



OUR CONCEPT



“THE MR. PITA DIFFERENCE”

Mr. Pita was founded by entrepreneur Frank Lombardo, as a result of his over 25 years experience in the fast food industry. He recognized that specializing in healthy, tasty, high quality rolled pita sandwiches, soups, salads, and desserts presented a window of opportunity for Mr. Pita products, and possibilities for expansion.

We are a new franchise opportunity that responds to a growing market demand for “fresh and healthy” high-quality fast food. Mr. Pita has the following advantages:

- Innovative concept directly targeting the health, value and quality conscious food consumer
- Uniquely positioned to provide a comfortable combination of dine-in, carry out and catering as well as delivery service
- Little competition for rolled sandwich format
- A complete menu of sandwiches, soups, salads, desserts, beverages and kid’s menu
- We also carry open-faced baked pitas, available buffet style
- The new and exciting fast food that tastes great and is fun to eat!
- Extremely marketable names and character that has an immediate and broad customer appeal

Our customers want convenience, reasonable prices and great food. A key aspect of Mr. Pita’s success is the loyalty of existing customers and the ability to turn first-time customers into “regulars”. Our personalized approach provides a pleasant experience to a broad range of customers, and has also resulted in positive “word of mouth” and a high percentage of repeat business. Mr. Pita’s commitment is to serve fresh, healthy, great tasting food in casual, comfortable surroundings which exceed our customer’s expectations.

We invite you to visit us at Mr. Pita. Once you do, we’re sure you’ll agree, now is the time to introduce this concept to new locations and areas.

Quality, Pride & Value



OUR PRODUCT



“ROLLED PITAS... THE HEALTHY CHOICE THAT TASTES GREAT!™”

Mr. Pita's high quality foods sell themselves. In addition to our delicious assortment of rolled sandwiches, we offer salads, soups, desserts, a kid's menu, soft drinks, juices, coffee and tea. We also offer our appealing "PITA PARTY PLATTERS" for catering, office functions and any special occasions.

Mr. Pita's Rolled Sandwiches are made within minutes of being ordered, using only fresh produce, all natural bread (no fat...no preservatives) and lean deli meat to ensure each customer receives the freshest food possible. Each of our sandwiches is rolled into convenient packaging and served with our unique "Eat-A-Pita" instructions that have become quite a "hit" with our customers. Our fresh pita bread and unique packaging make eating our sandwiches a fun and delightful experience.

Approximately 70% of consumers today are interested in the nutritional content and quality of food. One of the strongest trends in the food industry today is the shift towards "fresh and healthy" dining. Mr. Pita is a business system positioned to take advantage of this well-established and growing market.

Quality, Pride & Value



WHY FRANCHISING?



Why do people choose franchising?

Franchising offers proven methods of operation that permit the franchisee to capitalize on the experience and expertise of an established system. More and more, people are choosing franchising as the way to start their own business. In fact, franchising is the leading, growing method for conducting business. By capitalizing on the name, knowledge and stability of the franchisor, the franchisee has an advantage over someone starting an untested business. This helps ensure peace of mind when starting and operating your own business.

The International Franchise Association (IFA) reported that franchise sales approximated over \$750 million by the end of 1991. Franchise operations now account for almost half of all retail sales and, most important, according to the U.S. Department of Commerce, have an amazing survival rate of more than 90%, compared to less than 20% for an independent business.

Franchising is a viable business concept both for growing companies and for individuals seeking to start a business. A comprehensive study conducted for the IFA in 1992 reported that not only did the great majority of franchisees consider their operation successful, but they also found their franchise operation met or exceeded their expectations for satisfaction. These high ratings of satisfaction and success did not come without hard work. Any franchise business is only as good as the franchisee is prepared to make it. It may start with the expertise and reputation of the franchisor... but it all comes down to you and your initiative, effort and determination.

Now you too have an opportunity to become part of the franchising boom and own your own franchise with Mr. Pita. The first step is to carefully read and consider all the enclosed materials about our operation. Then, if you are seriously interested in further examining this opportunity, please complete the enclosed application and return it for our review. We look forward to exploring available opportunities with you.



WHY US?



In a business environment where 80% of all new businesses fail, a concept like Mr. Pita, the “fresh and healthy” fast food restaurant, provides you with an exciting franchise opportunity. Mr. Pita offers a wide variety of location possibilities and demographic markets which include free standing, strip centers, malls and food courts.

Mr. Pita provides franchisees with a comprehensive support program including:

- In depth training in: Inventory control, personnel management, in-store policies and procedures, advertising and promotions, ordering and purchasing and more.
- Assistance in site selection, construction, set-up
- Opening support and assistance
- On-site and telephone support
- Management updates
- Advertising and marketing support

Mr. Pita is consistently striving to improve all phases of operations and to communicate these enhancements to each franchisee so that each Mr. Pita can be it's best.

Mr. Pita wants you to share in the possibilities that come from being a part of our franchise system. Each Mr. Pita franchise is operated as a separate, and independent business. You become your own boss, but you benefit from the knowledge and skill of an established growing business.

To qualify as a Mr. Pita franchisee, requires no prior restaurant experience or talent - just a desire to be an independent business owner, the willingness to work hard, and a commitment to provide exceptional customer service.

If you want a challenging business and would like to take advantage of an exceptional franchise opportunity, you owe it to yourself to examine Mr. Pita's franchising system.



FRANCHISE SUPPORT & SERVICES



No matter how well an operation functions, occasional questions are bound to arise. For this reason Mr. Pita is prepared to assist franchise owners in nearly every aspect of restaurant operation, both before and after their unit has opened for business. Our staff remains available for on-going guidance and field support for as long as you are an owner. Mr. Pita's management team has a diverse and extensive background in restaurant operations and is a valuable source of information and ideas. As a support resource for franchisees, Mr. Pita, Inc. is available to assist in a variety of areas including:

OPERATIONAL ASSISTANCE

An operations handbook provided to each franchisee contains guidelines on pre-store opening procedures, hiring and training, ordering and receiving goods, accounting, menu and food preparation, sanitation, equipment maintenance, customer relations and general operational procedures. Mr. Pita's management team is available to solve any operational problems which may develop during day to day operations and to provide advice on maintaining operations, products and customer service standards. Our staff will advise you in the areas of sales forecasts and sales operational objectives, as well as on creating plans to meet your goals.

EMPLOYEE MANAGEMENT

A successful operation hinges on hiring, training and retaining quality employees and management personnel. Mr. Pita will provide assistance in effectively training your employees and in building and maintaining a quality crew.

FINANCIAL PERFORMANCE

Mr. Pita will consult with and assist franchisees in developing programs to maximize profit potential through cost management in areas of labor, food and supplies, and general operating expenses.

RESEARCH & DEVELOPMENT

A significant part of the success of any restaurant chain depends on its ability to develop and launch products that keep pace with the changes and standards in the food industry. Mr. Pita continually strives to develop more efficient procedures, and new products that appeal to consumers. As we unveil new products and operating procedures, Mr. Pita assists franchisees in smoothly integrating these new concepts into their restaurant operation. We will also assist in resolving product and/or ingredient problems as they occur in the field.

MARKETING

In addition to helping you design your initial grand opening campaign, Mr. Pita will continually bring you new ideas and concepts, as well as ensure an aggressive and professional marketing program. The Mr. Pita staff is always available to assist and advise you in developing a marketing plan tailored to your individual needs, and we will supply franchisees with an on-going arsenal of support and promotional ideas to assist in driving restaurant sales. This includes a wide range of print advertising, seasonal promotions, point-of-purchase material, signage and much more, all designed to bring customers to our restaurants.

As a Mr. Pita franchisee you will be required to participate in a marketing co-operative. Working with the co-op helps franchise owners take advantage of promotions which would not be cost effective for a single restaurant. The co-op also helps increase our advertising impact by coordinating our efforts with other Mr. Pita locations. Co-op advertising is funded by each individual franchisee. Franchisees may participate in recommending, communicating, and helping develop appropriate marketing programs to utilize the co-op fund. As additional locations open for business, the impact and value of Mr. Pita's name recognition will become greater, thus creating greater awareness on the part of the consumer.

Quality, Pride & Value



COMMUNICATION



Mr. Pita also serves as a primary communication link between locations. Mr. Pita is a firm believer in frequent and accurate exchanges of information and ideas. Mr. Pita will be in constant contact with franchisees to offer assistance, solicit ideas and suggestions, and keep you up-to-date on industry trends.

REGIONAL MEETINGS

When appropriate, Mr. Pita will hold franchisee meetings. These meetings serve a variety of purposes and allow franchisees to become better acquainted. We will update franchisees on the latest developments in the food service industry and provide advice on employee relations, customer service, increasing sales and other important topics. The meeting provides franchisees with an opportunity to discuss issues pertinent to their specific market areas as well as communicate openly to tackle problems and share information that will benefit other members of the system.

QUALITY STANDARDS

Mr. Pita has established specifications and quality standards to ensure a consistent product line throughout the chain. While Mr. Pita does not sell food, paper or other supplies to our franchise restaurants, we will assist the franchisees in obtaining sources for these items. When appropriate Mr. Pita will pursue the financial benefits of group buying power.

CONTROL OF OPERATION

Of critical importance to our franchisees are the methods, practices, procedures and controls which increase possibilities of success. Mr. Pita provides assurance to franchisees that no restaurant in the Mr. Pita chain shall deviate from corporate standards in the areas of quality, service, and cleanliness. Mr. Pita recognizes that consistency within the chain is crucial to success. Our customers know what to expect each and every time they visit a Mr. Pita restaurant. Mr. Pita will strive to ensure that the standard menu is adhered to and that all menu items are prepared, assembled and presented in the prescribed manner. By assuring that these standards are met, Mr. Pita protects the operating systems and trademarks of the Mr. Pita chain.

TRAINING

Once you have signed your franchise agreement, negotiated a lease and started building your store, you are ready to begin our comprehensive training program. While your store is being constructed, you will train for approximately 30 to 45 days at our Mr. Pita training store. We will then be on-hand at your new location for up to 21 days to assist you with training and all other aspects of your initial store opening. Training periods may vary depending on the abilities of each individual. (Certification is also necessary before any franchisee moves into the franchise location.)

Operational and management training are provided by manager/trainers with years of experience in all aspects of restaurant management. They will provide pre-opening training which teaches all facets of our system. This includes:

- Menu preparation
- Equipment operation & maintenance
- Recruiting, hiring, scheduling & training employees
- Ordering supplies and internal procedures

In short, all the tools needed to open and operate your restaurant comfortably and confidently on a day to day basis are provided. Our experienced staff will work side by side with you and your manager during the initial pre-opening and opening of your restaurant to help you with the many elements necessary to get your Grand Opening off to a good start.



SITE SELECTION DATA



POTENTIAL SOURCES

SUPPLIERS
REALTORS
CHAMBER OF COMMERCE
LOCAL BUSINESSES
FIELD RESEARCH

CITY/COUNTY PLANNING OFFICES
LOCAL LIBRARIES
POTENTIAL CUSTOMERS
CONTRACTORS

IMPORTANT INFORMATION FOR LOCATION SELECTION INCLUDES:

1. MARKET AREA CHARACTERISTICS

- A. AGE, SEX, INCOME LEVEL, EDUCATION, MARITAL STATUS, NATIONALITY, RELIGION, ETC. OF RESIDENTS IN THE AREA
- B. CONSUMER INTEREST, OPINIONS, HOBBIES, ETC.
- C. ATTITUDES & LIFESTYLES OF TARGET MARKET
- D. DAYTIME DEMOGRAPHICS

2. COMPETITION

- A. IDENTIFY DIRECT & INDIRECT COMPETITION IN PRIMARY & SECONDARY MARKET AREA

3. NEIGHBORHOOD INFORMATION

- A. BUSINESS CENTERS
- B. TRANSPORTATION ROUTES ORGANIZATIONS/EVENTS
- C. SPECIALTY SHOPPING DISTRICT
- D. DINING & ENTERTAINMENT
- E. CULTURAL & ATHLETIC
- F. RECREATIONAL AREA

4. FUTURE TRENDS

WHAT DOES THE FUTURE HOLD FOR THE COMPETITION & THE MARKET AREA CUSTOMER BASE?

5. SITE CHARACTERISTICS

- A. PHYSICAL
 - 1. DIMENSIONS
 - 2. EXISTING IMPROVEMENTS
 - 3. PRACTICALITY OF SITE FOR FUTURE REMODELING, ADDITION, ETC.
 - 4. ACCESSIBILITY & CONVENIENCE (PERHAPS THE MOST CRITICAL IN REGARDS TO SITE SELECTION)



SITE SELECTION DATA



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B. OTHER

1. CURRENT OWNERSHIP
2. SITE PREPARATION COST (CONSTRUCTING IMPROVEMENTS TO CODE)
3. PERMITS AND LICENSES (COUNTY & CITY)
4. UTILITIES, WATER & RUBBISH REMOVAL COSTS
5. PROPERTY TAXES & ASSESSMENT HISTORY
6. ZONING RESTRICTIONS
7. BOARD OF HEALTH APPROVAL
8. FUTURE STREET PLANS
9. TRAFFIC COUNTS

C. EASE OF DELIVERIES

D. LABOR POOL

The right location is the first step to any successful operation. Potential locations should be a minimum of 1800 sq. feet especially for carry out, accessible to traffic and have high visibility. Location data forms will be provided to you, and Mr. Pita will help in evaluating our potential location. We'll look at traffic density, business activity, break even levels, population, local competition, environment, residential type, and other demographics which will affect your location.

Although it is the franchisee's ultimate responsibility to secure a suitable location, Mr. Pita will assist in selecting a location in your chosen market area and will make every effort to assist the franchisee in securing the right location. Once a potential site has been evaluated and approved, Mr. Pita's staff is available to help guide you through the entire construction process.

Mr. Pita does not provide Floor Plan & Mechanical Requirements, but will assist franchisees in obtaining them. We will also assist in lease negotiation, overseeing equipment installation, remodeling and selection furnishings for the restaurant.



FRANCHISE FEE & CAPITAL INVESTMENT



Based on our our experience, the cost of developing a single Mr. Pita restaurant is listed below. This is to be regarded as an estimate and used only as a guideline as figures may vary with inflation, type and size of location, cost of labor, material, etc.

It is also Mr. Pita's recommendation that you consult an accountant and/or financial consultant to help analyze your individual costs and needs.

ESTIMATED START-UP INVESTMENT FOR MR. PITA/PITA DEPOT

	<u>LOW</u>	<u>HIGH</u>
INITIAL FRANCHISE FEE	\$25,000	\$25,000
EQUIPMENT	\$70,000	\$140,000
SIGNAGE	\$12,000	\$20,000
LEASEHOLDS	\$57,500	\$97,500
OPENING COSTS	\$29,500	\$50,000
MISCELLANEOUS	\$5,000	\$10,000
WORKING CAPITAL	\$20,000	\$20,000

LISTING OF INVESTMENT ITEMS

LEASEHOLD IMPROVEMENTS

ELECTRICIAN
PLUMBER
CONSTRUCTION OF WALLS,
FLOORS
MISCELLANEOUS

SIGNS

OUTSIDE BLDG.
INTERIOR SIGNAGE
STREET SIGN
NEON & AWNING

OPENING

LEGAL
OPENING INVENTORY
PRINTING/ADVERTISING
WINDOW SIGNS/BANNERS
OPENING CASH IN REGISTER
EMPLOYEE TRAINING
1ST MONTH RENT
SECURITY DEPOSIT
INSURANCE



QUESTIONS & ANSWERS



Q. What is the Mr. Pita/Pita Depot concept?

A. Mr. Pita/Pita Depot is a fast food sandwich shop which offers a complete menu including a wide range of rolled pita sandwiches, available for dine-in, carry-out and delivery.

Q. How does Mr. Pita/Pita Depot franchise?

A. Mr. Pita/Pita Depot franchises by individual locations which have a defined exclusive territory.

Q. What size store is required?

A. Typically, an ideal store ranges from 1600-2500 square feet, has ample parking, is easily accessible and has good visibility.

Q. What does it cost for a Mr. Pita/Pita Depot restaurant?

A. Mr. Pita/Pita Depot estimates the average cost to open a store to be \$175,000 - \$325,000. This figure will vary depending on each store's individual requirements.

Q. Is fast food experience required?

A. Previous experience is not required, however, the type of individual who is used to hard work and long hours is the type of person we will select.

Q. Does Mr. Pita/Pita Depot provide financing?

A. No, not at this time. Financing is the responsibility of each individual and/or group. We can assist you in identifying possible sources of financing.

Q. What kind of sales/earnings can I expect?

A. Mr. Pita/Pita Depot does not make sales or earnings claims, or projections. Once we have had an opportunity to meet and you receive an offering circular, we will encourage you to contact existing franchises to discuss their experiences.

Q. What is the term of a Mr. Pita/Pita Depot franchise?

A. Ten years with options.

Q. I am interested in obtaining a Mr. Pita/Pita Depot franchise. What is my next step?

A. Complete the enclosed application and return it to us. Upon approval, we will send you an Offering Circular which will answer most of your questions. At that time, we will schedule a meeting to discuss your franchise possibilities.