20__.

____
Individually and, if applicable, as an officer, partner, member or manager of, and on behalf of

____

a ____________________________ corporation

a ____________________________ partnership

a ____________________limited liability company

EXHIBIT F

EXISTING FRANCHISEES
(as of December 31, ~~2015~~2016)

ARIZONA	
Franchisee Corporate Address	**Franchisee Restaurant Location(s)**
Gilbert	
The King and Eric LLC 4506 South Cachina Drive Tempe, AZ 85282	1431 West Williams Field Road, Suite 101 Gilbert, Arizona 85295 (482) 814-2535
Glendale	
North Harford Group Inc. 18207 North 2nd Avenue Phoenix, AZ 85023	7530 West Bell Road, Suite 106 Glendale, Arizona 85308 (623) 486-2615
Mesa	
The King and Park, LLC 1652 S. Val Vista Drive, Suite 128 Mesa, AZ 85204	1652 S. Val Vista Drive, Suite 128 Mesa, AZ 85204 (480) 339-3595
Phoenix	
MSS Desert Ridge, LLC 20910 North Tatum Boulevard Phoenix, AZ 85050	20910 North Tatum Boulevard Phoenix, Arizona 85050 (480) 473-2321
Urban Alliance, LLC 1001 N 3rd Ave, Suite #3 Phoenix, AZ 85003	1001 North 3rd Avenue Phoenix, AZ 85003 (602) 258-7482
Concoction Norterra, LLC 14550 N. Frank Lloyd Wright Blvd. #200 Scottsdale, AZ 85260	2530 West Happy Valley Road, Suite 1261 Phoenix, Arizona 85085 (623) 587-5572
Scottsdale	
FLW PJ, LLC 14858 N. Frank Lloyd Wright Blvd Scottsdale, AZ 85260	14858 N. Frank Lloyd Wright Blvd. Scottsdale, AZ 85260 (480) 949-7482
Tucson	
~~Jungle Partners, LLC~~**Green Food Ventures** ~~8306 East Buckskin Trail~~ ~~Scottsdale, AZ 85260~~**4439 E. TURNBERRY CT.** **GILBERT, AZ 85298** **(602) 702-3831**	The Plaza at Williams Center 5340 East Broadway Boulevard Tucson, AZ 85711 (520) 207-6873
CALIFORNIA	
Newport Beach	
Royal Palm, LLC 14550 N. Frank Lloyd Wright Boulevard, Suite 200 Scottsdale, AZ 85260	1200 Bison Avenue Newport Beach, CA 92660 (949) 706-7711

AFFILIATE OWNED RESTAURANTS
(as of December 31, ~~2015~~2016)

AFFILIATE	STORE LOCATION
ARIZONA	
~~**Affiliate**~~	~~**Store Location**~~
Chandler	
Pita Jungle – Chandler, Inc. 7373 East Doubletree Ranch Road, Suite B-125 Scottsdale, Arizona 85258 (480) 969-2427	1949 West Ray Road #29 Chandler, Arizona 85224 (480) 855-3232
Flagstaff	
Pita Jungle Snowbowl, L.L.C. 7373 East Doubletree Ranch Road, Suite B-125 Scottsdale, Arizona 85258 (480) 969-2427	320 West Regent Street Flagstaff, AZ 86001 (928) 774-0086
Mesa	
Pita Jungle Mesa Inc. 7373 East Doubletree Ranch Road, Suite B-125 Scottsdale, Arizona 85258 (480) 969-2427	1850 West Southern Avenue Mesa, AZ 85202 (480) 615-7482
Phoenix	
Pita Jungle-Arcadia Inc. 7373 East Doubletree Ranch Road, Suite B-125 Scottsdale, Arizona 85258 (480) 969-2427	4340 East Indian School Road, Suite 17 Phoenix, AZ 85018 (602) 955-7482
Pita Jungle Ahwatukee, LLC 7373 East Doubletree Ranch Road, Suite B-125 Scottsdale, Arizona 85258 (480) 969-2427	4921 East Ray Road Suite B2 Phoenix, AZ 85044 480-785-7482
~~**WE WILL ADD IN PJ NORTH CENTRAL NEXT DRAFT SINCE IT OPENED IN 2016**~~**Pita Jungle North Central Phoenix, LLC** **7373 East Doubletree Ranch Road, Suite B-125** **Scottsdale, Arizona 85258** **(480) 969-24271**	**5505 North 7th Street #110** **Phoenix, AZ 85014**
Scottsdale	
Pita Jungle – Scottsdale Inc. 7373 East Doubletree Ranch Road, Suite B-125 Scottsdale, Arizona 85258 (480) 969-24271	7366 East Shea Boulevard Scottsdale, AZ 85260-6471 (480) 922-7482
Pita Jungle Scottsdale Fashion Square, L.L.C. 7373 East Doubletree Ranch Road, Suite B-125 Scottsdale, Arizona 85258 (480) 969-2427	7014 East Camelback Road (Food Court) Scottsdale, AZ 85251 (480) 947-7482
Tempe	
Pita Jungle Tempe II, LLC 7373 East Doubletree Ranch Road, Suite B-125	4 E. University Drive Tempe, AZ 85281

AFFILIATE	STORE LOCATION
Scottsdale, Arizona 85248 (480) 969-2427	(480) 804-0234
Tucson	
Pita Jungle Oro Valley, LLC 7373 East Doubletree Ranch Road, Suite B-125 Scottsdale, Arizona 85258 (480) 969-2427	7090 West Oracle Road, 3128 Tucson, AZ 85704 (520) 797-748282

FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT YET OPENED
TO BE OPENED AFTER ~~December 31, 2015~~JANUARY 1, 2017

FRANCHISEE CORPORATE ADDRESS	FRANCHISEE RESTAURANT LOCATION(S)
ARIZONA	
Chandler	
Green Food Ventures 4439 E. TURNBERRY CT. GILBERT, AZ 85298 (602) 702-3831	Chandler, Arizona[1]
Goodyear	
Green Food Ventures 4439 E. TURNBERRY CT. GILBERT, AZ 85298 (602) 702-3831	Goodyear, Arizona
TEXAS	
Frisco	
Green Food Ventures 4439 E. TURNBERRY CT. GILBERT, AZ 85298 (602) 702-3831	Frisco, Texas

NONE

AFFILATE OWNED RESTAURANTS
TO BE OPENED AFTER ~~December 31, 2015~~JANUARY 1, 2017

~~Affiliate~~	~~Store Location~~

[1] This outlet is a new "fast-casual" model that is in the test phase and not yet offered as a franchise option.

~~Affiliate~~	~~Store Location~~
~~ARIZONA~~	
~~Phoenix~~	
~~Pita Jungle North Central Phoenix, LLC~~ ~~7373 East Doubletree Ranch Road, Suite B-125~~ ~~Scottsdale, Arizona 85258~~ ~~(480) 969-24271~~ ~~**Will move to opened stores next draft since it opened after 12/31/15.**~~	~~5505 North 7th Street #110~~ ~~Phoenix, AZ 85014~~

Queen Creek, Arizona

EXHIBIT G

FORMER FRANCHISEES

Franchisees and Affiliates whose agreements were terminated, cancelled or not renewed, or who ceased doing business during the period from January 1, ~~2015~~**2016** through December 31, ~~2015,~~**2016,** or who have not communicated with Pita Jungle since January 1, ~~2016~~**2017** are listed in the chart below.

FORMER FRANCHISE OWNED RESTAURANTS

Franchisee Name, City, State	Outlet Location	Date of Transfer/Termination	Notes
		ARIZONA	
~~Meddy Shaebi and Samer A. Khairi~~**Jungle Partners LLC 8306 East Buckskin Trail Scottsdale, AZ 85260**	~~20910 North Tatum~~**The Plaza at Williams Center 5340 East Broadway** Boulevard ~~Phoenix, AZ 85050~~ **Tucson, Az 85711** ~~(480) 339-3495~~**520) 207-6873**	~~NEED DATE~~**09/9/2016**	Transferred to ~~MSS Desert Ridge, LLC~~**Green Food Ventures**
		~~CALIFORNIA~~	
~~SS Cal 1 2910 North Tatum Boulevard #140~~	~~43 East Colorado Boulevard Pasadena, CA 91105 (626) 432-7482~~	~~09/10/2015~~	~~Mutual Termination~~

FORMER AFFILIATE OWNED RESTAURANTS

~~Franchisee Name, City, State~~	~~Outlet Location~~	~~Date of Transfer/Termination~~	~~Notes~~
		~~ARIZONA~~	
~~Pita Jungle-Tempe, Inc. 7373 East Doubletree Ranch Road, Suite B-125 Scottsdale, AZ~~	~~1250 East Apache Boulevard #110 Tempe, AZ 85281 (480) 804-0234~~	~~11/5/2015~~	~~Store Closed-New Location Opened in Tempe by Pita Jungle-Tempe II, LLC~~

NONE

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise.

EXHIBIT H

PITA JUNGLE FRANCHISING CORP.

AUDITED
FINANCIAL STATEMENTS
and
Independent Auditors' Report

For the Periods Ending

December 31, 2016 and December 31, 2015

and

December 31, 2015 and December 31, 2014

~~**and**~~

~~**December 31, 2014 and December 31, 2013**~~

EXHIBIT H

PITA JUNGLE FRANCHISING CORP.

AUDITED
FINANCIAL STATEMENTS
and
Independent Auditors' Report

For the Periods Ending

December 31, 2016 and December 31, 2015

and

December 31, 2015 and December 31, 2014

NEW
FINANCIAL STATEMENTS

Financial Statements
December 31, 2016 and 2015

Pita Jungle Franchising Corporation

EideBailly.

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Pita Jungle Franchising Corporation
Scottsdale, Arizona

Report on the Financial Statements
We have audited the accompanying financial statements of Pita Jungle Franchising Corporation, which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pita Jungle Franchising Corporation as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Phoenix, Arizona
March 28, 2017

	2016	2015
Assets		
Current Assets		
Cash	$ 349,059	$ 630,315
Accounts receivable	119,918	87,339
Related party receivable	219,789	-
Total current assets	688,766	717,654
Other Assets	2,374	7,361
Equipment, Net of Accumulated Depreciation of $1,585 and $5,168, respectively	-	598
	$ 691,140	$ 725,613
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 83,418	$ 41,083
Accrued expenses	5,857	2,876
Unredeemed gift card liability	206,220	181,266
Deferred national advertising fund fees	68,040	121,151
Deferred franchise fees	110,000	-
Distributions payable	-	58,434
Related party payable	-	172,125
Total current liabilities	473,535	576,935
Deferred Rent	18,723	1,394
Total liabilities	492,258	578,329
Stockholders' Equity		
Common stock, par value $0.01; 3,000 shares authorized, issued and outstanding	30	30
Additional paid-in capital	870	870
Retained earnings	197,982	168,384
Stockholder notes receivable	-	(22,000)
Total stockholders' equity	198,882	147,284
	$ 691,140	$ 725,613

See Notes to Financial Statements

	2016	2015
Revenues		
Royalties	$ 956,387	$ 964,543
Other income	42,303	49,713
	998,690	1,014,256
Expenses		
General and administrative	969,092	663,640
Marketing, promotional and other	-	1,288
	969,092	664,928
Net Income	$ 29,598	$ 349,328

	Common Stock	Additional Paid-in Capital	Retained Earnings	Stockholder Notes Receivable	Total Stockholders' Equity
Balance, December 31, 2014	$ 30	$ 870	$ 164,056	$ (22,750)	$ 142,206
Net income	-	-	349,328	-	349,328
Distributions	-	-	(345,000)	-	(345,000)
Payments on stockholder notes receivable	-	-	-	750	750
Balance, December 31, 2015	30	870	168,384	(22,000)	147,284
Net income	-	-	29,598	-	29,598
Transfer of stockholder notes receivable	-	-	-	22,000	22,000
Balance, December 31, 2016	$ 30	$ 870	$ 197,982	$ -	$ 198,882

	2016	2015
Operating Activities		
Net income	$ 29,598	$ 349,328
Adjustments to reconcile net income to net cash from operating activities		
Depreciation	598	1,300
Unredeemed gift card revenue recognized	(23,004)	(48,099)
Changes in assets and liabilities		
Accounts receivable	(32,579)	3,146
Change in related party	(428,348)	207,824
Other assets	4,987	(1,125)
Accounts payable	42,335	(18,433)
Accrued expenses	2,981	(2,005)
Unredeemed gift card liability	47,958	77,398
Deferred national advertising fund fees	(53,111)	(5,749)
Deferred franchise fees	110,000	-
Deferred rent	17,329	(1,703)
Net Cash from (used for) Operating Activities	(281,256)	561,882
Investing Activities		
Payments of stockholder note receivable	-	750
Net Cash from Investing Activities	-	750
Financing Activities		
Distributions to stockholders	-	(345,000)
Net Cash used for Financing Activities	-	(345,000)
Net Change in Cash	(281,256)	217,632
Cash, Beginning of Year	630,315	412,683
Cash, End of Year	$ 349,059	$ 630,315
Supplemental Schedule of Non Cash Investing and Financing Activities		
Related party receivable in exchange for		
Distributions payable	$ 58,434	$ -
Stockholder notes receivable	(22,000)	-
	$ 36,434	$ -

Note 1 - Operations and Summary of Significant Accounting Policies

Operating Activities

Pita Jungle Franchising Corporation (the "Company") was incorporated in Delaware on November 30, 2005. It was organized to be engaged in the business of franchising restaurants, which are operated as eateries. The Company is the franchisor and uses the franchise agreements to operate, sell, and develop Pita Jungle restaurants. In addition, shareholders and members of management of the Company also own and operate Pita Jungle restaurants through ownership of Jungle Concepts, L.L.C. and its operating subsidiaries, which are considered related parties and operate as non-franchised stores. Non-franchised stores do not pay royalty fees but do pay national advertising fund fees.

The Company offers individual franchises 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.

Cash

The Company maintains cash in deposit accounts in federally insured banks. At times, the balance in the accounts may be in excess of federally insured limits.

Accounts Receivable

The Company charges a franchise fee in accordance with the franchise agreement. Royalty receivables are due five days after the week end. The Company does not charge interest on franchise receivables. Based on the historical collectability of franchise receivables management does not believe an allowance for franchise fee receivables is necessary.

Equipment

Property and equipment is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation on equipment is calculated on the straight-line method over the estimated useful lives of the assets, which range from three to five years.

The Company reviews its equipment whenever events indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recorded when the sum of the future cash flows is less than the carrying amount of the asset. An impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. No impairment loss has been recorded for equipment and leasehold improvements at December 31, 2016 and 2015.

Gift Cards

Gift cards are sold at franchised and non-franchised Pita Jungle restaurants. The Company retains and reconciles all cash from gift card activities and use of gift cards on behalf of all franchised and non-franchised restaurants. Activity is reflected as an increase or decrease to unredeemed gift card liabilities. Gift cards may be redeemed at any Pita Jungle restaurant. There are no expiration dates and no service fees are charged.

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, 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. For the years ended December 31, 2016 and 2015, income recognized on unredeemed gift cards was $42,303 and $48,699, respectively, and is included in other income on the statements of operations.

Deferred Rent

The Company leases premises for office space. The lease includes scheduled base rent increases over the term. The total amount of base rent payments, including scheduled increases, is expensed on the straight-line method over the term of the lease. The deferred rent liability represents the excess of such amounts over actual cash payments.

Revenue Recognition

Recognition of franchise fee revenues are deferred until substantial performance of all initial services of the Company, as required by the franchise agreement, have been performed, and no other material conditions or obligations related to substantial performance exist.

Royalty revenues are recognized when earned.

Advertising Expenses

Advertising costs are expensed as incurred and included in marketing and promotional expenses.

Income Taxes

The Company, with the consent of its stockholders, has elected under the Internal Revenue Code to be taxed as an S Corporation. The stockholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements. Certain specific deductions and credits flow through the Company to its stockholders.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2016 and 2015, the unrecognized tax benefit accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company has evaluated subsequent events through March 28, 2017, the date which the financial statements were available to be issued.

Note 2 - Related Party Transactions

The Company is related to Jungle Concepts, L.L.C. through common ownership. Periodically, expenses incurred during the normal course of business may be paid on behalf of the Company by Jungle Concepts, L.L.C. Additionally, revenues generated through the sale of gift cards may be owed to the Company by Jungle Concepts, L.L.C. The Company has a receivable from Jungle Concepts L.L.C. of $219,789 at December 31, 2016 and a payable to Jungle Concepts, L.L.C., of $154,125 at December 31, 2015.

The Company has a management agreement with Jungle Concepts, L.L.C. Management fees under this agreement totaled $550,000 and $280,000 for the years ended December 31, 2016 and 2015, respectively.

Jungle Concepts, L.L.C. owns and operates ten and nine Pita Jungle stores at December 31, 2016 and 2015, respectively. Amounts charged by the Company to Jungle Concepts, L.L.C. for the national advertising fund totaled $200,611 and $177,335 for the years ended December 31, 2016 and 2015, respectively.

The Company had a payable to three companies related through common ownership of $18,000 at December 31, 2015 for consulting services.

Note 3 - Stockholder Notes Receivable

Stockholder notes receivable consist of notes receivable due from one of the Company's stockholders. Amounts outstanding on the notes receivable were $0 and $22,000 at December 31, 2016 and 2015, respectively. The amount has been presented as a reduction to stockholders' equity in 2015.

Note 4 - Franchise Agreements

The Company grants the use of the "Pita Jungle" trademark and various other items, and agrees not to compete or license another franchisee within the franchisee's designated market area. When an individual franchise is sold, the Company agrees to provide certain services to the franchisee, including training of the franchisee and assistance to the franchisee in regards to site selection as well as providing a manual on related business operations.

After initial operations begin, the Company will provide operational assistance and regular consultation services. The Company monitors the franchisee's operations, provides quality control checks, and manages an advertising fund to create and produce marketing materials for all Pita Jungle locations.

The Company charges franchisees an ongoing royalty fee based on a percentage of gross sales as defined in the franchise agreement. The initial term of the franchise agreement is ten years, with five-year options to extend, provided the franchisee is in compliance with the terms of the agreement.

The Company charges a national advertising fund fee based on a percentage of gross sales. The Company agrees to expend the national advertising fund fees (previously marketing and creative fund fees) collected from the franchisees for marketing and creative expenses each year. Any amount of the monies collected and not spent or overspent is carried over as a liability or asset to be spent in the next year.

During the years ended December 31, 2016 and 2015, franchise operations were as follows:

	Franchises	Non Franchised	Total
December 31, 2014	10	9	19
Opened during the year	-	-	-
Closed during the year	(1)	-	(1)
December 31, 2015	9	9	18
Opened during the year	-	1	1
Closed during the year	-	-	-
December 31, 2016	9	10	19

Note 5 - Lease Obligations

The Company rents office space under non-cancelable operating leases expiring in November 2023. Rent expense under operating leases was $73,175 and $73,035 for the years ended December 31, 2016 and 2015, respectively.

Future minimum lease payments are as follows:

2017	$ 72,000
2018	72,180
2019	74,345
2020	76,576
2021	78,873
Thereafter	688,476
	$ 1,062,450

Note 6 - Variable Interest Entity

At December 31, 2016 and 2015, the Company had a variable interest in Jungle Concepts, L.L.C. as a result of the Company's guarantee of a portion of the entity's debt; however, the Company is not considered to be the primary beneficiary of the entity. Jungle Concepts, L.L.C. operates Pita Jungle restaurants.

The summarized financial information presented below for 2016 and 2015 related to Jungle Concepts, L.L.C. is as of and for the years ended December 31, 2016 and 2015, from Jungle Concepts, L.L.C.

For the years ended December 31, 2016 and 2015, Jungle Concepts, L.L.C. had total assets, liabilities, and revenue approximately as follows:

	12/31/2016 Unaudited	12/31/2015 Unaudited
Assets	$ 3,466,000	$ 3,534,000
Liabilities	3,438,000	3,177,000
Revenue	20,238,961	17,733,000

The Company had exposure to potential losses with respect to its relationship with Jungle Concepts, L.L.C. totaling approximately $450,000 at December 31, 2015, as a result of the guarantee provided on the long-term debt of the entity. The note was paid in full in 2015.

The Company has exposure to potential losses with respect to its relationship with Jungle Concepts, L.L.C. as a result of the guarantee provided on the long-term debt of the entity entered into during 2015. The Company is a guarantor on an Installment Note (Advancing/Term Loan) for Jungle Concepts, L.L.C. The balance on the loan was approximately $1,875,000 and $2,112,000 at December 31, 2016 and 2015.

The Company has exposure to potential losses with respect to its relationship with Jungle Concepts, L.L.C. as a result of the guarantee provided on a revolving line of credit that provides for available borrowings up to $250,000. Jungle Concepts, L.L.C. entered into this revolving line of credit during 2016. The Company is a guarantor on this line of credit for Jungle Concepts, L.L.C.; however, there were no draws on the line of credit at December 31, 2016.

EXHIBIT H

PITA JUNGLE FRANCHISING CORP.

AUDITED
FINANCIAL STATEMENTS
and
Independent Auditors' Report

For the Periods Ending

December 31, 2015 and December 31, 2014

and

December 31, 2014 and December 31, 2013

Financial Statements
December 31, 2015 and 2014

Pita Jungle Franchising Corporation

Independent Auditor's Report

The Board of Directors
Pita Jungle Franchising Corporation
Scottsdale, Arizona

Report on the Financial Statements
We have audited the accompanying financial statements of Pita Jungle Franchising Corporation, which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pita Jungle Franchising Corporation as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Phoenix, Arizona
March 23, 2016

1850 N. Central Ave., Ste. 400 | Phoenix, AZ 85004-4624 | T 602.264.5844 | F 602.277.4845 | EOE

	2015	2014
Assets		
Current Assets		
Cash	$ 630,315	$ 412,683
Accounts receivable	87,339	90,485
Related party receivable	-	53,699
Total current assets	717,654	556,867
Deposits	7,361	6,236
Equipment, Net of Accumulated Depreciation of $5,168 and $3,868, respectively	598	1,898
	$ 725,613	$ 565,001
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 41,083	$ 59,516
Accrued expenses	2,876	4,881
Unredeemed gift card liability	181,266	151,967
Deferred national advertising fund fees	121,151	126,900
Distributions payable	58,434	58,434
Related party payable	172,125	18,000
Total current liabilities	576,935	419,698
Deferred Rent	1,394	3,097
Total liabilities	578,329	422,795
Stockholders' Equity		
Common stock, par value $0.01; 3,000 shares authorized, issued and outstanding	30	30
Additional paid-in capital	870	870
Retained earnings	168,384	164,056
Stockholder notes receivable	(22,000)	(22,750)
Total stockholders' equity	147,284	142,206
	$ 725,613	$ 565,001

Pita Jungle Franchising Corporation
Statements of Operations
Years Ended December 31, 2015 and 2014

	2015	2014
Revenues		
Royalties	$ 964,543	$ 1,041,080
Other income	49,713	34,258
	1,014,256	1,075,338
Expenses		
General and administrative	663,640	512,583
Marketing, promotional and other	1,288	39,367
	664,928	551,950
Net Income	$ 349,328	$ 523,388

See Notes to Financial Statements

	Common Stock	Additional Paid-in Capital	Retained Earnings	Stockholder Notes Receivable	Total Stockholders' Equity
Balance, December 31, 2013	$ 30	$ 870	$ 25,418	$ (40,000)	$ (13,682)
Net income	-	-	523,388	-	523,388
Distributions	-	-	(384,750)	-	(384,750)
Issuance of stockholder notes receivable	-	-	-	17,250	17,250
Balance, December 31, 2014	30	870	164,056	(22,750)	142,206
Net income	-	-	349,328	-	349,328
Distributions	-	-	(345,000)	-	(345,000)
Payments on stockholder notes receivable	-	-	-	750	750
Balance, December 31, 2015	$ 30	$ 870	$ 168,384	$ (22,000)	$ 147,284

		2015		2014
Operating Activities				
Net income	$	349,328	$	523,388
Adjustments to reconcile net income to net cash from operating activities				
Depreciation		1,300		1,511
Unredeemed gift card revenue recognized		(48,099)		(34,250)
Changes in assets and liabilities				
Accounts receivable		3,146		(27,069)
Related party receivable		53,699		(53,699)
Other assets		(1,125)		(2,111)
Accounts payable		(18,433)		30,947
Accrued expenses		(2,005)		1,487
Unredeemed gift card liability		77,398		54,384
Deferred national advertising fund fees		(5,749)		(110,883)
Related party payable		154,125		(9,117)
Deferred rent		(1,703)		464
Net Cash from Operating Activities		561,882		375,052
Investing Activities				
Payments on stockholder notes receivable		750		-
Financing Activities				
Distributions to stockholders		(345,000)		(350,250)
Net Cash used for Financing Activities		(345,000)		(350,250)
Net Change in Cash		217,632		24,802
Cash, Beginning of Year		412,683		387,881
Cash, End of Year	$	630,315	$	412,683
Supplemental Schedule of Non Cash Investing and Financing Activities				
Distribution applied to stockholder note receivable	$	-	$	17,250
Additional distribution payable		-		17,250
	$	-	$	34,500

Note 1 - Operations and Summary of Significant Accounting Policies

Operating Activities

Pita Jungle Franchising Corporation (the "Company") was incorporated in Delaware on November 30, 2005. It was organized to be engaged in the business of franchising restaurants, which are operated as eateries. The Company is the franchisor and uses the franchise agreements to operate, sell, and develop Pita Jungle restaurants. In addition, shareholders and members of management of the Company also own and operate Pita Jungle restaurants through ownership of Jungle Concepts, L.L.C. and its operating subsidiaries, which are considered related parties and operate as non-franchised stores. Non-franchised stores do not pay royalty fees but do pay national advertising fund fees.

The Company offers individual franchises 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.

Cash

The Company maintains cash in deposit accounts in federally insured banks. At times, the balance in the accounts may be in excess of federally insured limits.

Accounts Receivable

The Company charges a franchise fee in accordance with the franchise agreement. Royalty receivables are due five days after the week end. The Company does not charge interest on franchise receivables. Based on the historical collectability of franchise receivables management does not believe an allowance for franchise fee receivables is necessary.

Equipment

Property and equipment is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation on equipment is calculated on the straight-line method over the estimated useful lives of the assets, which range from three to five years.

The Company reviews its equipment whenever events indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recorded when the sum of the future cash flows is less than the carrying amount of the asset. An impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. No impairment loss has been recorded for equipment and leasehold improvements at December 31, 2015 and 2014.

Gift Cards

Gift cards are sold at franchised and non-franchised Pita Jungle restaurants. The Company retains and reconciles all cash from gift card activities and use of gift cards on behalf of all franchised and non-franchised restaurants. Activity is reflected as an increase or decrease to unredeemed gift card liabilities. Gift cards may be redeemed at any Pita Jungle restaurant. There are no expiration dates and no service fees are charged.

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, 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 statement of operations. For the years ended December 31, 2015 and 2014, income recognized on unredeemed gift cards was $48,699 and $34,258, respectively, and is included in other income on the statements of operations.

Deferred Rent

The Company leases premises for office space. The lease includes scheduled base rent increases over the term. The total amount of base rent payments, including scheduled increases, is expensed on the straight-line method over the term of the lease. The deferred rent liability represents the excess of such amounts over actual cash payments.

Revenue Recognition

Recognition of franchise fee revenues are deferred until substantial performance of all initial services of the Company, as required by the franchise agreement, have been performed, and no other material conditions or obligations related to substantial performance exist.

Royalty revenues are recognized when earned. Recognition of marketing revenues is deferred until funds received are used for their specified purpose.

Advertising Expenses

Advertising costs are expensed as incurred and included in marketing and promotional expenses. Advertising expenses for the years ended December 31, 2015 and 2014 were $1,288 and $39,020, respectively.

Income Taxes

The Company, with the consent of its stockholders, has elected under the Internal Revenue Code to be taxed as an S Corporation. The stockholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements. Certain specific deductions and credits flow through the Company to its stockholders.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2015 and 2014, the unrecognized tax benefit accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company has evaluated subsequent events through March 23, 2016, the date which the financial statements were available to be issued.

Note 2 - Related Party Transactions

The Company is related to Jungle Concepts, L.L.C. through common ownership. Periodically, expenses incurred during the normal course of business may be paid on behalf of the Company by Jungle Concepts, L.L.C. Additionally, revenues generated through the sale of gift cards may be owed to the Company by Jungle Concepts, L.L.C. The Company has a payable to Jungle Concepts L.L.C. of $154,125 at December 31, 2015 and a receivable from Jungle Concepts, L.L.C., of $53,699 at December 31, 2014.

The Company entered into a management agreement with Jungle Concepts, L.L.C. in 2015. Management fees under this agreement totaled $280,000 for the year ended December 31, 2015.

The Company had entered into consulting agreements with three companies related through common ownership in 2014. Consulting expenses under these agreements amounted to $60,000 for 2014. Amounts payable under these agreements totaled $18,000 at December 31, 2015 and 2014.

Jungle Concepts, L.L.C. owns nine subsidiaries that operate nine Pita Jungle stores at December 31, 2015 and 2014. Amounts received by the Company from Jungle Concepts, L.L.C. for the national advertising fund totaled $177,335 and $178,123 for the years ended December 31, 2015 and 2014, respectively.

Note 3 - Stockholder Notes Receivable

Stockholder notes receivable consist of notes receivable due from one of the Company's stockholders. Amounts outstanding on the notes receivable were $22,000 and $22,750 at December 31, 2015 and 2014, respectively. The note is non-interest bearing as of December 31, 2015 and 2014. The outstanding notes are due from the stockholder on demand.

As of December 31, 2015 and 2014, the Company's stockholders have the ability and intent to extend the demand notes beyond the current period. The amount has been presented as a reduction to stockholders' equity in 2015 and 2014.

Note 4 - Franchise Agreements

The Company grants the use of the “Pita Jungle” trademark and various other items, and agrees not to compete or license another franchisee within the franchisee’s designated market area. When an individual franchise is sold, the Company agrees to provide certain services to the franchisee, including training of the franchisee and assistance to the franchisee in regards to site selection as well as providing a manual on related business operations.

After initial operations begin, the Company will provide operational assistance and regular consultation services. The Company monitors the franchisee’s operations, provides quality control checks, and manages an advertising fund to create and produce marketing materials for all Pita Jungle locations.

The Company charges franchisees an ongoing royalty fee based on a percentage of gross sales as defined in the franchise agreement. The initial term of the franchise agreement is ten years, with five-year options to extend, provided the franchisee is in compliance with the terms of the agreement.

The Company charges a national advertising fund fee based on a percentage of gross sales. The Company agrees to expend the national advertising fund fees, (previously marketing and creative fund fees) collected from the franchisees for marketing and creative expenses each year. Any amount of the monies collected and not spent or overspent is carried over as a liability or asset to be spent in the next year.

During the years ended December 31, 2015 and 2014, franchise operations were as follows:

	Franchises	Non Franchised	Total
December 31, 2013	12	8	20
Franchises opened during the year	-	1	1
Franchises closed during the year	(2)	-	(2)
December 31, 2014	10	9	19
Franchises opened during the year	-	-	-
Franchises closed during the year	(1)	-	(1)
December 31, 2015	9	9	18

Note 5 - Lease Obligations

The Company rents office space under non-cancelable operating leases expiring in 2016. Rent expense under operating leases was $73,035 and $72,719 for the years ended December 31, 2015 and 2014, respectively.

Future minimum lease payments are $39,395 in 2016.

Note 6 - Variable Interest Entity

At December 31, 2015 and 2014, the Company had a variable interest in Jungle Concepts, L.L.C. as a result of the Company's guarantee of a portion of the entity's debt; however, the Company is not considered to be the primary beneficiary of the entity. Jungle Concepts, L.L.C. operates Pita Jungle restaurants.

The summarized financial information presented below for 2015 related to Jungle Concepts, L.L.C. is as of and for the nine months ended September 30, 2015, which is the most recent financial information available from Jungle Concepts L.L.C.

As of September 30, 2015, and for the year ended December 31, 2014, Jungle Concepts, L.L.C. had total assets, liabilities, and revenue approximately as follows:

	9/30/2015 Unaudited	12/31/2014 Unaudited
Assets	$ 2,804,000	$ 2,074,000
Liabilities	2,395,000	1,474,600
Revenue	11,618,593	14,823,000

The Company had exposure to potential losses with respect to its relationship with Jungle Concepts, L.L.C. totaling approximately $450,000 at December 31, 2014, as a result of the guarantee provided on the long-term debt of the entity. The note was paid in full in 2015.

The Company has exposure to potential losses with respect to its relationship with Jungle Concepts, L.L.C. as a result of the guarantee provided on the long-term debt of the entity entered into during 2015. The Company is a guarantor on an Installment Note (Advancing/Term Loan) for Jungle Concepts, L.L.C. The balance on the loan was approximately $2,112,000 at December 31, 2015.

The Company has exposure to potential losses with respect to its relationship with Jungle Concepts, L.L.C. as a result of the guarantee provided on a revolving line of credit that provides for available borrowings up to $250,000. Jungle Concepts, L.L.C. entered into this revolving line of credit during 2015. The Company is a guarantor on this line of credit for Jungle Concepts, L.L.C.; however, there were no draws on the line of credit at December 31, 2015.

DELETED
FINANCIAL STATEMENTS

Financial Statements
December 31, 2014 and 2013

Pita Jungle Franchising Corporation

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Pita Jungle Franchising Corporation
Scottsdale, Arizona

Report on the Financial Statements
We have audited the accompanying financial statements of Pita Jungle Franchising Corporation, which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pita Jungle Franchising Corporation as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

1850 N. Central Ave., Ste. 400 | Phoenix, AZ 85004-4624 | T 602.264.5844 | F 602.277.4845 | EOE

Correction of Error
As discussed in Note 7 to the financial statements, certain errors resulting in overstatement of amounts previously reported for marketing and creative fund revenues and related expenses as of December 31, 2013, were discovered during the current year. Accordingly, amounts reported for marketing and creative fund revenues and related expenses have been restated in the 2013 financial statements now presented. No adjustment has been made to retained earnings as of December 31, 2013, as the error equally affected marketing and creative fund revenues and related expenses. Our opinion is not modified with respect to that matter.

Eide Bailly LLP
Phoenix, Arizona
March 25, 2015

Pita Jungle Franchising Corporation
Balance Sheets
December 31, 2014 and 2013

	2014	2013
Assets		
Current Assets		
Cash	$ 412,683	$ 387,881
Accounts receivable	90,485	63,416
Related party receivable	53,699	-
Total current assets	556,867	451,297
Deposits	6,236	4,125
Equipment, Net of Accumulated Depreciation of $3,868 and $2,357, respectively	1,898	3,409
Total Assets	$ 565,001	$ 458,831
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 59,516	$ 28,569
Accrued expenses	4,881	3,394
Unredeemed gift card liability	151,967	131,833
Deferred marketing and creative fund fees	126,900	237,783
Distributions payable	58,434	41,184
Related party payable	18,000	27,117
Total current liabilities	419,698	469,880
Deferred Rent	3,097	2,633
Total liabilities	422,795	472,513
Stockholders' Equity		
Common stock, par value $0.01; 3,000 shares authorized, issued and outstanding	30	30
Additional paid-in capital	870	870
Retained earnings	164,056	25,418
Stockholder notes receivable	(22,750)	(40,000)
Total stockholders' equity	142,206	(13,682)
Total Liabilities and Stockholders' Equity	$ 565,001	$ 458,831

	2014	Restated 2013
Revenues		
Initial franchise fees	$ -	$ 105,000
Royalties	1,041,080	846,549
Rebate revenues	-	19,960
Unredeemed gift card revenues	34,258	37,594
	1,075,338	1,009,103
Expenses		
General and administrative	512,583	598,380
Marketing, promotional and other	39,367	101,157
	551,950	699,537
Net Income	$ 523,388	$ 309,566

	Common Stock	Additional Paid-in Capital	Retained Earnings	Stockholder Notes Receivable	Total Stockholders' Equity
Balance, December 31, 2012	$ 30	$ 870	$ 84,054	$ -	$ 84,954
Net income	-	-	309,566	-	309,566
Distributions	-	-	(368,202)	-	(368,202)
Issuance of stockholder notes receivable	-	-	-	(40,000)	(40,000)
Balance, December 31, 2013,	30	870	25,418	(40,000)	(13,682)
Net income	-	-	523,388	-	523,388
Distributions	-	-	(384,750)	-	(384,750)
Changes in stockholder notes receivable	-	-	-	17,250	17,250
Balance, December 31, 2014	$ 30	$ 870	$ 164,056	$ (22,750)	$ 142,206

Pita Jungle Franchising Corporation
Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	2014	2013
Operating Activities		
Net income	$ 523,388	$ 309,566
Adjustments to reconcile net income to net cash from operating activities		
Depreciation	1,511	1,512
Changes in assets and liabilities		
Accounts receivable	(27,069)	(40,059)
Related party receivable	(53,699)	-
Other assets	(2,111)	5,000
Accounts payable	30,947	15,688
Accrued expenses	1,487	(5,092)
Unredeemed gift card liability	20,134	25,598
Deferred marketing and creative fund fees	(110,883)	42,736
Related party payable	(9,117)	(16,712)
Deferred rent	464	260
Net Cash from Operating Activities	375,052	338,497
Investing Activities		
Changes in stockholder notes receivable	-	(40,000)
Purchase of property and equipment	-	(4,181)
Net Cash Used in Investing Activities	-	(44,181)
Financing Activities		
Distributions to stockholders	(350,250)	(368,202)
Changes in distributions payable	-	26,375
Net Cash Used in Financing Activities	(350,250)	(341,827)
Net Increase (Decrease) in Cash	24,802	(47,511)
Cash, Beginning of Year	387,881	435,392
Cash, End of Year	$ 412,683	$ 387,881

Supplemental Schedule of Non Cash Investing and Financing Activities	
Distribution applied to stockholder note receivable	$ 17,250
Additional distribution payable	17,250
	$ 34,500

See Notes to Financial Statements

Note 1 - Operations and Summary of Significant Accounting Policies

Operating Activities

Pita Jungle Franchising Corporation (the "Company") was incorporated in Delaware on November 30, 2005. It was organized to be engaged in the business of franchising restaurants, which are operated as eateries. The Company is the franchisor and uses the franchise agreements to operate, sell, and develop Pita Jungle restaurants. In addition, shareholders and members of management of the Company also own and operate Pita Jungle restaurants through ownership of Jungle Concepts, L.L.C. and its operating subsidiaries, which are considered related parties and operate as non-franchised stores. Non-franchised stores do not pay royalty fees but do pay creative and co-op fund fees.

The Company offers individual franchises 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.

Cash

The Company maintains cash in deposit accounts in federally insured banks. At times, the balance in the accounts may be in excess of federally insured limits.

Accounts Receivable

The Company charges a franchise fee in accordance with the franchise agreement. Royalty receivables are due five days after the week end. The Company does not charge interest on franchise receivables. Based on the historical collectability of franchise receivables management does not believe an allowance for franchise fee receivables is necessary.

Equipment

Depreciation on equipment is calculated on the straight-line method over the estimated useful lives of the assets. The Company reviews its equipment whenever events indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recorded when the sum of the future cash flows is less than the carrying amount of the asset. An impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. No impairment loss has been recorded for equipment and leasehold improvements at December 31, 2014 and 2013.

Gift Cards

Gift cards are sold at franchised and non-franchised Pita Jungle restaurants. The Company retains and reconciles all cash from gift card activities and use of gift cards on behalf of all franchised and non-franchised restaurants. Activity is reflected as an increase or decrease to unredeemed gift card liabilities. Gift cards may be redeemed at any Pita Jungle restaurant. There are no expiration dates and no service fees are charged.

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, 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 statement of operations. For the years ended December 31, 2014 and 2013, income recognized on unredeemed gift cards was $34,258 and $37,594, respectively.

Deferred Rent

The Company leases premises for office space. The lease includes scheduled base rent increases over the term. The total amount of base rent payments, including scheduled increases, is expensed on the straight-line method over the term of the lease. The deferred rent liability represents the excess of such amounts over actual cash payments.

Revenue Recognition

Recognition of franchise fee revenues are deferred until substantial performance of all initial services of the Company, as required by the franchise agreement, have been performed, and no other material conditions or obligations related to substantial performance exist.

Royalty revenues are recognized when earned. Recognition of marketing revenues is deferred until funds received are used for their specified purpose.

Advertising Expenses

Advertising costs are expensed as incurred and included in marketing and promotional expenses. Advertising expenses for the years ended December 31, 2014 and 2013 were $39,020 and $285,722, respectively.

Income Taxes

The Company, with the consent of its stockholders, has elected under the Internal Revenue Code to be taxed as an S Corporation. The stockholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements. Certain specific deductions and credits flow through the Company to its stockholders.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2014 and 2013, the unrecognized tax benefit accrual was zero.

The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred. The Company is no longer subject to Federal tax examinations by tax authorities for years before 2011 and state examinations for years before 2010.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on net income, however did impact stockholders' equity.

Subsequent Events

The Company has evaluated subsequent events through March 25, 2015, the date which the financial statements were available to be issued.

Note 2 - Related Party Transactions

The Company is related to Jungle Concepts, L.L.C. through common ownership. Periodically, expenses incurred during the normal course of business may be paid on behalf of the Company by Jungle Concepts, L.L.C. Additionally, revenues generated through the sale of gift cards may be owed to the Company by Jungle Concepts, L.L.C. The Company has a receivable from Jungle Concepts L.L.C. of $53,699 at December 31, 2014 and a payable of $9,117 at December 31, 2013.

The Company has entered into consulting agreements with three companies related through common ownership in 2014. Consulting expenses under these agreements amounted to $60,000 and $204,000 for 2014 and 2013, respectively. Amounts payable under these agreements totaled $18,000 at December 31, 2014 and 2013.

For the year ended December 31, 2014, the Company charged franchised and non-franchised stores a 0.25% fee for creative fund and a 0.75% fee for the co-op fund. For the year ended December 31, 2013, the Company charged franchised and non-franchised stores a 0.50% fee for creative fund and a 0.50% fee for the co-op fund. Jungle Concepts, L.L.C. owns nine subsidiaries that operate nine stores and amounts received by the Company from Jungle Concepts, L.L.C. for these funds totaled $178,123 and $179,446 for the years ended December 31, 2014 and 2013, respectively.

Note 3 - Stockholder Notes Receivable

Stockholder notes receivable consist of notes receivable due from the Company's stockholders. Amounts outstanding on the notes receivable were $22,750 and $40,000 at December 31, 2014 and 2013, respectively. The note is non-interest bearing as of December 31, 2014 and 2013. The outstanding notes are due from the stockholders on demand.

As of December 31, 2014, the Company's stockholders have the ability and intent to extend the demand notes beyond the current period. As such, the amount has been presented as a reduction to stockholder's equity in 2014.

Note 4 - Franchise Agreements

The Company grants the use of the "Pita Jungle" trademark and various other items, and agrees not to compete or license another franchisee within the franchisee's designated market area. When an individual franchise is sold, the Company agrees to provide certain services to the franchisee, including training of the franchisee and assistance to the franchisee in regards to site selection as well as providing a manual on related business operations.

After initial operations begin, the Company will provide operational assistance and regular consultation services. The Company monitors the franchisee's operations, provides quality control checks, and manages an advertising fund to create and produce marketing materials for all Pita Jungles.

The Company charges franchisees an ongoing royalty fee based on a percentage of gross sales as defined in the franchise agreement. The initial term of the franchise agreement is ten years, with five-year options to extend, provided the franchisee is in compliance with the terms of the agreement.

The Company charges an ongoing marketing and creative fund fee based on a percentage of gross sales. The Company agrees to expend the marketing and creative fund fees collected from the franchisees for marketing and creative expenses each year. Any amount of the monies collected and not spent or overspent is carried over as a liability or asset to be spent in the next year.

During the years ended December 31, 2014 and 2013, franchise operations were as follows:

	Franchises	Non Franchised	Total
December 31, 2012	9	8	17
Franchises opened during the year	3	-	3
Franchises closed during the year	-	-	-
December 31, 2013	12	8	20
Franchises opened during the year	-	1	1
Franchises closed during the year	(2)	-	(2)
December 31, 2014	10	9	19

Note 5 - Lease Obligations

The Company rents office space under non-cancelable operating leases expiring in 2016. Rent expense under operating leases was $72,719 and $68,670 for the years ended December 31, 2014 and 2013, respectively.

Future minimum lease payments under non-cancelable operating leases, with initial lease terms in excess of one year are as follows as of December 31:

2015	$ 72,846
2016	39,395
	$ 112,241

Note 6 - Variable Interest Entity

At December 31, 2014 and 2013, the Company has a variable interest in Jungle Concepts, L.L.C. as a result of the Company's guarantee of a portion of the entity's long-term debt; however, the Company is not considered to be the primary beneficiary of the entity. Jungle Concepts, L.L.C. operates Pita Jungle restaurants.

As of and for the years ended December 31, 2014 and 2013, Jungle Concepts, L.L.C. had total assets, liabilities, and revenue approximately as follows:

	2014 Unaudited	2013 Unaudited
Assets	$ 2,074,000	$ 2,438,000
Liabilities	1,474,600	1,830,000
Revenue	14,823,000	15,906,000

The Company has exposure to potential losses with respect to its relationship with Jungle Concepts, L.L.C. as a result of the guarantee provided on the long-term debt of the entity. The Company is a guarantor on a ten year Small Business Administration loan for Jungle Concepts, L.L.C. The balance on the loan was approximately $360,000 and $450,000 at December 31, 2014 and 2013. Interest rate is based on one month LIBOR plus 5%, which was 5.16% and 5.17% at December 31, 2014 and 2013, respectively.

Note 7 - Correction of an Error

The Company's franchise agreements indicate that up to 2% and 0.5% of restaurant sales are collected for the marketing fund and the creative fund, respectively. These funds are segregated and used for the specified purposes. The Company records a liability when the amounts are collected. The Company had previously recognized expense for the amounts used from these funds and also recognized the corresponding revenue. These funds should be accounted for ad an agency relationship in which the liability is increased by the amounts received and decreased by the amounts used for the specified purpose. No revenue or expense should be recognized for these transactions.

As of December 31, 2013, marketing and creative fund revenues and related expenses were recognized in the financial statements for marketing and creative fund expenses collected and paid by the Company. While net income and stockholders' equity was not impacted as of December 31, 2013, the presentation of marketing and creative fund revenues and related expenses was improper.

The following is a summary of the effects of the restatement in the Company's December 31, 2013 Statement of Operations:

	As Previously Reported	Adjustment	As Restated
Marketing and creative fund revenues	$ 333,516	$ (333,516)	$ -
Total Revenue	$ 1,342,619	$ (333,516)	$ 1,009,103
Marketing, promotional and other expense	434,673	(333,516)	101,157
Total expense	$ 1,033,053	$ (333,516)	$ 699,537
Net income	$ 309,566	$ -	$ 309,566

EXHIBIT I

RECEIPT FOR COMPLETED DOCUMENTS

IF WE OFFER YOU A FRANCHISE, WE MUST PROVIDE YOU WITH COMPLETED COPIES OF THE FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS TO BE EXECUTED BY THE PARTIES AT LEAST SEVEN CALENDAR DAYS BEFORE YOU SIGN THE AGREEMENTS.

I have received completed copies of the following agreements:

- ☐ Exhibit B — State Law Addendum
- ☐ Exhibit C — Franchise Agreement with its Exhibits:
  1 - Franchise Location
  2 - Guarantee and Assumption of Obligations
  3 - Addendum to Lease
  4 - Confidentiality and Non-Competition Agreement
  5 - Confidentiality Agreement
  6 – UCC-1 Financing Statement
- ☐ Exhibit D — Multi-Store Addendum
- ☐ Exhibit I — Receipt for Completed Documents
- ☐ Exhibit J — Confirmation of Sales Procedures

I received these completed documents on ______________________, ______.

PITA JUNGLE has provided these documents to me for informational purposes. My signing this receipt does not obligate me in any way, and does not obligate PITA JUNGLE to grant me a franchise.

____
Individually and, if applicable, as an officer, partner or manager of and on behalf of

____,

a ________________ corporation,

a ________________ partnership,

a ________________ limited liability company.

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I have received completed copies of the following agreements:

☐	Exhibit B	State Law Addendum
☐	Exhibit C	Franchise Agreement with its Exhibits: 1 - Franchise Location 2 - Guarantee and Assumption of Obligations 3 - Addendum to Lease 4 - Confidentiality and Non-Competition Agreement 5 - Confidentiality Agreement 6 – UCC-1 Financing Statement
☐	Exhibit D	Multi-Store Addendum
☐	Exhibit I	Receipt for Completed Documents
☐	Exhibit J	Confirmation of Sales Procedures

I received these completed documents on ______________________, ______.

PITA JUNGLE has provided these documents to me for informational purposes. My signing this receipt does not obligate me in any way, and does not obligate PITA JUNGLE to grant me a franchise.

____

Individually and, if applicable, as an officer, partner or manager of and on behalf of

____,

a _________________ corporation,

a _________________ partnership,

a _________________ limited liability company.

[FRANCHISOR'S COPY]

EXHIBIT J

CONFIRMATION OF SALES PROCEDURES

I hereby confirm the following facts to PITA JUNGLE and to its Officers, Directors and Management, on behalf of myself personally, and if applicable, as an Officer or Partner of a corporation or partnership and on its behalf:

1. Date I received a copy of the Franchise Disclosure Document dated ~~March 23, 2016~~ March 28k, 2017 of PITA JUNGLE and the following Exhibits attached thereto:

Exhibit A – State Agencies
Exhibit B – State Law Addendum
Exhibit C – Franchise Agreement and its Exhibits
  1 - Franchise Location
  2 - Guarantee and Assumption of Obligations
  3 - Addendum to Lease
  4 - Confidentiality and Non-Competition Agreement
  5 - Confidentiality Agreement
  6 - UCC-1 Financing Statement
Exhibit D – Multi-Store Amendment
Exhibit E – Tables of Contents of Manuals
Exhibit F – Existing Franchisees
Exhibit G – Former Franchisees
Exhibit H – Financial Statements
Exhibit I – Receipt for Completed Documents
Exhibit J – Confirmation of Sales Procedures
Exhibit K – Agents for Service of Process
Exhibit L – Receipts

__________ Date

__________ Initial

2. Date I received copies of the following supplemental disclosures:

____

____

____.

__________ Date

__________ Initial

3. I have read and understand the entire Franchise Disclosure Document and all the Exhibits, and the supplemental disclosures (if any). __________ Initial

4. PITA JUNGLE has recommended that I consult with professional advisors with respect to this transaction. __________ Initial

5. Date of my first face-to-face meeting with any salesman, agent or Officer of PITA JUNGLE or its franchise broker (name of salesman, agent or broker: ________________________________).

______________ Date

______________ Initial

6. If I am purchasing a location from PITA JUNGLE that was previously owned by a franchisee in the past five years, I have received the following information: the date that I received the former franchisee's contact information, the time period that the franchisee controlled the location, the reason for the ownership change and the length of time that PITA JUNGLE or its affiliate controlled the location.

______________ Date

______________ Initial

7. Date I received copies of the State Law Addendum (except for signatures) with all blanks filled in.

______________ Date

______________ Initial

8. Date I received copies of the Franchise Agreement with its attached Exhibits (check the boxes and fill in the names for those you received), each completed (except for signature) with all blanks filled in where applicable:

______________ Date

______________ Initial

☐ PITA JUNGLE's Franchise Agreement and its attached Exhibits:
Exhibit 1 – Franchise Location
Exhibit 2 – Guarantee and Assumption of Obligations (form with blanks)
Exhibit 3 – Addendum to Lease (form with blanks)
Exhibit 4 - Confidentiality and Non-Competition Agreement (form with blanks)
Exhibit 5 – Confidentiality Agreement (form with blanks)
Exhibit 6 – UCC-1 Financing Statement (form with blanks

Copy(ies) of Exhibit 2 the Guarantee and Assumption of Obligations (with blanks filled in) for the following individuals

☐ ________________________________
☐ ________________________________
☐ ________________________________
☐ ________________________________
☐ ________________________________

Copy(ies) of Exhibit 4 - the Confidentiality and Noncompetition Agreement (with blanks filled in) for the following individuals:

☐ ________________________________
☐ ________________________________
☐ ________________________________
☐ ________________________________
☐ ________________________________

9. Date I received copies of the Multi-Store Amendment, completed (except for signatures) with all blanks filled in.

_______________ Date

_______________ Initial

10. Date I actually signed the Franchise Agreement:

_______________ Date

_______________ Initial

11. Date first payment was made to PITA JUNGLE:

_______________ Date

_______________ Initial

12. No oral, written information or visual claim, promise or representation which contradicted the Franchise Disclosure Document was given or made to me or, to the best of my knowledge, to anyone associated with me, except:

_______________ Initial

____

____

____.

13. No oral, written or visual information, claim, promise or representation was used to calculate, state or suggest any sales, income or profit levels, to me or, to the best of my knowledge, to anyone associated with me, except:

_______________ Initial

____

____

____.

14. I understand that the operation of a restaurant involves inherent risks, that there are no assurances of success, and that my business can fail.

_______________ Initial

Dated: ________________, 20____

____
(Name Printed or Typed)

____
Street Address

____

____
City, State, Zip

____
Signature as an Individual and on Behalf of:

____

a ________________________ corporation

a ________________________ partnership

or a ____________ limited liability company

NO CHANGES

EXHIBIT K

AGENTS FOR SERVICE OF PROCESS

Pita Jungle Franchising Corp.'s statutory agent for service of process in Delaware, its state of formation is:

The Corporation Trust Company of New Castle County
Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801

In addition, Pita Jungle Franchising Corp. has a statutory agent for service of process in the following states:

California	California Commissioner of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500
Illinois	Illinois Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4462

EXHIBIT L
RECEIPTS

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF WE OFFER YOU A FRANCHISE, WE MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE PAYMENT TO US OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE OR GRANT.

NEW YORK~~, OKLAHOMA AND RHODE ISLAND REQUIRE~~ REQUIRES 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.

MICHIGAN REQUIRES THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS BEFORE THE EXECUTION OF ANY BINDING FRANCHISE OR OTHER AGREEMENT OF THE PAYMENT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.

IF WE DO NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT OR MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580, AND YOUR STATE AGENCY LISTED IN THE STATE AGENCIES EXHIBIT.

THE NAME, PRINCIPAL BUSINESS ADDRESS AND TELEPHONE NUMBER OF EACH FRANCHISE SELLER OFFERING THE FRANCHISE IS: NELLY KOHSOK, 7318 East Shea Boulevard, Suite #106, Scottsdale , AZ 85260 and ____.

Issuance Date: March ~~23, 2016~~28, 2017

See Exhibit K for our registered agents authorized to receive service of process.

On ___________, I received a disclosure document dated March ~~23, 2016,~~28, 2017, that included the following Exhibits:

Exhibit A -	State Agencies	Exhibit F -	Existing Franchisees
Exhibit B -	State Law Addendum	Exhibit G -	Former Franchisees
Exhibit C -	Franchise Agreement and Attached Exhibits:	Exhibit H -	Financial Statements
	1 - Franchise Locations	Exhibit I -	Receipt for Completed Documents
	2 - Guarantee and Assumption of Obligations	Exhibit J -	Confirmation of Sales Procedures
	3 - Addendum to Lease	Exhibit K -	Agents for Service of Process
	4 - Confidentiality and Non-Competition Agreement	Exhibit L -	Receipts
	5- Confidentiality Agreement		
	6 - UCC-1 Financing Statement		
Exhibit D -	Multi-Store Amendment		
Exhibit E -	Tables of Contents of Manuals		

Dated: _______________, 20__.

____
Individually and, if applicable, as an officer, partner, member or manager of, and on behalf of

____

a ________________________ corporation

a ________________________ partnership

a ________________limited liability company

EXHIBIT L
RECEIPTS

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF WE OFFER YOU A FRANCHISE, WE MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE PAYMENT TO US OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE OR GRANT.

NEW YORK~~, OKLAHOMA AND RHODE ISLAND REQUIRE~~ REQUIRES 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.

MICHIGAN REQUIRES THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS BEFORE THE EXECUTION OF ANY BINDING FRANCHISE OR OTHER AGREEMENT OF THE PAYMENT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.

IF WE DO NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT OR MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580, AND YOUR STATE AGENCY LISTED IN THE STATE AGENCIES EXHIBIT.

THE NAME, PRINCIPAL BUSINESS ADDRESS AND TELEPHONE NUMBER OF EACH FRANCHISE SELLER OFFERING THE FRANCHISE IS: NELLY KOHSOK, 7318 East Shea Boulevard, Suite #106, Scottsdale , AZ 85260 and ____.

Issuance Date: March ~~23, 2016~~28, 2017

See Exhibit K for our registered agents authorized to receive service of process.

On ____________, I received a disclosure document dated March ~~23, 2016,~~28, 2017, that included the following Exhibits:

Exhibit A - State Agencies
Exhibit B - State Law Addendum
Exhibit C - Franchise Agreement and Attached Exhibits:
- 1 - Franchise Locations
- 2 - Guarantee and Assumption of Obligations
- 3 - Addendum to Lease
- 4 - Confidentiality and Non-Competition Agreement
- 5- Confidentiality Agreement
- 6 - UCC-1 Financing Statement

Exhibit D - Multi-Store Amendment
Exhibit E - Tables of Contents of Manuals
Exhibit F - Existing Franchisees
Exhibit G - Former Franchisees
Exhibit H - Financial Statements
Exhibit I - Receipt for Completed Documents
Exhibit J - Confirmation of Sales Procedures
Exhibit K - Agents for Service of Process
Exhibit L - Receipts

Dated: ________________, 20__.

____
Individually and, if applicable, as an officer, partner, member or manager of, and on behalf of

____

a ________________________ corporation

a ________________________ partnership

a ________________limited liability company

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