FRANCHISE DISCLOSURE DOCUMENT

FAMILY FARE, LLC
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Franchisee will operate an extended-hour retail convenience store under the tradename and service mark "FAMILY FARE" which sells energy (including fuel), groceries, take-out foods and beverages, dairy products, non-food merchandise, specialty items and selected services. FAMILY FARE, LLC provides services to franchisees including assistance with training, operations, advertising, merchandising, and promotional techniques.

The total investment necessary to begin operation of a Family Fare franchise is between $30,300 and $1,174,000. This includes between $13,000 and $1,024,000 that must be paid to us or an affiliate.

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, us or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental 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 availability of disclosures in different formats, contact the Franchise Department of FAMILY FARE, LLC, 4220 Neal Road, Durham, NC 27705, (919) 309-2925.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your 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, D.C. 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.

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How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit B.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Family Fare business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Family Fare franchisee?	Item 20 or Exhibit B lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit D.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

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Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in North Carolina. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in North Carolina.

2. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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TABLE OF CONTENTS

ITEM		PAGE
ITEM 1.	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2.	BUSINESS EXPERIENCE	4
ITEM 3.	LITIGATION	5
ITEM 4.	BANKRUPTCY	6
ITEM 5.	INITIAL FEES	6
ITEM 6.	OTHER FEES	7
ITEM 7.	ESTIMATED INITIAL INVESTMENT	21
ITEM 8.	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	24
ITEM 9.	FRANCHISEE'S OBLIGATIONS	30
ITEM 10.	FINANCING	32
ITEM 11.	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	35
ITEM 12.	TERRITORY	43
ITEM 13.	TRADEMARKS	44
ITEM 14.	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	46
ITEM 15.	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	48
ITEM 16.	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	49
ITEM 17.	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	50
ITEM 18.	PUBLIC FIGURES	58
ITEM 19.	FINANCIAL PERFORMANCE REPRESENTATIONS	58
ITEM 20.	OUTLETS AND FRANCHISEE INFORMATION	61
ITEM 21.	FINANCIAL STATEMENTS	63
ITEM 22.	CONTRACTS	63
ITEM 23.	RECEIPT	63

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Exhibit A	FAMILY FARE FRANCHISE AGREEMENT WITH EXHIBITS
Exhibit B-1	STORE DIRECTORY/LISTING OF CURRENT FRANCHISEES
Exhibit B-2	LISTING OF CERTAIN PAST FRANCHISEES
Exhibit B-3	HISTORICAL INITIAL FRANCHISE FEES
Exhibit C	FINANCIAL STATEMENTS
Exhibit D	FEDERAL AND STATE REGULATORS AND AGENTS FOR SERVICE OF PROCESS
Exhibit E	REQUIRED COMPUTER AND POS SOFTWARE AND HARDWARE
Exhibit F	STATE SPECIFIC ADDENDUM TO FRANCHISE AGREEMENT AND FRANCHISE DISCLOSURE DOCUMENT
Exhibit G	LEASE
Exhibit H	CONSIGNMENT AND COMMISSION AGREEMENT
Exhibit I	CAR WASH ADDENDUM
Exhibit J	GAMES OF SKILL ADDENDUM
Exhibit K	INITIAL FRANCHISE FEE PROMISSORY NOTE AND SECURITY AGREEMENT
Exhibit L	SAMPLE GENERAL RELEASE AGREEMENT
Exhibit M	ACH/EFT TRANSFER AGREEMENT
Exhibit N	REFERRAL PROGRAM PARTICIPATION AGREEMENT
Exhibit O	SAMPLE AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER
Exhibit P	SAMPLE DISCLOSURE LETTER TO PROSPECTIVE TRANSFEREE
Exhibit Q	ADDENDUM TO TRANSFEREE FRANCHISE AGREEMENT
Exhibit R	FIRST ADDENDUM TO RENEWAL FRANCHISE AGREEMENT EXECUTED WITH NEW FRANCHISE AGREEMENT
Exhibit S	RENEWAL OF FAMILY FARE FRANCHISE AND LEASE AMENDMENT (TO BE SIGNED BY A RENEWING FRANCHISEE IN LIEU OF SIGNING NEW FRANCHISE AGREEMENT IN FRANCHISOR'S DISCRETION)
Exhibit T	LIMITED POWER OF ATTORNEY
Exhibit U	STATEMENT OF PROSPECTIVE FRANCHISEES
Exhibit V	RECEIPT

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ITEM 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

THE FRANCHISOR

To simplify the language in this disclosure document, "we," "Family Fare," or "us" means FAMILY FARE, LLC and its affiliates. "You" means the business entity that buys the franchise, including, if any, such company's Operating Principal, shareholders or members, and guarantors. We are a North Carolina limited liability company, originally organized on October 3, 2003 as a corporation and converted from a corporation to a limited liability company on June 14, 2013 under the name FAMILY FARE, LLC. FAMILY FARE LLC is 30.3% owned by our affiliate, BFP LIMITED LIABILITY COMPANY ("BFP") and 69.7% by Dr. M. Lee Barnes, Jr. Our principal business address is 4220 Neal Road, Durham, North Carolina 27705. Exhibit D lists our agent for service of process in your state.

Since 2013, our primary business has been to franchise Family Fare convenience stores and provide services to the franchisees of Family Fare convenience stores. Since October 2014, in addition to franchising and supporting the Family Fare convenience stores, our business also includes franchising Caroco convenience stores and providing services to the franchisees of Caroco convenience stores. We offer and sell the Caroco franchise opportunity under a separate franchise disclosure document. We operate the Caroco franchise business from our current principal place of business 4220 Neal Road, Durham, North Carolina 27705. Besides the Family Fare and Caroco brands, we have never sold franchises of any other kind. We do business and intend to do business under the names FAMILY FARE, LLC, FAMILY FARE® and CAROCO® We operate no business of the type being franchised and have not sold any other types of franchises.

PARENTS, PREDECESSORS, AND AFFILIATES

Our predecessor and affiliate is M. M. FOWLER, INC. ("M. M. Fowler") which was formed on November 10, 1952. Until December 2015, M. M. Fowler was controlled by M. L. BARNES and M. L. BARNES, JR. On December 30, 2015, M. L. BARNES, JR. became the sole owner of M. M. Fowler. M. M. Fowler's principal business address is the same as our business address at 4220 Neal Road, Durham, North Carolina 27705. M. M. Fowler has been in the business of fuel sales and leasing of commercial properties business, including convenience stores, since its formation. In 1986, M. M. Fowler switched its business model to an independent operator model. Family Fare and Caroco convenience stores and gas stations were operated under that business model until 2013, when M. M. Fowler switched to the current franchise model from an independent operator model for Family Fare, and 2014, when M. M. Fowler did the same for the Caroco brand. M. M. Fowler has never operated a business of the type being franchised. M. M. Fowler, through a shared services agreement, provides certain management services to us. M. M. Fowler has never offered franchises in any kind of business. In 2013, M. M. Fowler licensed us the exclusive right to grant Family Fare franchises, and in 2014, licensed us the exclusive right to grant Caroco franchises.

Our affiliate and shareholder BFP was formed on December 15, 1989 as a limited partnership and converted into a limited liability company in 2012. BFP is a North Carolina limited liability company owned by DR. M. LEE BARNES, JR. BFP owns several real estate parcels leased to M. M. Fowler, which in turn are leased to franchisees. BFP has never operated a business of the type being franchised, offered franchises of the type being offered, except as our shareholder, or offered franchises in any other kind of business.

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THE FRANCHISE OFFERED

Our 102 FAMILY FARE® stores are extended-hour retail convenience stores that emphasize convenience to the customer and provide energy (including fuel), fresh take-out foods, groceries, beverages, candy, dairy products, non-food merchandise, specialty items, certain financial services, lottery tickets and incidental services. Family Fare convenience stores are generally open every day of the year, with the vast majority open extended hours. These stores are located in neighborhood areas, on main thoroughfares, in shopping centers, or on other sites where they are easily accessible and have parking facilities for quick in-and-out shopping.

Our franchise system is a business system that includes: a license to use the service mark "Family Fare," training, continuing advice and assistance on operating a store, distinctive design, décor, color scheme, and furnishings, hardware and software programs, standards, specifications, and procedures for operations, store inventory auditing, financing, merchandising assistance, advertising, and other services we describe in this disclosure document, all of which we may improve, amend, and further develop from time to time ("System").

You will sign the franchise agreement attached to this disclosure document as Exhibit A. In our franchise program for Family Fare stores, we offer franchises for a single site that M. M. Fowler owns or leases. M. M. Fowler owns or leases the land, building and equipment for the store, and will lease or sub-lease to you a fully equipped and stocked Family Fare store that is ready to operate. In circumstances where the store is sub-leased to you, the length of M.M. Fowler's lease may affect the term length of your franchise agreement. The granting of a franchise does not give you the right to operate any additional stores, although we may grant you the right to operate stores at additional sites through additional franchise agreements. We require that you organize a corporation or limited liability company in the state in which you operate a Family Fare store and elect to be taxed as a Small Business Corporation under Section 1362 of the Internal Revenue Code ("S-Corporation"). Your owners will be required to guarantee your performance and bind themselves individually to certain provisions of the franchise agreement, including the covenants against competition and disclosure of confidential information, restrictions on transfer and dispute resolution procedures. Unless local law requires otherwise, only individuals who sign the personal guaranty may be owners of the entity you organize.

MARKET AND COMPETITION

Retail convenience stores are located in cities and towns of all sizes, from rural areas to mature, urban areas. Your sales may be affected by minor seasonal factors, regardless of the location of your store. Sales may be more seasonal in certain areas or regions of the country than others.

Your market and competition will depend in part on the location of your store. Factors that may affect your location include the number and type of competitors in that area, population density, demographics of the neighborhood, vandalism and crime in the neighborhood, accessibility to the store, and local laws. Additionally, the convenience store and fuel and energy businesses are highly competitive with respect to products, price, service, location, food service, and quality of service, and is often affected by changes in consumer tastes, economic conditions, population, and traffic patterns. We suggest that you consider these factors and conduct your own analysis before you make your decision to franchise a store. We suggest consulting other business owners in the area of the prospective store, local police officers, local chambers of commerce, or others with knowledge of the particular neighborhood where the prospective store is or will be located.

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Family Fare stores represent only a small percentage of the highly competitive food retailing industry. Family Fare stores compete with many national, regional, local and independent retailers, including grocery and supermarket chains, grocery wholesalers and buying clubs, mass merchandisers, other convenience store chains, super-regional chains, independent food stores, fast food chains, variety stores, dollar stores, and drug stores. In sales of fuel or other energy, Family Fare stores compete with other food stores and service stations and generate only a very small percentage of the fuel and energy sales in the United States. Each store's ability to compete is dependent on its location, accessibility, and individual service. The stores face growing competitive pressures from new participants in the convenience retailing industry and the rapid increase in hypermarkets and super regional chains.

LAWS AND REGULATIONS

The sale of fuel and energy is subject to extensive federal and state legislation and regulations relating to environmental matters. Underground and above-ground storage tanks may be used at your store. Laws and regulations for underground storage tank systems include requirements for tank construction, inventory control, integrity testing, leak detection and monitoring, spill control, and corrective action in case of a release from an underground storage tank into the environment. Convenience stores selling fuel and energy are also subject to regulations in certain locations relating to vapor recovery and discharges into the water. Some existing laws and regulations regarding underground storage tanks require future compliance and are not immediately applicable. As you operate your store, you may incur expenses because of your obligation to comply with these laws and regulations and any additional requirements that may be imposed in the future.

Additionally, you may be subject to federal, state, and local environmental laws, including laws related to handling, clean up and/or removal of hazardous substances. Under the current laws relating to hazardous substances, a current or prior owner or operator of real property may be liable for the cost of removal or remediation of hazardous or toxic substances like petroleum or petroleum products on, under, or in the property.

Federal, state, or local laws may limit the hours of operation or the sale of certain products in some stores. The most significant of these laws limit the sale of alcoholic beverages, but laws also limit the sale of tobacco products, possible inhalants, games of skill, and lottery tickets. We will obtain all necessary licenses on your behalf except your business license. You may sell alcoholic beverages and tobacco products only in accordance with local licensing and other legal requirements. If your actions adversely impact the licenses we obtain for you, we have the right to terminate your franchise agreement.

There are other laws affecting businesses generally that will affect your operation of the store, including federal, state and local laws, rules, regulations and ordinances that may apply to the operation of your store, including those that (a) establish general standards, specifications, and requirements for the construction, design, and maintenance of the store; (b) regulate matters affecting the health, safety, and welfare of your customers, such as general health and sanitation requirements; employee practices concerning the storage, handling, cooking, and preparation of food; restrictions on smoking; availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for fire safety and general emergency preparedness; (e) regulate the proper use, storage, and disposal of waste, insecticides, and other hazardous materials; (f) govern labor practices for your employees; (g) regulate the application of the Affordable Care Act; (h) regulate

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USDA food stamps; (i) regulate the federal Fair Credit Reporting Act, (j) and enforce or enact other laws and regulations affecting your store. We do not control your employment relationships. You are exclusively responsible for complying with laws governing the relationship with your employees.

You will retain the services of employees and will be required to observe general employment laws and regulations, including payment of all withholding taxes, social security taxes (FICA), federal and state unemployment taxes, wage and hour laws including the Fair Labor Standards Act (child labor, minimum wage, overtime, and record keeping requirements) and equivalent state laws, immigration, laws prohibiting discrimination on the basis of race, color, national origin, sex (including pregnancy), religion, age, disability, genetic information, veteran status, and any other protected class characteristic, and you will be responsible for the prompt filing of all required returns, notices and reports of every kind and nature.

The store where you are a Franchisee must be and remain at all times an authorized Supplemental Nutrition Assistance Program ("SNAP") retailer and must participate in the program using Electronic Benefits Transfer ("EBT") system equipment and transaction services. You must comply with all federal, state, and local laws and regulations regulating the implementation of SNAP and EBT.

The Americans with Disabilities Act ("ADA") also will apply to the operation of your store. You should investigate whether there are regulations and requirements that may apply to the geographic area in which you are interested in locating your franchise and should consider both the effect and cost of compliance. You should consult your attorney or business advisor to discuss the impact of these and other laws on the franchise.

ITEM 2. BUSINESS EXPERIENCE

Name	Position	Principal Occupation During the Past 5 Years
Marvin Barnes	Chief Executive Officer	MR. BARNES has been our Chief Executive Officer and Vice President since we were formed in 2003. MR. BARNES has been the Chief Executive Officer of our affiliate M. M. Fowler since 2007. Both positions are located in Durham, NC.
M. Lee Barnes, Jr., PhD, MA, MBA, CFE, SHRM-SCP	President and Sole Manager	DR. BARNES has been our President and Sole Manager since 2007. DR. BARNES has been the President of our affiliate M. M. Fowler since 2007. Both positions are located in Durham, NC.
Jesse B. A. Daughtridge	Vice President and Chief Financial Officer	Since January 2019, MR. DAUGHTRIDGE has been our Vice President and Chief Financial Officer. MR. DAUGHTRIDGE was our Vice President of Administration from December 2005 to January 2019. MR. DAUGHTRIDGE has been the Vice President of Administration of our affiliate M. M. Fowler since 2005. Both positions are located in Durham, NC.

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Name	Position	Principal Occupation During the Past 5 Years
Rob Carney	Regional Vice President of Operations, East	Mr. CARNEY has been our Regional Vice President of Operations since December 2019. From June 2002 to December 2019, Mr. Carney worked for our affiliate M.M. Fowler as an account executive and business consultant. Both positions are located in Durham, NC.
Gary Owen	Regional Vice President of Operations, West	Mr. OWEN has been our Regional Vice President of Operations since December 2019. From June 2005 to November 2019, Mr. Owen worked for our affiliate M.M. Fowler as an account executive and business consultant. Both positions are located in Durham, NC.

ITEM 3. LITIGATION

Pending Actions.

Amro Elsayed & Lola Salamah v. Family Fare, LLC, M.M. Fowler, Inc., Lee Barnes, Jr. individually and as President of Family Fare LLC, M. M. Fowler Inc., and Donald Pilcher, individually, 18 CV 1045 (United States District Court Middle District North Carolina). On December 26, 2018, Lola Salamah, owner of former franchisee Almy, LLC, and her husband, Amro Elsayed, commenced a lawsuit against the Company alleging violations of (i) the Fair Labor Standards Act, the North Carolina Wage and Hour Act, (ii) National Origin/Race Based Discrimination and Wrongful Termination under 42 U.S.C. Section 1981, (iii) contract in violation of public policy, (iv) breach of implied covenant of good faith and fair dealing, unfair and deceptive trade practices, rescission, fraud, (v) violations of the North Carolina Business Opportunity Act, (vi) termination in bad faith and breach of contract, (viii) wrongful eviction, repossession, and breach of the peace. All of these allegations related to Almy's tenure as a franchisee and its termination for conduct that breached multiple provisions of the Franchise Agreement. On February 25, 2019, we filed our answer to the complaint denying the allegations in the Complaint. On February 18, 2020, the court granted in part our Motion for Partial Judgment on the Pleadings dismissing numerous claims filed by Plaintiffs. The court decided that the plaintiffs' claims relating to the North Carolina Wage and Hour Act, wrongful discharge, breach of the covenant of good faith and fair dealing, fraud, and the North Carolina Business Opportunity Sales Act fail. Plaintiffs were permitted at this time to amend their complaint to also assert a Title VII claim. On August 10, 2020, the court granted our Motion for Summary Judgment in part, dismissing all but two of the plaintiffs' claims (both predicated on an alleged wrongful eviction), and found that (i) we were not joint employers of the plaintiffs under either the Fair Labor Standards Act or Title VII, (ii) Lola Salamah was not our employee, and (iii) plaintiffs' discrimination and breach of contract claims failed. On February 2, 2021, the court granted our Motion for Judgment on Partial Findings dismissing all of plaintiffs' remaining claims based on alleged wrongful eviction. Thereafter, on February 9, 2021, the court entered a final judgment that affirmed the dismissal of all of plaintiffs' claims in the lawsuit and found that the Company did not owe the plaintiffs any monetary amount or other relief. Following entry of judgment, Plaintiffs filed a Motion for New Trial on March 2, 2021. We filed an opposition to plaintiffs' Motion for New Trial on the grounds that Plaintiffs' motion is without merit and the District Court denied Plaintiffs' Motion for New Trial on June 4, 2021. Plaintiffs filed a notice of appeal on July 1, 2021, appealing certain of the District Court's orders to the United States Court of Appeals for the Fourth Circuit. Legal briefing before the 4th

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Circuit closed on October 21, 2021. We have not yet received a ruling from the 4th Circuit Court of Appeals.

Concluded Actions.

Purnima Sanghrajka and Cary Foods, Inc. v. Family Fare, LLC and M.M. Fowler, Inc., Durham County File No.17-CVS-3137 (Superior Court). On May 4, 2017, a former franchisee filed a complaint against us alleging claims for violation of the North Carolina Unfair and Deceptive Trade Practices Act; rescission; fraud and intentional misrepresentation/concealment; negligent misrepresentation; and breach of the duty of good faith and fair dealing. On July 17, 2017, we filed a motion to dismiss all claims. On September 29, 2017, the court granted our motion to dismiss and ordered that all of the plaintiffs' claims and causes of actions be dismissed with prejudice. Plaintiffs subsequently filed a notice of appeal with the North Carolina Court of Appeals on October 13, 2017. On February 5, 2019, the Court of Appeals unanimously affirmed the trial court decision in our favor. We motioned for the court to award us attorneys' fees, and in response, the plaintiffs agreed to pay us $61,718.50 for our fees.

Except for the two actions noted above, no litigation is required to be disclosed in this item.

ITEM 4. BANKRUPTCY

No bankruptcy is required to be disclosed in this item.

ITEM 5. INITIAL FEES

Initial Franchise Fee for Franchise Stores

Unless you are purchasing a Family Fare store from another franchisee pursuant to our transfer process, your initial franchise fee ("Initial Franchise Fee") will be the greater of $10,000 or the amount you bid through a sealed bid and auction process we establish. We do not impose a cap on the maximum bid you can make for a location. We will notify all such interested candidates of the deadline for submitting the bids and how such bids must be submitted. By allowing a candidate to bid on a store, we do not guarantee that such candidate is qualified to become a Family Fare franchisee or that such candidate will be awarded the store. We will select the approved candidate based on numerous factors that we generally take into account when considering a franchise applicant to become a franchisee in our system, including without limitation, the franchise fee bid amount, the applicants' qualifications to become a franchisee, the applicants' compliance with the bidding requirements, and any other factors we determine are relevant to the qualification process all of which we will determine in our sole discretion. We are not obligated to select the candidate who submits the highest bid amount.

The Initial Franchise Fees that were paid by franchisees in the prior five years are attached to this disclosure document as Exhibit B-3. For 2021, the Initial Franchise Fee paid to us was $100,000.

For purposes of Item 7, we have estimated the Initial Franchise Fee to be between $10,000 and $1,000,000. You must pay the Initial Franchise Fee to us when you sign your franchise agreement. The Initial Franchise Fee you pay includes the cost of training for up to three representatives of the franchisee, including the Operating Principal and employees with management responsibility, although you must pay either us, various service providers, and/or

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the trainee for the cost of attending training, including transportation, lodging, food, wages and other expenses associated with attending. At our option, we can waive the training requirement to the extent we believe you already possess sufficient industry experience.

In addition to the Initial Franchise Fee, you must pay us, when you sign the franchise agreement, a cash and safe fund for making change to customers ranging from $1,000 to $10,000. In addition, you must purchase from our affiliate, M. M. Fowler, a payroll record keeping device selected by us costing up to $1,000. You must purchase from us or our affiliate certain computer systems and a time clock, which costs we estimate to be between $1,500 to $13,000. Other required equipment will be leased from M. M. Fowler.

The Initial Franchise Fee and all other initial fees due us or our affiliates are collectively referred to in this disclosure document as the "Initial Fees."

If you refer a new, prospective franchisee to us who ultimately purchases a franchise from us, sign a Franchisee Referral Program Participation Agreement (attached hereto as Exhibit N), and comply with other obligations pursuant to the then-current franchisee referral program, you will receive from us $5,000 paid at $500 per month over a 10 month period. We may change the amount and type of award and/or end or change this practice or impose rules or conditions at any time. Your obligations currently include identifying the prospective franchisee to us in writing no less than one month prior to the prospective franchisee being identified by us as a participant in the referral program, employing the prospective franchisee for a minimum of one month prior to the prospective franchisee being granted a franchise, providing training during the prospective franchisee's employment, and certain other obligations. Your participation in the program does not guarantee the prospective franchisee will be granted a franchise. We have full discretion to accept or reject a franchise applicant, and it is solely our decision whether the prospective franchisee you have identified to us is qualified and eligible to receive a Family Fare franchise.

Unless otherwise described, all of the fees are fully earned upon receipt and non-refundable. If you have completed to our satisfaction all of the steps necessary to open the Store, but due to no fault of your own, (1) the Store is not available within 90 days after you satisfactorily completed training or (2) the Store does not open for business within 120 days after you sign the Franchise Agreement (or, if the Store is under construction, within thirty (30) days after construction is completed, if later), then we can terminate the Franchise Agreement. If we do so and if you sign a release of claims against us, we will refund to you the Initial Franchise Fee, without interest, less any amount you owe to us.

ITEM 6. OTHER FEES

Name of Fee[1]	Amount	Due Date	Remarks
Family Fare Charge	Variable percentage of Gross Profit.[2] Standard Continuing Royalty: Under the standard program we receive 56% of Gross Profit and you receive 44% of Gross Profit.	Accrues daily, but we charge you once a month when we settle your account. At our option (i) you will either remit payment to us, (ii) we will have M. M. Fowler remit payment directly into	The Family Fare Charge is the continuing royalty payment we charge you for your license to use the Family Fare service mark, the Family Fare System and trade secrets, and

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Name of Fee[1]	Amount	Due Date	Remarks
	Family Fare Option A: If you elect to participate in either the Price Book[3] option or Promotions Program[4], but not both, we receive 53% of Gross Profit and you receive 47% of Gross Profit. Family Fare Option B: If you participate 100% in both the Promotions Program and the Price Book option, we receive 50% of Gross Profit and you receive 50% of Gross Profit.	our account from the revenue deposited with M. M. Fowler and remit the remainder to you after paying all amounts due to us or our affiliates, or (iii) you will authorize us to withdraw payment directly from your account.	the continuing services we provide. [5]
Cost of Goods Sold	Wholesale value designated by M.M. Fowler Applicable to inventory and supplies consigned to you by M.M. Fowler In the case of shrinkage, the retail value of the inventory[6].	As product is sold or used.	M.M. Fowler is the designated supplier of inventory you sell at your store and of supplies you will use at your store.

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Name of Fee[1]	Amount	Due Date	Remarks
Traditional Fuels Charge	You receive a commission paid by M. M. Fowler for each gallon of Traditional Fuels sold at your store. The commission will range between $0.00 and $0.03 per gallon as determined by us.	Accrues daily, but M. M. Fowler pays you once a month for gasoline, diesel, kerosene, and liquid propane sales.	"Traditional Fuels" means gasoline, diesel, kerosene, and liquid propane. Traditional Fuels for sale at your store will be consigned to you by M. M. Fowler. In lieu of paying a royalty on the Traditional Fuels you sell, M. M. Fowler will collect all funds and will remit to you a commission for your sale of Traditional Fuels. M.M. Fowler has no obligation to pay a commission for any other types of fuels or energy sold at your store.
Rent	$100 to $15,000/month.[7]	Monthly.	M. M. Fowler leases you the store and certain equipment for which M. M. Fowler charges you rent. Rent may be calculated on a fixed rent basis, percentage of Gross Sales basis, or a combination of both. M. M. Fowler has the right to charge additional percentage rent once a monthly Gross Sales target is achieved. To determine whether the percentage rent threshold has been met, we add back any inventory shortage. Each year M. M. Fowler has the right to increase the rent by the amount of the increase in the Consumer Price Index

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Name of Fee[1]	Amount	Due Date	Remarks
			from the effective date of the lease. Any unused increase is available for rent increases in future years. If capital improvements are made to the premises during the lease term, M. M. Fowler has the right to adjust the rent to cover these items over their useful life. M.M. Fowler reserves the right to deviate from the rent it charges in special circumstances.
Early Termination Additional Rent	Greater of $3,000 or 2 times the standard monthly rent.	Monthly	If you want to terminate the lease before it expires and you do not provide M. M. Fowler with 90 days prior written notice that you want to terminate the lease early, M. M. Fowler can charge you for the remaining 90 days of the lease the greater of $3,000 or 2 times the standard monthly rent in the lease.

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Name of Fee[1]	Amount	Due Date	Remarks
Car Wash	You receive 12% of sales received from operation of a car wash on your premises less the customer refunds. We will receive the remainder.	We will pay you on a monthly basis for the previous audit period.	Some Family Fare stores have adjacent car washes. If your store has an adjacent car wash, you will be required to sign the car wash addendum to the franchise agreement and provide certain services related to the car wash in exchange for a commission based on M. M. Fowler's proceeds from the car wash.
Games	You receive 50% of the net proceeds that M.M. Fowler receives after all payouts to game winners and all additional expenses for the games have been paid. M.M. Fowler receives the remainder.	We will pay you on a monthly basis for the previous audit period.	If your store is eligible to install games of skill, you may choose to sign the games addendum to the franchise agreement and provide supervision and operation of the games in exchange for a commission based on M.M. Fowler's proceeds from the games.
Lottery Revenue	50% of the gross profit M. M. Fowler receives for the lottery tickets sold.	Monthly	The gross profit is established by the Lottery Commission. Neither we nor our affiliate is obligated to pay you a share of any award received from a winning ticket being sold at your store.
Lottery Equipment Rental	50% of the current weekly rental fee charged by the Lottery Commission. [8]	Accrues weekly, but collected from you monthly.	You will split the fee required to rent the lottery equipment 50/50 with us.

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Name of Fee[1]	Amount	Due Date	Remarks
Electronic Benefits Transfer Transaction Fees	Up to 100% of the fees; currently 50%.	Monthly	You are required to accept Electronic Benefits Transfer payments at the store. Currently we require you to pay 50% of the transaction fees and we or our affiliate will pay the other 50%. We or our affiliate collects this fee and remits it to the vendor on your behalf.
Interest Expense	Varies depending on amount we finance and the outstanding balance. The annual percentage rate is currently Wall Street Journal Prime Rate + 3 to 7%.	Monthly	We may provide financing for all or part of your Initial Fees and ongoing necessities at our sole discretion.
Interest on Late Payments	18% or the highest rate of interest permitted by law, whichever is less.	Due with the late payment.	All amounts which you owe to us or our affiliates will bear interest automatically and without notice from us, after their due date.
Opening Trainer	$500 to $5,000 based on $100 per day per trainer, plus travel/transportation expense.	Upon invoicing.	We may make available a trainer to provide additional training on-site at the store on or around the time you commence operations of the store.
Insurance	Varies, depending on premium incurred.	As due.	If you fail to procure or maintain the required insurance coverage, we may do so on your behalf and charge the amount of the cost to you, along with a reasonable fee for our time and expenses.

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Name of Fee[1]	Amount	Due Date	Remarks
Premises Cleaning Fee	Actual cost up to $750.	Upon invoice. Will be collected by EFT.	Fee will be collected by EFT. Premises Cleaning Fee will be charged at any time including at the end of the lease if the condition of your premises does not meet our standards.
Renewal Fee	None	Not applicable.	Not applicable.
Transfer Fee	If we receive notice of the transfer within the first 12 months of executing the current franchise agreement (whether through a new purchase, renewal, or transfer), 50% of the purchase price paid by the transferee and the costs we incur reviewing the proposed transfer. If we receive notice of the transfer after the first 12 months of ownership, 10% of the purchase price paid by the transferee and the costs we incur reviewing the proposed transfer.	When we approve franchise transfer.	Fee is earned when the transfer is approved and paid by the transferor at closing. Additionally, you or the prospective purchaser must reimburse us for the costs we incur reviewing your proposed transfer, including our attorneys' fees associated with the transaction.

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Name of Fee[1]	Amount	Due Date	Remarks
Transfer Cleaning Fee	The then-current cleaning fee multiplied by 4. Currently $3,000.	When we approve the transfer.	The transferor will pay a fee equal to 4x the then-current cleaning fee. This amount will be held in escrow by us. We will return the transfer cleaning fee to the transferor, less the amounts use for store cleaning (even if the store is under the control of the transferee), at a time in our discretion, but no later than one (1) year after the date of the transfer. If we are not required to clean the store after the date of the transfer, the full amount will be returned.
Service Fees	Varies, depending on the service performed.	Upon invoice.	We may charge you a fee that we establish in our sole discretion if you request any changes or services related to the franchise agreement that we are not required to perform, including, but not limited to, name changes, incorporations, adding or removing an individual or entity from the Agreement, transfers or assignments of the franchise agreement. We may also charge you for our attorneys' fees incurred as a result of our voluntary action on these matters.

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Name of Fee[1]	Amount	Due Date	Remarks
Additional Training	Currently a rate of $25 per hour per person plus out of pocket expenses and travel, with a minimum of 8 hours. Travel costs will include reimbursement for mileage at the then-current IRS published rate.	30-day notice of additional training with payment due before training.	If you request additional training, we reserve the right to require you to pay our then-current training fee, which may increase from time to time. In addition, you remain responsible for paying for you and your employees' lodging, transportation, wages, and food expenses incurred for additional training.
Third Party Vendor Charges	Your share of any charges billed to us on behalf of your business.	After 30 days' notice, collected from your account by EFT.	Sometimes it may be in the best interest of the Family Fare brand for vendors to bill us a system-wide charge for a product or service. We will then divide the invoice among our franchisees and charge you for your share.
Business Directory Listings	Actual out-of-pocket costs.	On demand.	You will place and pay the cost of business listings in the directories and categories we specify. Alternatively, we can do so on your behalf and at your expense.

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Name of Fee[1]	Amount	Due Date	Remarks
Audit Inventory	There is no charge for the first four audits per year. Thereafter, we have the right to charge you our then-current rates. However, if you request an audit that is the sixth or subsequent audit in a calendar year and we agree to the audit, we may, at our sole option and not obligation, pay 50% of the then-current charge.	Upon invoicing.	We will audit your inventory up to four times per calendar year for no charge. We may charge you for additional audits. We have the right to do more or less than four audits per calendar year.
New Good, Service, or Supplier Evaluation	Currently no fee, but one may be implemented	Upon invoicing.	If you ask us to review a good, service, or supplier that we have not previously approved, we reserve the right to charge you a fee for our review.
Temporary Management Assistance Fee	Costs and overhead, personnel fees, and expenses, plus a fee up to $300 per day.	As incurred.	If we exercise our step-in right to temporarily manage the store because of death, incapacitation, or default, you must reimburse us for certain costs we incur in the operation of the store and pay a fee of up to $300 per day. In connection with the step-in right, you will sign a Limited Power of Attorney attached to this disclosure document as Exhibit T.

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Name of Fee[1]	Amount	Due Date	Remarks
Hold Harmless and Indemnification	Varies; will depend on unknown factors.	Defense cost when suit occurs. Indemnification when payment required.	You agree to defend, indemnify, and hold us harmless should we be sued as a result of something you do or fail to do.
Attorneys' Fees and Costs	Depends on what we spend.	Upon invoicing.	You will have to reimburse us for our attorneys' fees and costs in certain actions where we prevail. Additionally, you have to pay our attorney fees and costs if our attorney responds to document production request or subpoena in a matter related to you or your business where we are not a party.
Enforcement Costs	Will vary.	As incurred.	You must pay our costs of enforcement (including attorneys' fees and costs) if you do not comply with the franchise agreement.
Fines	Up to $1,000 per infraction.	Upon notice of infraction. Will be collected from your account by EFT.	Incurred by your failure to operate in accordance with operating standards, use of unauthorized advertising, or breach of your obligations under the franchise agreement.
Insufficient Funds	$50 plus any fee charged to us for uncollected funds.	Upon notice.	Incurred by your failure to have sufficient funds available for payments to us.

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Name of Fee[1]	Amount	Due Date	Remarks
Failure to attend required training/convention	A fine of up to $1,000 or an increase in Family Fare Charge up to 1% in favor of us for balance of calendar year.	Upon notice of infraction. Will be collected by EFT.	Additional royalty to compensate us for your failure to attend training/convention or a fine of up to $1,000.
Notice of Noncompliance	The costs we incur plus the greater of $250 or 10% of the costs incurred.	Upon invoice. Will be collected by EFT.	In lieu of termination, we can provide you written notice of noncompliance and provide a remediation plan you must follow. You must incur all expenses related to the compliance plan plus a fee.
Optional Substance Abuse Testing	50% of the cost we incur.	Upon invoice.	We offer an optional substance abuse training for franchisees who elect to participate in the program. We pay 50% of the cost and you pay 50% of the cost we incur operating the program.
Hold Over Rent	Greater of $3,000 per month or 200% of the amount of rent you pay under your lease.	Upon notice.	If you remain in possession of the store after the lease expires or terminates without coming to agreement with M.M. Fowler, you shall pay the greater of $3,000 or 200% of the rental rate that was in effect at the expiration or termination of the lease.

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Name of Fee[1]	Amount	Due Date	Remarks
Data Inspections and Reimbursement	Varies.	Upon demand.	If you repeatedly violate the required data privacy and security obligations under the franchise agreement, we reserve the right to charge you our costs and expenses to inspect your store. Additionally, you are responsible for our costs and expenses that arise from your non-compliance or a security breach caused by you or your personnel.

Note 1: All fees and expenses described in this Item 6 are non-refundable and, unless otherwise indicated, are imposed uniformly by, and are payable to us. All flat fees described in this Item 6 are subject to adjustment due to inflation. Unless we have noted differently, we may increase these amounts based upon changes in market conditions, and/or our cost of providing services and future policy changes, but we have no present plans to increase any fees. Unless we have noted differently, during our last fiscal year all fees are uniformly applied to all franchisees.

Note 2: "Gross Profit" means Gross Sales less the Cost of Goods Sold (defined above). "Gross Sales" means the total sales that you derive from the sale of Core Products at the Family Fare store, whether from sales for cash or credit and regardless of the collection thereof. "Gross Sales" does not include sales taxes or sales to other franchisees. Additionally, "Gross Sales" does not include the revenue generated from the sale of Other Products and Services.

"Core Products" means the food, beverage, and non-food merchandise and inventory, other than Other Products and Services, that is consigned to you through the approved commissary in accordance with the terms of the franchise agreement and merchandising program and are identified by us from time to time as Core Products. We can add, delete, and/or otherwise modify the list of Core Products at any time in our discretion. The sale of Core Products is subject to the Family Fare Charge.

"Other Products and Services" are products and services, other than the Core Products, that we permit to be offered and sold at the Family Fare store. Unless otherwise designated by us, "Other Products and Services" includes but is not limited to (i) products and services for which we or M.M. Fowler receive a commission from a third party, (ii) products and services that are both provided by and transacted by machines or equipment, (iii) any kind of Energy (defined below), (iv) goods and services sold by other tenants of the leased premises, and (v) other goods and services that we may designate from time to time. Currently, Other Products and Services include financial services offered by ATM machines, air dispensing services, items sold from vending machines, lottery tickets, car wash services, games, and any fuels or energy. The sale of Other

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Products and Services are not subject to the Family Fare Charge as all of the income from Other Products and Services belongs to us.

"Energy" shall mean gasoline, kerosene, diesel, liquid propane, electricity, or any other chemical, material, energy, or substance that is now or in the future used to provide the heat or power for transporting people and objects along a roadway.

Details regarding the sale of Core Products and Other Products and Services are set forth in the franchise agreement, Consignment and Commission Agreement, Car Wash Addendum, and Games of Skill Addendum.

Note 3: Price Book Program is an optional program offered by us whereby we provide suggested retail prices for inventory and merchandise items. Participation in such program requires you to sell such items at the suggested retail prices. The final retail prices you select are at your sole discretion. To be eligible for the more favorable Family Fare Charge you must participate in the price book option we offer under the then-current Price Book Program. We may discontinue the Price Book Program at any time, in our sole discretion.

Note 4: Promotions Program is a promotional program designed to promote sales at Family Fare stores. While you may always participate in the promotional programs we offer, to be eligible for the more favorable Family Fare Charge you must participate in all promotions we offer under the program. Your choice to participate in the Family Fare Promotions Program is at your sole discretion. We may discontinue the Promotions Program at any time, in our sole discretion. We reserve the right to mandate some promotions in which you must participate, regardless of whether you have elected to participate in the Family Fare Promotions Program ("Mandatory Promotions"). Participation in the Mandatory Promotions will not be considered an election to participate in the Promotion Program.

Note 5: If any franchise agreement requirements for merchandising, promotions and pricing, or food service standards are declared invalid by any court or administrative authority, we may terminate the franchise agreement, or we may unilaterally amend the franchise agreement to increase the Family Fare Charge by 3% for the remainder of the term. If we terminate the franchise agreement, we will endeavor to offer you a different Family Fare franchise agreement with a term equal to the balance of the term then-remaining on the terminated franchise agreement. The terms of the new franchise agreement that we offer you will depend on the current economic situation, the effect of the court's final decision, and other factors.

Note 6: Inventory shortages or overages for an audit period that are 2% or less of the retail sales of Core Products will be calculated in the Cost of Goods Sold. For any inventory shortages for an audit period exceeding 2% of the retail sales of the Core Products, you will be required to pay the amount that exceeds 2% to M. M. Fowler. For any inventory overages for an audit period exceeding 2% of the retail sales of Core Products, we or M. M. Fowler will pay you this overage up to the inventory shortage you paid over the 2% the prior audit period or this payment can be used to offset a shortage greater than 2% the following audit period. In the event of any shortages in cash, or Other Products and Services, you will be required to pay the shortage amount to M. M. Fowler. M. M. Fowler has the right to offset against any amounts owed to you for amounts owed to us or our affiliates.

Note 7: If your store is temporarily closed due to M. M. Fowler's improvement or remodeling of your store, you will not pay rent for the period of closure. Neither Family Fare nor M. M. Fowler will be responsible for any damages or lost profits you incur as a result of such a closure.

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Note 8: If your store is temporarily closed due to M. M. Fowler's improvement or remodeling of your store, you will not pay lottery equipment fees for the period of closure. Neither Family Fare nor M. M. Fowler will be responsible for any damages or lost profits you incur as a result of such a closure.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT LOW	AMOUNT HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
PRE-OPENING COSTS					
Initial Franchise Fee[1]	$10,000	$1,000,000	One lump sum, unless financed by us	Due upon signing franchise agreement.	Us.
Store Inventory[2]	$0	$0	As incurred.	Upon invoice.	Vendors, us, or our affiliate.
Franchisee-Purchased Computer Systems[3]	$1,000	$8,000	As incurred.	Upon invoice.	Vendors, us, or our affiliate.
Time Clock	$500	$5,000	As incurred.	Upon invoice.	Vendors, us, or our affiliate.
Professional Fees[4]	$0	$25,000	Varies.	Varies.	Vendors.
Permits and Licenses	$1,000	$10,000	Generally, one lump sum.	Due upon submitting application or at time of obtaining license.	Licensing Authorities.
Family Fare Charge[5]	Percentage of Gross Profit	Percentage of Gross Profit	Lump sum when due.	Accrues daily, but we charge you once a month.	Us.

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TYPE OF EXPENDITURE	AMOUNT LOW	AMOUNT HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Interest Expense[6]	Varies depending on amount we finance. The annual percentage rate is currently Wall Street Journal Prime Rate + 3 to 7%	Varies depending on amount we finance. The annual percentage rate is currently Wall Street Journal Prime Rate + 3 to 7%	Lump sum when due.	Accrues daily, but we charge you once a month.	We may provide financing for all or part of your Initial Fees and ongoing additional necessities but are under no obligation to do so. Financing is at our sole discretion.
Payroll Service Deposit	$500	$1,000	Lump sum when due.	Accrues as payroll is paid and you pay as incurred.	Vendor.
Cash & Safe Fund	$1,000	$10,000	Lump sum.	At opening.	Us or our affiliate.
Rent	$300	$50,000	Monthly	Upon invoicing.	M. M. Fowler.
Training living expenses[7]	$1,000	$5,000	As incurred.	Before opening.	Air travel, hotels, meals, incidentals.
Additional Funds—3 Months[8]	$15,000	$60,000	As incurred.	(Money to work with through first 90 days – as incurred.)	Vendors, employees, payroll, suppliers, insurers, tradesmen, city, county.
TOTAL	$30,300	$1,174,000			

Note 1: The Initial Franchise Fee is equal to the greater of $10,000 or the amount you bid for the store in a sealed bidding process. The $1,000,000 included in this disclosure is illustrative of a hypothetical bid in the sealed bid process, but the actual amount you bid will determine the Initial Franchise Fee and could be higher or lower than this amount. The Initial Franchisee Fee paid to us when you sign your franchise agreement is nonrefundable and deemed earned upon receipt.

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Note 2: You are not required to purchase any store inventory. We or our affiliate will deliver to the store an initial inventory that is consistent with the Family Fare merchandising program and thereafter replenish it, in our discretion.

Note 3: You are solely responsible for acquiring a tablet computer and cell phone that meet our standards and specifications. These estimates do not include the cost of the cell phone service, which will likely be a monthly recurring fee. Other required equipment and Computer Systems (defined in Item 11) will be provided by us or our affiliate and will be included in the cost of your rent.

Note 4: You will need to retain an attorney, an accountant and other consultants to help you to establish your franchise. Your cost will depend on the location of the franchise, the prevailing rates of local attorneys, accountants and consultants. Your costs for these services are typically nonrefundable. You should inquire about the refund policy of the attorney, accountant or consultant at or before the time of hiring.

Note 5: The Family Fare Charge covers your continuing royalty to us for licensing our marks, system and software. The Family Fare Charge does not cover your premises rent payments.

Note 6: We or our affiliates offer financing for all or a portion of the Initial Fees if a qualified applicant meets all of our loan qualifications and displays a financial need that, in our sole opinion, makes it difficult for the qualified applicant to pay all of the Initial Fees up front. We may not offer this financing to all applicants. If we finance any part of your Initial Fees due us or our affiliate, you must repay the fee in 24 months beginning in the full month after you take possession of your store and continuing for up to 24 months. We will charge interest on the Initial Fees financed at an annual interest rate stated in the Promissory Note, which interest will equal Wall Street Journal Prime Rate (5.50%) plus 3% to 7% depending on your creditworthiness. The current interest rate is between 8.50% and 12.50%. Total monthly loan payments under the financing terms could range from $0.00 per month to $23,653.65 per month. See Item 10 for more information.

Note 7: You are responsible for the cost of your transportation to our Service Collaboration and Support Center in Durham, NC for some of your training and for your food and lodging while attending training. Costs of training travel may include, without limitation, travel, lodging and meals.

Note 8: You will need additional funds during the start-up phase of your business to pay employees, pay for insurance, and pay other expenses. We estimate the start-up phase to be 3 months from the date you open your business. These amounts do not include any estimates for debt service. These figures are estimates based on Family Fare stores developed in 2021 and are based on the many years of experience that our management has in the gas station and convenience store field. We require that you meet certain net worth and liquidity requirements. Your actual investment may vary depending on location, the size of your premises, wage rates, transportation costs and other economic factors and we cannot assure you that you will not have additional expenses. Variances may result from local economic conditions, availability of materials and labor, and other conditions beyond our control. You must also pay the royalty and other related fees described in this disclosure document. Your actual costs will depend on factors like your management skills, experience and business acumen. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves. You should review these figures carefully with your business advisor.

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ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

A. **Authorized and Required Suppliers, Goods, and Services**. You must comply with our standards and specifications for all products and services carried, used, or offered for sale at your store. You must consign, purchase, or lease all products and services you use in the franchised business from us or a source we approve. You will be in default of your franchise agreement and we may fine you up to $1,000 plus attorneys' fees per occurrence if you fail to use our designated vendors or to purchase designated approved products only from the designated vendors.

- Store Premises. Currently our affiliate M. M. Fowler is the only approved supplier of your store's premises and equipment rented with the building. M. M. Fowler will acquire your store's premises through purchase or lease. You will lease or sublease the store's premises from M. M. Fowler through your rent payments to M. M. Fowler. You will sign a lease with M. M. Fowler at the time you sign the franchise agreement. The form of the lease is attached to the franchise agreement. You may not enter into a lease, sublease, franchise, or management agreement with any third party in connection with any portion of your store, store premises, or equipment, without providing us copies of the relevant agreements and related documents and without obtaining our prior written approval, which may be withheld or conditioned in our sole discretion. We have the right, in our sole discretion, to require you to delete, modify, or insert provisions into such agreements as we deemed necessary to protect our rights under the franchise agreement.

- Financial Services Equipment. If we have installed or plan to install an Automated Teller Machine ("ATM"), you must use only the machine and related services from the vendor we designate. We may change the vendor or type of financial services offered at any time. We expect to make a profit on the commissions or rentals paid on the ATMs or replacement financial services. You will not receive any revenues or profits from commissions or rentals paid on the ATMs or replacement financial services, and such revenues will not constitute Gross Sales.

- Vending Machine Equipment. If your store has, or will have, vending machine equipment, you must use only the equipment and related services from the vendor we designate. We expect to make a profit on the commissions or bonuses paid on the vending machine equipment. You will not receive any revenues or profits from commissions or rentals paid on the vending machine equipment, and such revenues will not constitute Gross Sales.

- Air Dispensing Equipment. Your store may have coin operated air dispensing equipment located on the premises surrounding your store building, which premises is not leased to you. We may place or replace air dispensing equipment on such premises at any time from the vendors we choose. We expect to make a profit on the commissions or bonuses paid on the air dispensing equipment. You will not receive any revenues or profits from commissions or rentals paid on the air dispensing equipment, and such revenues will not constitute Gross Sales.

- Car Wash. Your store may have a car wash adjacent to it. If your store has an adjacent car wash, neither we nor M. M. Fowler will lease you the car wash premises, but we will provide you with access to the car wash and reward you for selling car wash services and providing minimal maintenance services for the car wash. You are not responsible for the costs of maintenance and repair of the car wash facility or for the cost of detergent, wax, and other products necessary for the operation of the car wash, but you are required to maintain appropriate levels of chemicals necessary for the car wash facility, update the posted prices of the car wash, as we require, sell and promote car washes to customers, and provide other services related to

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the sales and maintenance of the car wash. We expect to make a profit on the commissions or bonuses paid on the car wash equipment. You will receive 12% of any revenues or profits from commissions or rentals paid on the car wash equipment, as agreed by us, and such revenues or profits will not constitute Gross Sales. We may build or remodel such car wash equipment on such premises at any time, without any liability or obligation to you. If your store has a car wash, you must sign the Car Wash Addendum attached as Exhibit I.

- Games. Your store may be eligible to install games of skill. M.M. Fowler will contract with one or more approved suppliers to provide the games at your store. The supplier is responsible for the costs of maintenance and repair of the games. You have the responsibility to supervise the operation of the games to ensure that they are played in accordance with law and the procedures of the supplier or M.M. Fowler. You will be responsible for paying out all winnings of the games in cash. For supervising the games, you will receive a commission equal to 50% of the net proceeds that M. M. Fowler receives after all payouts to game winners and all additional expenses for the games have been paid, including taxes. Such proceeds or commissions shall not constitute Gross Sales.

- Lottery. You may be required to offer for sale at your store such products available from any relevant state lottery. You are required to pay 50% of the rental fee charged by the state or servicing entity for the lottery equipment, and we or M. M. Fowler will pay the remaining 50%. You must accept only cash in the sale of lottery tickets. We will pay you 50% of the gross profit we earn from the sale of lottery tickets at your store, except that we are not obligated to share with you any award we receive from selling a winning ticket at your store. Revenues, profits, or commissions from the sale of lottery tickets will not constitute Gross Sales.

- Sanitation System. We may require you to use a designated sanitation system for performing certain types of store and equipment cleaning, and you must use only chemicals that are compatible with the designated system. You may have to sign an agreement with the supplier agreeing to use the designated chemicals.

- Restroom Cleaning. You are primarily responsible for the cleaning of the store restrooms. We may require you to use our designated vendor for supplemental restroom cleaning services and products. We have the right to establish the frequency with which you must have the restroom cleaned by your personnel and third parties and the services and products to be used.

- Substance Abuse Testing. If you elect to adopt the Family Fare Substance Abuse Policy, you must use our Recommended Vendor for drug testing your employees.

- Bookkeeping and Financial Services. You will be required to use the bookkeeping and financial services vendors we designate. Currently we require that you use PrimePay for your payroll services and A. Grant Mangum & Company, Inc. for your bookkeeping services. You are required to pay all fees charged by our designated bookkeeping and payroll services. At any time in our sole discretion we may designate additional or alternative approved providers for these services and revoke any provider's approved status.

- Certain Computer Systems: You are required to lease some of your Computer Systems (defined in Item 11) directly from us, our affiliate or our approved vendor. You are not permitted to substitute sourcing from other third parties selling new or used equipment. You will be required to purchase a cell phone and tablet computer that meet our standards and

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specifications. Additionally, you will be required to purchase a time clock that meets our standards and specifications. We or our affiliate may be the designated supplier of the time clock and tablet computer.

You will be required to give us continuous access via the internet to your security cameras and recorded data to allow us to assist you in training and compliance with system standards. We will have the right to retain copies of the recorded data for any purpose. We have no liability to you for our use (or lack of use) of such data.

Since you will accept credit cards as a method of payment at your store, you must comply with payment card infrastructure ("PCI") industry and government requirements. PCI security standards are technical and operational requirements designed to protect cardholder data. The standards apply to all organizations that store, process or transmit cardholder data and cover technical and operational payment system components involving cardholder data. Notwithstanding the credit card processing requirement, we do not represent, nor certify to you or your customers, that the credit card processing service approved or provided by us or an affiliate is compliant, whether or not certified as compliant, with the PCI Data Security Standards. You are required to use the credit card processing service we approve. Your credit card processing provider should assist you with this compliance.

- Required Inventory. You are not required to purchase inventory from us or our affiliate. Rather, an inventory of Core Products for the store will be consigned to you by M. M. Fowler. As described in Item 6, the Core Products include certain food, beverage, and non-food merchandise. M. M. Fowler will deliver the initial inventory to the store prior to opening. You will be responsible for obtaining additional inventory on consignment from M.M. Fowler.

Some of the inventory we require you to obtain will be supplied by third-party vendors that are Recommended Vendors. "Recommended Vendors" are Bona Fide Suppliers (as defined below) that demonstrate the ability to meet our then-current standards and specifications, including credit terms and conditions and delivery standards, and who possess adequate quality controls as well as the capacity to supply your needs promptly and reliably.

In addition to the Core Products, you must have the following items consigned to you from us or our affiliates:

- Consigned Proprietary Products. You must have consigned to you products we have developed that are identified with our stores because of their formulas, manufacturing or distribution processes, or presentation to customers (the "proprietary products") solely from or through a source (including manufacturers, wholesalers, and distributors) we designate or from us or our affiliate.

- Trademarked Containers. You must have consigned to you and use specified trademarked containers for certain products, including proprietary products, offered in the store. These products include all of our fountain beverages, hot chocolate, fresh prepared coffee, frozen carbonated beverages and certain deli items. You must have these containers consigned to you only from vendors we approve and license to distribute the containers, which vendors may be us or our affiliate.

- Energy. If your store sells Energy, you must sell the Energy on our behalf or on the behalf of our affiliate or an unaffiliated third party that we designate. "Energy" shall mean gasoline, kerosene, diesel, liquid propane, electricity, or any other chemical, material,

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energy, or substance that is now or in the future used to provide the heat or power for transporting people and objects along a roadway. You do not buy the Energy, but you must sell it at the retail prices we designate and perform certain duties relating to its sale. We or our affiliate expect to make a profit on your sales of the Energy we supply to your store. If we ever determine in our sole discretion that Energy sales are not satisfactory, or that we should discontinue Energy sales at your store for any reason, then we may remove all Energy equipment from your store without paying you any compensation. You will be required to perform numerous recordkeeping and safety tasks related to the sale of the Energy sold at your store (see Exhibit H Consignment and Commission Agreement). You must perform certain day-to-day maintenance on the Energy equipment.

We will pay you a commission on the Traditional Fuels (gasoline, and if applicable, diesel, liquid propane, and/or kerosene) you sell (see the Consignment and Commission Agreement). We have no obligation to pay you a commission on the sale of electricity, or any other chemical, material, energy, or substance that is used to provide the heat or power for transporting people and objects along a roadway, other than Traditional Fuels (collectively, the "Alternate Energy"). Any revenue sharing related to the sale of Alternate Energy shall be done at our sole option and discretion and will be subject to our then-current policies. We reserve the right to end all revenue sharing related to the Alternate Energy at any time for any reason.

- Optional Inventory to be Consigned

  - Fresh Foods and Certain Merchandise. Under some circumstances, and all in compliance with the franchise agreement and our policies, you may select the vendors of certain fresh food and merchandise. If the products are approved by us and the vendor is a Recommended Vendor or Bona Fide Supplier (defined below), the commissary will purchase the fresh food or merchandise from the vendor and consign it to you. You will not directly purchase the fresh food or merchandise from your selected vendor. We allocate shelving space in your store for the sale of this merchandise and fresh food you select. In both the case of the perishable food products and the merchandise, you must only select and sell products and merchandise that do not reflect poorly on the Family Fare Brand,

  - Additional Goods and Services. To the extent you are permitted to source, purchase, or consign goods or services from vendors or suppliers other than those designated by us, all products and services you sell from your store or use in the operations of your store must be sourced from "Bona Fide Suppliers." Bona Fide Suppliers are suppliers that comply with our then-current standards and specifications and regularly supply merchandise, supplies or services to retail businesses such as convenience stores and perform all of the functions normally associated with those activities. Bona Fide Suppliers of inventory must meet our credit terms and conditions and delivery requirements. You cannot have any ownership or voting interest in any vendor from which your store purchases inventory, unless the vendor is a publicly traded company or unless we give you our written consent. In addition, all products, whether required purchases or optional inventory purchases, must meet our approval and not reflect poorly on the Family Fare brand and System.

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- Insurance. You are obligated to obtain and maintain at your own expense such insurance that we require from time to time from approved insurance providers or through approved insurance brokers and at all times during the term of this Agreement maintain in force and pay the premiums for all types of public liability insurance with complete operations coverage with limits of liability for bodily injury, personal injury and advertising injury of not less than $1,000,000, limits of liability for property damage of not less than $1,000,000 in each occurrence, $1,000,000 of public and product liability coverage, workers' compensation insurance of the greater of $500,000 for each accident or the statutory requirement, and employment practices liability insurance coverage in the amount of $100,000. Your insurance will be primary coverage.

The franchise agreement also outlines the types, amounts, terms and conditions of insurance coverage required for your store, including, but not limited to, standards for underwriters of policies providing required insurance coverage; our protection and rights under such policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend a claim; and similar matters relating to insured and uninsured claims. In our discretion, we may charge you the amount of your insurance premiums, and we will pay such premiums on your behalf.

The cost of this coverage will vary depending on the insurance carrier's charges, terms of payments, and your history. All insurance policies must name both us and M. M. Fowler as additional insured parties and provide for a waiver of subrogation in our favor. Your obligations relating to insurance coverage are defined in Section 19 of the franchise agreement.

B. Method of Approving Goods, Services, and Suppliers. If you want to use a good, service, or supplier that we have not approved, you must first submit to us information including product and specifications, product components, performance history, product samples, and any other relevant information. If available through our Brand Standards Manual, or otherwise, we will provide you, at your request, our criteria and specifications for certain products, including delivery requirements. We may consider factors like technical and performance properties, design, appearance, reliability, delivery capability and reliability, durability, the manufacturer's warranties, quality control methods, taste, ingredients, and financial ability of the supplier, impact on the franchise system at large, and public perception and brand image. Our review is generally completed in 90 days. We will advise you in writing of our decision. We impose these restrictions to safeguard the integrity of both the System and our trademarks. We do not currently, but reserve the right in the future, to charge you a fee for review of suppliers you wish to have approved.

C. General Requirement to Use Approved Suppliers. Where we have designated an approved supplier, you must use that supplier. You will be in violation of the franchise agreement if you do not purchase or consign your business's goods and services from the designated supplier, if one is designated. If you violate the franchise agreement we may, at our option, take legal action against you to compel compliance, terminate your franchise agreement, and/or fine you. Because of the volume of business that franchisees and/or our System brings to our suggested, authorized, or designated suppliers, distributors, brokers, manufacturers and others, you may enjoy lower costs of goods sold than you could receive from other suppliers, distributors, brokers, manufacturers and others. On the other hand, you may encounter higher costs of goods sold than you would otherwise encounter if you were not required to obtain such items from our authorized or designated suppliers, distributors, brokers, manufacturers and others. We have the right to change our business relationship with our approved suppliers /

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vendors as well as the right to add and/or remove approved suppliers from the approved supplier list, at any time. We have the right to alter our relationship with the above-mentioned vendors or to create relationships in which we receive revenue, rebates, and/or other consideration or compensation of any kind or nature at any time in the future. These modifications and new vendor relationships could result in increased costs of goods sold for you.

Except for us and our affiliates, M. M. Fowler and BFP, no other affiliate is currently an approved supplier or owns an interest in any approved supplier or receives any benefit from required purchases or leases. Nevertheless, we and our affiliates (including future affiliates) reserve all rights to do so in the future. We do not provide material benefits to you based solely on your use of approved suppliers.

Where we have designated an approved regional supplier, you must use that supplier and, if applicable, any trademarks or trade names we designate you to use of such regional supplier.

D. Revenue Derived. For the year ending December 31, 2021, we received 0% of our revenue of $17,453,775 from franchisee purchases. Our affiliate, M. M. Fowler, will derive revenue from your required purchases and leases. For the year ending December 31, 2021, the total revenue for M. M. Fowler from required purchases or leases to franchisees was $8,819,876 or 1.266% of M. M. Fowler's total revenue of $696,607,322 which total revenue includes all sales taxes, excise taxes and revenue collected on behalf of franchisees. These amounts include revenues from franchisees' required purchases and/or leases and revenue covering, among other things, our franchisees' required leases of store buildings and equipment, and also may include amounts that are not related to required purchases and/or leases. Neither we nor M. M. Fowler will have an obligation to share such revenue received with you except as specifically set forth in the franchise agreement and in this disclosure document.

We often negotiate purchase agreements and cooperative marketing agreements with suppliers, distributors, brokers, manufacturers and others. We make no guaranty, warranty, or promise that we will do so for your benefit or obtain the best pricing, costs of goods sold or most advantageous terms on behalf of the franchise system. We and our affiliates may profit from the agreements with these approved suppliers, including agreements that relate to the inventory that is consigned to you for sale at the store. We may receive other payments, fees, rebates, commissions, and reimbursements from approved distributors, brokers, manufacturers and others as a result of your orders of consigned inventory, supplies, and merchandise that they supply, and this may result in a higher costs of goods sold.

We have negotiated certain purchase arrangements (including price terms) for the required purchase of certain products from designated vendors. During 2021, we received approximately $6,954,088 in advertising, rebates and other payments from vendors based on the amount of inventory, supplies, and merchandise consigned to you for sale at the store. We have the right to receive such rebates, now and in the future, and all money or property received as rebates is exclusively our property for use as we deem appropriate. Rebates paid to us or our affiliates may result in a higher cost of goods sold for the store and/or you. In the future, we may have other approved suppliers where we receive compensation from your relationship with them.

E. Required Purchase Percent of Revenue. The required purchase of products from the Recommended Vendors or other authorized suppliers, including us and our affiliates, will represent between 97% and 100% of your or the store's overall purchases in establishing and operating a Family Fare store. The cost as a percentage of revenue will vary depending on the product mix sold to customers and the revenue achieved by the business.

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F. Warranty and Customer Service Requirements. Our franchisees guarantee the satisfaction of our customers. Therefore, if a customer complains about our products or services, we have established certain procedures you are required to follow to resolve the concern, which could result in not charging the customer for such products or services provided or providing discounts for future purchases or services.

G. Purchasing or Distribution Cooperatives. Currently you are not required to participate in a purchasing or distribution cooperative. However, we have the right to require you to participate in a local advertising purchasing cooperative in the future.

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 AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Franchise Agreement Paragraph E, Sections 1(a), 2(c)(vi), 3, 34(k) and Exhibit 3	Items 7, 8, and 11
b. Pre-opening purchases/leases	Franchise Agreement Sections 3, 4 and 5(a)	Item 8
c. Site development and other pre-opening requirements	Franchise Agreement Sections 6, 7 and 8; Consignment and Commission Agreement Section 1	Items 7, 11
d. Initial and ongoing training	Franchise Agreement Section 4	Item 11
e. Opening	Franchise Agreement Section 6, 7, 8, 9, 10, 12, 13, 14 and 19; Consignment and Commission Agreement	Items 5, 7, 11
f. Fees	Franchise Agreement Section 5	Items 5, 6, 7, and 17
g. Compliance with standards and policies/Brand Standards Manual	Franchise Agreement Paragraphs C and F and Sections 6, 9, 10(f), 11(b), 12(i), 14(b) and 22(b); Consignment and Commission Agreement	Items 13 and 15
h. Trademarks and proprietary information	Franchise Agreement Paragraph B, Sections 10(g) and 12	Items 13 and 14

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OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
i. Restrictions on products/services offered	Franchise Agreement Section 7; Consignment and Commission Agreement	Item 16
j. Warranty and customer service requirements	Franchise Agreement Sections 14, 15(h), 20(b)(vii)	Item 15
k. Territorial development and sales quotas	Not Applicable	Not Applicable
l. Ongoing product/service purchases	Franchise Agreement Section 7; Consignment and Commission Agreement	Not Applicable
m. Maintenance, appearance and remodeling requirements	Franchise Agreement Sections 3, 6 and Exhibit 1	Item 9
n. Insurance	Franchise Agreement Section 19	Items 6 and 9
o. Advertising	Franchise Agreement Section 10	Items 6 and 9
p. Indemnification	Franchise Agreement Section 18	Item 6
q. Owner's participation/ management/staffing	Franchise Agreement Sections 13, 34(l)	Item 15
r. Records and reports	Franchise Agreement Sections 13 and 25	Items 6, 16 and 17
s. Inspections and audits	Franchise Agreement Sections 13, 22 and 25(c) & (d)	Item 6
t. Transfer	Franchise Agreement Section 26	Item 17
u. Renewal	Franchise Agreement Section 2(c)	Item 17
v. Post-termination obligations	Franchise Agreement Sections 2, 21, 24(c)	Item 17
w. Non-competition covenants	Franchise Agreement Sections 21(c), 24	Item 17
x. Dispute resolution	Franchise Agreement Section 33	Items 6 and 17

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OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
y. Guaranty	Franchise Agreement Section 27	Item 10

ITEM 10. FINANCING

We or our affiliates offer financing for all or a portion of the Initial Fees if a qualified applicant meets all of our loan qualifications and displays a financial need that, in our sole opinion, makes it difficult for the qualified applicant to pay all of the Initial Fees up front. We may not offer this financing to all applicants. The Initial Franchise Fee Promissory Note and Security Agreement in Exhibit K to this disclosure document contain all of the terms of the financing we offer. If we finance any part of your Initial Fees due us or our affiliate, you must repay the fee in 24 months beginning in the full month after you take possession of your store and continuing for up to 24 months. You must sign the Promissory Note in Exhibit K of this disclosure document if we finance any part of your Initial Fees. The Promissory Note will be secured by qualified collateral determined by us, which may include real and personal property owned by you and the store. We will charge interest on the Initial Fees financing at an annual interest rate stated in the Promissory Note, which interest will equal Wall Street Journal Prime Rate plus 3% to 7% depending on your creditworthiness. The current interest rate is between 8.5% and 12.5%. You can prepay the Initial Fees financing at any time without a prepayment penalty.

M. M. Fowler will consign to you all inventory for your store. You must sign the Consignment and Commission Agreement in Exhibit H. Under the terms of the Consignment and Commission Agreement, you will not pay M. M. Fowler any interest on the inventory and will only pay M. M. Fowler for the products you sell. You will deposit the revenue from business operations into an account we establish at an approved financial institution, from which account M. M. Fowler will transfer to your bank account on a monthly basis your net revenue less the Costs of Goods Sold, the Family Fare Charge and any inventory overages or shortages due. Rent and other expenses incurred by your business will be paid by you to M. M. Fowler by bank draft or other methods directed by M. M. Fowler. You must deposit all receipts from your store daily.

We offer this financing if: (1) you comply with the franchise agreement; (2) we have a security interest and first lien in the assets of the franchised business; and (3) you sign a security agreement, a financing statement (and continuations) and other documents we request. If any of these things does not occur, or if we believe our security interest is threatened, we may stop providing financing immediately and declare the value of the consigned inventory and other amounts owed immediately due.

We secure our financing described in this Item 10 and the financing of the Initial Fees described in Item 5 with a security interest in your store's goods, wares, equipment, inventory, fixtures, and other personal property used in the business. You must sign a security agreement, a deed of trust, a financing statement (and continuations) and any other documents we require to maintain our security interest. The Security Agreement provides that we may exercise 1 or more of the following remedies upon your default of the Security Agreement: (a) foreclose or otherwise enforce our security interests in any or all collateral; (b) sell or otherwise dispose of any or all collateral at 1 or more public or private sales on the terms and in the manner we determine; and (c) enter onto any property where any collateral is located and take possession of such collateral with or without judicial process.

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Your owners must personally guarantee your performance under the franchise agreement, lease, and related agreements, including the repayment of this financing. Otherwise, there are no other personal guarantees of this financing.

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TERMS OF FINANCING

Item Financed	Amount Financed	Down Payment	Term in Years	APR %	Monthly Payment	Prepay Penalty	Security Required	Liability Upon Default	Loss of Legal Right upon De-Fault
Initial Franchise Fee, or additional amounts for operating expenses	Up to 100% of the Initial Franchise Fee and additional amounts for operating expenses	Initial Fee – amount financed	Initial Franchise Fee up to 24 months	Prime + 3% to 7%	Amortized payments of interest and principal calculated based on the terms of your loan.	None	Goods, wares, inventory, equipment, fixtures, proceeds from sale of the items, cars, house, or other suitable collateral. Personal guaranties will also be required.	If default not cured, note becomes due in full and you must pay collection fees we incur, including attorneys' fees.	If default not cured termination of franchise agreement. Furthermore, upon default, you waive your right to protest, presentment, notice of dishonor, and notice of acceleration.
Consignment	100% of the inventory in the store and products used by the store	$0.00	Equal to the term of the franchise agreement	0%	Value of inventory sold or products used during month	N/A	Consignor retains title to inventory until sold by you. Right to offset against money owed to you.	If default not cured, note becomes due in full and you must pay collection fees we incur, including attorneys' fees.	If default not cured termination of franchise agreement.

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Although we have no current practice or intent of doing so, we have the right to assign our rights under the franchise agreement, including our financing obligations, to a third party, which may cause you to lose all defenses as against the third party.

You may obtain financing from another source you choose, but we cannot guarantee that other financing is available or the terms of such other financing. We do not offer financing arrangements from any other sources, and we do not receive payments for the placement of any financing.

We do not guarantee any note, lease, or obligation.

ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as disclosed below, we are not required to provide you any assistance.

Before you sign your franchise agreement and open your business, we will:

- Designate Your Store's Location. We select the location for each of our franchisees' stores based on general location and neighborhood, traffic patterns, ample parking facilities, accessibility, population and demographic studies, size, layout and other physical characteristics, and purchase or lease terms including duration. The location of the store you franchise is designated in the franchise agreement before you sign the agreement.

After you sign your franchise agreement, but before you open your business, we will:

- Equip Your Store. We, our affiliate, or a third-party supplier we choose will install equipment in the store that we deem necessary in our sole opinion, along with any fixtures or other improvements we determine in our sole opinion are necessary. You may not have on your premises any vending machines, newspaper or magazine racks, games, rides, amusement devices, juke boxes, whether or not coin operated, nor any unapproved music, music systems, or other entertainment systems or activities without our prior written consent.

The store must be equipped with the computer systems, hardware (including but not limited to cash registers, mobile devices, and tablets), software, electronics, communications equipment, point of sale systems, self-checkout systems, transaction systems, automated systems, applications, and technologies (collectively, the "Computer Systems") that we require. We will equip your store with an electronic cash register that records data on all sales at the store, and such equipment will be part of the rent. Other Computer Systems we will provide is listed on Exhibit E.

We will not lease the following items to you and you must acquire them: a time clock, tablet computer, and a functioning cell phone with the capability to receive text messages from us, all of which must meet our standards and specifications. We or our affiliate may be the designated supplier of the time clock and tablet computer. You must provide us with the cell phone number. We estimate that the cost to purchase these items is between $1,500 and $13,000. These estimates do not include the cost of the cell phone service.

You will have access to the data to assist in the preparation of cash reports and other reports you must prepare (see below). We may access the Computer Systems at any time and access all data from the Computer Systems without limitations. We will install additional

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Computer Systems as we deem necessary to assist in automating certain functions in your store. The Computer Systems that we install are part of the proprietary Family Fare System. We currently provide ongoing upgrades and updates to the Computer Systems as we determine are necessary, and you have no contractual obligation to upgrade or update the Computer Systems; however, you will be responsible for maintenance for your computer hardware to the extent necessary. You must use the computer to prepare cash reports and other reports that you must submit as part of our administrative services. You must use the Computer Systems in the store. You and your staff must use the Computer Systems to access e-training provided on our approved e-training platform. Our modifications and specifications for components of the Computer Systems may require you to incur costs to purchase, lease, or license new or modified Computer Systems and to obtain service and support for the Computer Systems during the term of your franchise agreement. You must disclose to us any passwords or codes associated with the Computer Systems. We may develop proprietary or non-proprietary Computer Systems. Accordingly, we may require that you enter into a license agreement with us or our affiliate, which may require you to pay us commercially reasonable fees and/or enter into license agreements directly with vendors. Additionally, if we enter into a license agreement with a vendor and sublicense the Computer Systems to you, we may charge you for all amounts we pay to the vendor based on your use.

We shall have the free and unfettered right to retrieve any data and information from your Computer Systems, including video cameras, as we, in our sole discretion, deem appropriate, including electronically polling the daily sales, video camera footage, and other data of the franchised business. Our access to such data is necessary for the successful operation of the franchise system and we will install any and all Computer Systems as may be necessary in order to facilitate our access to the data, and you must connect your Computer Systems, including POS System and video cameras, to the internet and pay all expenses including hardware and software licenses to facilitate our access to the data. Also, you agree to hold us, our affiliates, our or their agents, and our or their assigns harmless with regards to any damages that may occur to the Computer Systems and/or data or information contained on it as a result of our accessing or having access to the data. Neither we nor our affiliate are responsible under any circumstances for any malfunction or “crash” of the Computer Systems we or our affiliate require, recommend, provide, or approve, including for any store data lost as a result of that malfunction or “crash.” There is no contractual limit on our right to access data or the Computer Systems.

- Training. We will offer you a training program. Both your Operating Principal and any employee with a management role must attend training. All required trainees must successfully complete the training program unless we waive this requirement with respect to them. We plan to conduct the training program at least 1 time per year on demand, with prior notification to balance your convenience with the efficiencies achieved by training several students at one time. It is conducted at our service collaboration and support center or at an alternative location we designate. Your Operating Principal must complete the training program to our satisfaction before we will authorize you to open your Family Fare store. All training will be conducted in English and those attending training must have sufficient competency in both written and spoken English.

There is a charge for this training program. However, if you buy the franchise from us, your initial franchise fee includes the cost of initial training for up to three persons pre-opening. You bear all indirect training costs and expenses, such as salary expenses of your employees and all expenses of travel, lodging, meals, and other living expenses you and your designee incur.

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You agree to keep your store employees adequately trained in the operation of the store so they can provide superior customer service and properly carry out the operations of the store in accordance with the Family Fare System and the franchise agreement. We may offer additional training that we deem necessary based on changes in the Family Fare System. You will be responsible for all expenses, including costs of the training program, travel, lodging, meals and wages incurred by your trainees and other personnel in connection with any additional training. You may be required to participate in additional training if you renew the franchise agreement or if you transfer to another store because we lose the right to occupy the property where your store is located. You agree to participate, and to require your employees to participate, in any additional training programs we make available relating to the proper sale of age restricted products or the sale of other products that are regulated and which could lead to a violation of law if not properly sold, and any other training programs we designate as required. You and your employees must successfully complete all required additional training to our complete satisfaction as we may determine in our sole discretion. We may make additional training programs available through computers or other electronic devices. You will be required to use such equipment to complete additional training. If you request any additional training from us, we have the right to require you to pay our then-current additional training fee. You are responsible for paying for your and your employees' lodging, transportation, wages, and food expenses incurred for additional training.

The initial training program covers such topics as the Family Fare brand; customer guarantees; selling techniques; service guidelines; employee hiring; employee guidelines; POS system and cashier procedures; merchandising and inventory; inside and outside cleaning and maintenance; opening and closing procedures; vendors; security; and alcohol, tobacco, energy and fuel, and lottery regulations. The e-training component of the initial training program addresses, among other topics, safety, cash control, crisis procedures, cleaning, equipment issues and maintenance, customer service, merchandising, counting inventory, reports, operation roles, and maintaining the Family Fare brand.

The exact amount of time spent on each part of the training will depend on the time required for mastery by the students participating in the training. Participation in the referral program before becoming a franchisee may affect the amount of time spent on each part of the training. Whether or not this will accelerate a franchisee's training is at our sole discretion. While we use various trainers throughout the training program, all of the trainers will be certified by us as having mastered the subject matter they are teaching with a minimum of 2 years of industry experience.

TRAINING PROGRAM

Course	Hours Classroom Training	Hours/ On-the-Job Training	Location
Retail 1000	1	0	Service Collaboration and Support Center in Durham, NC or designated location
Retail 2000	4	0	Service Collaboration and Support Center in Durham, NC or designated location
Retail 3000	5	0	Service Collaboration and Support Center in Durham, NC or designated location

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Course	Hours Classroom Training	Hours/ On-the-Job Training	Location
E-Training	0	4	Your store
POS System	0	10	Your store or another Family Fare store
Customer Service	0	3	Your store or another Family Fare store
Merchandising	0	3	Your store or another Family Fare store
Cleaning	0	3	Your store or another Family Fare store
Operating Procedures	0	10	Your store or another Family Fare store
Vendor Relations	0	5	Your store or another Family Fare store
Lottery Operations	0	5	Your store or another Family Fare store
Administrative Operations	0	5	Your store or another Family Fare store
Other Administrative and Operations Procedures	0	3	Your store or another Family Fare store
Total	10	51	

We are not obligated to, but we may provide a trainer to be on-site at your store on or around the time that you commence operations. You will pay us a fee for this additional training.

- Brand Standards Protocols Education Materials. In addition to the initial training, we will give you access to online training materials you will use to educate your employees regarding their role in the operation of your business. This program is user-paced but consists of approximately 150 minutes of online video training. There is currently no charge to you for these materials other than the time you will expend administering them to your employees and the payroll expense you will incur while they are being trained.

- Brand Standards Manual. We lend you our Brand Standards Manual. The Brand Standards Manual may be in written or electronic form. It contains mandatory and suggested specifications, standards, and policies and procedures. The Brand Standards Manual is confidential and remains our property. Your employees are to see it only on a need to know basis, subject to confidentiality agreements. We may modify this material from time to time and its modified terms are binding on you. (Franchise Agreement Section 15(j).) In the event there is a difference in your version of the Brand Standards Manual and the version at our service collaboration and support center, our version governs. The Brand Standards Manual currently contains a total of 56 pages. The following is the Table of Contents of our Brand Standards Manual as of the date of this disclosure document:

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NO. OF PAGES	TOPIC
1	Welcome letter
7	Brand Standards Requirements
1	Family Fare Code of Values
6	Store and Premises Housekeeping Schedule
15	Additional Policies
6	Privacy Policy
20	Substance Abuse Policy (Franchisees May Elect to Adopt)

We may periodically amend, update or replace the contents of the Brand Standards Manual. You must comply with each amended, updated or replaced provision. Revisions to the Brand Standards Manual will be made in our sole discretion.

- Inventory and Supplies. M. M. Fowler will consign inventory and supplies to you for you to sell.

- Assist with Licenses and Permits. We help obtain all licenses and permits that we determine are necessary for your operation of your Family Fare store other than your business license. These licenses include certificates of occupancy, all health permits, food stamp licenses, tobacco licenses, retailer licenses, alcoholic beverage licenses (these products cannot be sold at all locations), lottery licenses, and others.

- List of Approved Vendors and Suppliers. Before you open your location, we will provide you with a copy of our list of approved vendors and suppliers for all required goods and services.

- Reduction in Services. At any time that you or any of your affiliates are in breach of the obligations under the franchise agreement (for example, your failure to pay for required equipment, inventory or services in a timely manner), or any other agreement with us or any of our affiliates, we or our affiliate may defer the performance of our obligations under the franchise agreement until your (or your affiliate's) breach has been cured. Our (or our affiliate's) exercise of that right will not constitute a waiver of our (or our affiliate's) rights under the franchise agreement or such other agreement, including, without limitation, our (or our affiliate's) right to terminate the franchise agreement or such other agreement.

- We are not required to provide you other supervision, assistance or services prior to the opening of the franchised business. However, if requested, we will advise on additional topics related to the opening of your franchised business.

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During the operation of the franchised business under your franchise agreement, we will:

- Provide advice and consultation services to you. If you request advice or consultation service that requires us to make our staff present at your franchised business, we may charge you the per diem compensation costs for the staff provided, plus expenses. Otherwise, our field consultants will visit your store periodically without cost to you to assist and provide consultation services to you.

- Merchandising Assistance. We will provide from time to time a list of Recommended Vendors, indicating the type of merchandise you should sell, and the suggested retail selling price. We refer to this as our Price Book Program. Your participation and compliance with our Price Book Program may lower the Family Fare Charge we charge you. As a franchisee, you can establish the retail selling prices for your merchandise (except for consigned Energy). We will give you general assistance through our field consultants who visit each store periodically. We also reserve the right, to the fullest extent permitted by applicable law, to establish maximum, minimum, or other pricing requirements with respect to the prices of products, beverages, merchandise, or services sold at the Store. If you sell any products, beverages, services or merchandise at any price recommended or required by us, you acknowledge that we have made no guarantee or warranty that the recommended or required price will enhance your sales or profits. Your sale of the inventory consigned to you may be at prices below our affiliate's cost to purchase the consigned inventory. We reserve the right to mandate that you participate in some promotions, regardless of whether you have elected to participate in the Family Fare Promotions Program. Such Mandatory Promotions may include promotional pricing that you must implement.

- Advertising. You are not required to pay us an advertising fee. Although we are not required to, we may provide system-wide advertising in such media that we deem appropriate. We may conduct advertising for the Family Fare System, for local, regional, and/or national promotions, or for specific Family Fare store(s). We have the sole right to determine what expenditures to make on advertising, including the selection, direction, and geographic allocation of advertising materials and programs. We have no obligation to ensure that your store benefits directly from our advertising expenditures or that all of our franchisees benefit equally as a result of our advertising expenditures.

We may make available to you from time to time advertising materials we prepare for use by Family Fare franchisees generally. You may use such materials in any local advertising. You will pay for all associated costs. We make available to you a Promotions Program to assist you in advertising and moving your merchandise. Your participation and compliance with our Promotions Program may lower the Family Fare Charge we charge you. Your participation in the Promotions Program is at your discretion. However, we reserve the right to mandate some promotions in which you must participate, regardless of whether you have elected to participate generally in the Family Fare Promotions Program. Participation in the Mandatory Promotions will not be considered an election to participate in the Promotions Program.

You may develop advertising materials for your own use at your own cost. We encourage the sharing by franchisees of advertising ideas and materials. If your advertising complies with our current branding standards, then you do not have to submit your advertising to us for pre-approval. If we ask you to stop using a particular advertisement or tell you to make certain changes to an advertisement, you must do so. (Franchise Agreement Section 10.)

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We may arrange for the store telephone number and address to be included in business directories. You cannot arrange for a directory listing without our prior approval. You will be responsible for the cost of all listings and will reimburse us if we obtain them on your behalf.

- Audit Inventory. M. M. Fowler or its agent may conduct physical audits of your store's inventory up to four times in a calendar year at no cost to you. We reserve the right to charge you our or our affiliate's then-current rate for the fifth or subsequent audit in a calendar year. However, if you request a sixth or subsequent audit in a calendar year and we consent to the audit we may, at our sole option and not obligation, pay 50% of the then-current audit rate. We and our affiliate reserve the right to conduct more or less than four audits per calendar year. The purpose of the audit is to reconcile the inventory and supplies you have on hand against what should be on hand and charge you for the difference, which difference will be based on the retail price of the supplies.

- System Improvements. We will make available to you from time to time all improvements and additions to the System to the same extent and in the same manner as they are made available to franchisees generally.

- Conferences and Conventions. While we are not required to do so, from time to time we may offer conferences and other training courses relating to our industry and to the operation of your Family Fare store. Your Operating Principal and, if requested, your owners, are required to attend all conferences and other required training courses and cannot delegate this obligation to non-shareholder managers or other employees. These courses may be conducted by our employees and/or by other trainers and will address various aspects of our business and other topics of interest to you or us. We have the right to charge you a tuition fee for each attendee, whether or not the attendee is required to attend or actually attends the conference, convention, or training courses. Additionally, you will be responsible for all transportation, lodging, food, and other costs incurred by the manager in attending such seminar. If you do not attend a scheduled required event, your Family Fare Charge will be increased whereby you will receive 1% less of Gross Profit for the balance of the calendar year.

- Online Presence. We may maintain a website in order to promote the trademarks, or any or all of the Family Fare stores. We may also develop and maintain any other type of online, internet, virtual, or digital presence (each an "Online Presence") as we see fit. An Online Presence includes but is not limited to (1) the brand website, other webpages, or domain names; (2) accounts, pages, or profiles on social media sites; social networking sites; news sites and groups; online, internet, or digital directories; video, audio, photography, and messaging services; blogs; or forums; (3) e-commerce sites or accounts; (4) digital or online advertising and marketing content and services; (5) mobile applications; (6) virtual reality platforms; or (7) any identifiers of an Online Presence; or (8) a presence on any other type of online, internet, virtual, or digital tool, good, or service that may be developed. We will have the sole right to control all aspects of each Online Presence, including its design, content, functionality, links to any other Online Presence, legal notices, and policies and terms of usage. We will also have the right to discontinue operation of any Online Presence at any time without notice to you. You may not establish or operate an Online Presence (including a website, webpage, domain name, Internet address, social media account, blog, forum, advertisement, e-commerce site) or email address that in any way concerns, discusses, or alludes to us, the System, or your store without our written consent. The trademarks may not be used as part of, in conjunction with, to establish, or to operate any Online Presence or email address, except as specifically approved by us. You may not post, and must take such steps as necessary to ensure that your employees do not post, any information on an Online

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Presence relating to us, the System, the trademarks or the store that (a) does not comply with our brand, social media, or Online Presence guidelines; (b) is derogatory, disparaging, or critical of us, the System, or the trademarks; (c) is offensive, inflammatory or indecent; or (d) harms the goodwill and/or public image of the System and/or the trademarks. For any Online Presence or email address you are approved to create, use, or maintain, we reserve the right to be exercised at our option to have the Online Presence or email address directly owned by us or to require it to be transferred to us after the expiration or termination of the franchise agreement. We have the right to require that any Online Presence or email address we permit you to create or maintain be registered in our name. Upon request, you must provide us with any login credentials for any Online Presence or email address you are authorized to use. We have the right to access any Online Presence or email address to take corrective action if any content or post on the Online Presence is in violation of our policies and we may take ownership of any Online Presence or email address upon expiration or termination of the franchise agreement and operate it as we see fit.

We do not plan to make available to you a subpage on our website that will be located at a sub-domain of the website (or on a subpage of another Online Presence) (a "Subpage"). However, if we do provide a Subpage, it will be governed by the terms of the franchise agreement and the Brand Standards Manual. Upon the termination, non-renewal, or expiration of the Franchise Agreement for any reason or a default under the franchise agreement for any reason, we will not upload content for you, you may not use the Subpage, and we may cease to make the Subpage available to you. You will not have access to modify your Subpage. We have the right to modify content that you submit (e.g., new photography, number changes) on your behalf. The purpose of the Subpage is solely to promote the store and to provide customers information related to the store. The Subpage may not contain content which references any other business other than yours. We may, at any time, cease to make the Subpage available to you or the public.

You must consent to our and our affiliate's use of your likeness, voice, appearance, name, and image to be used in any Online Presence, or digital media for marketing or training purposes. We may require that you provide graphical, photographic, video, written, or other forms or artistic or literary content for us to use in connection with any Online Presence, and other brand development, public relations, advertising, and marketing activities.

- Variation in Standards. We have the right to vary standards based upon the peculiarities of particular locations or circumstances such as differences in population or demographics, local business practices or customs, or any other condition where we determine a variance is appropriate. We have no obligation to vary our standards for you.

- Development Schedule. The typical length of time we estimate between your signing of the franchise agreement (or first paying us money) and opening your franchised business is 3 months. Prior to opening your business, you must perform the following tasks. We may assist you in this effort.

TASK	TIME FRAME	FORM OF HELP
Sign Franchise Agreement	1-3 mos. before opening	Assistance from Family Fare
Sign Lease or Sub-Lease	1-3 mos. before opening	Assistance from Family Fare; Supplied by Family Fare affiliate
Observe Family Fare Operations in Existing Store	1-3 mos. before opening	Hands-on experience

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TASK	TIME FRAME	FORM OF HELP
Attend Training	1-3 mos. before opening	Lectures and Brand Standards Manual provided by Family Fare
Establish Vendor Relationships	1 mo. before opening	Assistance from Family Fare
Obtain Licenses and Permits	1 mo. before opening	Assistance from Family Fare
Obtain Initial Inventory	On or prior to opening	Supplied by Family Fare affiliate

ITEM 12. TERRITORY

Our franchise agreement covers a single Family Fare store location designated in the franchise agreement. You may operate only the store specified in the franchise agreement, and may not offer or sell any products or services offered and sold by Family Fare stores at or from any location other than on-site at the store specified in the franchise agreement, or through any other channel or method of distribution, including by or through the Internet or similar electronic media or delivery services, without our prior approval.

At the time you apply to become a Family Fare franchisee and throughout the time your company is a franchisee, your Operating Principal must live within 25 miles of your Family Fare store location as driven on roadway and, upon request, your owners must provide a driver's license issued by the state where the franchise is located and such other additional documentation as we may require certifying that the Operating Principal's residence is within 25 miles of the franchised business as driven on a roadway.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, from our affiliates, or from other channels of distribution or competitive brands that we control.

You have no options, rights of first refusal or similar rights to acquire additional franchises and we have no obligation to grant you additional franchises.

We retain all other rights. Among other things, this means we or our affiliates can, without restriction and without compensation to you:

(i) Establish and operate, and grant others the right to establish and operate, convenience or other stores under the Family Fare service marks, or any other trade names, service marks and trademarks, at any site other than your store location, including our CAROCO brand. These other store sites may be next to or near your store location as there is no restriction on where we might locate additional locations.

(ii) Offer and sell, and grant others the right to offer and sell, any products and services, even if they are similar to those offered by Family Fare stores, identified by the Family Fare service marks or by other trademarks, trade names or service marks, and may be sold on terms we deem appropriate through any other channel or method of distribution, including delivery sales, the Internet, or similar electronic media.

(iii) Acquire, establish, or operate, or permit others to acquire, establish, or operate, any business of any kind at any location, including other convenience stores; provided we do not operate the retail store we grant to you.

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(iv) Offer and sell, and grant others the right to offer and sell, Energy, and other products and services, at any location, including at and around the store; provided we do not operate the retail store we grant you.

The Caroco businesses also sell goods and services similar to the franchise offered under this disclosure document. As mentioned in Item 1 of this disclosure document, beginning in 2014, we began offering and selling franchises under the Caroco marks for the operation of Caroco convenience stores. We have, and in the future our franchisees using the Caroco mark may have, the right to solicit customers in your trade area. The Caroco franchise business is operated from the same offices as the Family Fare franchise businesses, at 4220 Neal Road, Durham, North Carolina 27705. We may grant franchises for Caroco stores or operate Caroco stores at any location as determined by us, regardless of proximity to your store.

ITEM 13. TRADEMARKS

The primary trademark, service mark, and trade name you are to use as Franchisee is the "FAMILY FARE" service mark, trademark, and trade name. M. M. Fowler owns all of the trademarks used by us and our franchisees. M. M. Fowler has granted us the exclusive license to use and sublicense all of M. M. Fowler's intellectual property that is or may be associated with the System or the proprietary marks (the "M. M. Fowler License Agreement"). The M. M. Fowler License Agreement grants us the right to license franchise locations. All rights in and goodwill from the use of our proprietary trademarks ultimately accrue to M. M. Fowler as the trademark owner. Upon execution of our franchise agreement, we will sublicense to you the limited right to use the following trademarks, each of which is registered on the Principal Register:

	REGISTRATION NO.	EFFECTIVE DATE OF REGISTRATION	MARK	Registered Use
1	3526141	November 4, 2008	FAMILY FARE	For use in retail convenience stores with gas stations and motor fuel supply services. Registration limited to the area comprising the states of North Carolina, South Carolina, Virginia, Georgia, Florida, and Tennessee.
2	2924014	February 1, 2005	FIRST IN THIRST	For use in retail convenience stores with gas stations and motor fuel supply services.

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	REGISTRATION NO.	EFFECTIVE DATE OF REGISTRATION	MARK	Registered Use
3	2952801	May 17, 2005	HELPING YOU GET THERE	For use in retail convenience stores with gas stations and motor fuel supply services.
4	3313226	October 16, 2007		For use in retail convenience stores.

We also license to Family Fare franchisees any additional trademarks and service marks we use in the operation of Family Fare stores. In addition to the principal marks, we have other secondary trademarks used to promote the business, including certain design marks using our logo, which marks we also license to you. Some of these marks are registered trademarks and others we claim common law trademark protection.

Our "Family Fare" registration is limited to use in North Carolina, South Carolina, Virginia, Georgia, Florida and Tennessee, pursuant to a continuing use agreement with Family Fare, LLC ("FF Michigan"), dated June 18, 2006. FF Michigan has the right to use the trademark nationwide for supermarkets and in all other states except North Carolina, South Carolina, Virginia, Georgia, Florida and Tennessee. Otherwise, presently, there are no agreements in effect that significantly limit our rights to use or license the use of the trademarks listed in this Item in a manner material to the franchise. All uses of the "Family Fare" mark of which we are aware occur with our permission. We know of no infringing use of the "Family Fare" trademarks or design marks that could materially affect your use of them.

With respect to the above federal registration, all affidavits of use have been timely filed and the registration is not yet due for renewal. We or our affiliate intend to file all necessary affidavits of use and renewal applications when they become due. None of the registrations are due for renewal. There have as yet been no presently effective determinations of any trademark office, administrator, or court. There are no pending interference, infringement, opposition, or cancellation proceedings, nor any currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor any pending litigation involving any of the above marks or names.

A federal or state trademark or service mark registration does not necessarily protect the use of the concerned mark against a prior user in a given relevant market area. Therefore, prior to entering into the franchise agreement, you should check and be sure that there are no existing uses of our marks or names or any marks or names confusingly similar to any of our marks or names within the market area where you want to do business. If you find any similar names or marks, you must immediately notify us. Any action to be taken in that event is strictly within our or our affiliates' sole discretion.

You must immediately notify us of any claim of infringement by or challenge to your use of any names or marks licensed to you by the franchise agreement. You must cooperate with us

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and our affiliate fully and communicate concerning such matter with no one but our counsel, our affiliate's counsel, and us. We or our affiliate have the sole discretion to determine what action to take, if any, regarding the matter. Should we or our affiliate elect to take legal or administrative action, you agree to join as a party to such action, or allow the action to be brought solely in your name, as and only if we so direct. Neither we nor our affiliate will indemnify or reimburse you for damages obtained by a third party based on your use of any Family Fare trademark or service mark. We have the right and you agree, at our direction, to modify or discontinue the marks or names in question or add marks, names, logotypes, and/or commercial symbols. Additionally, we have the right to require you to initially use alternate trademarks while we convert non-Family Fare locations to Family Fare branded locations. Whenever we make a decision to modify, add, or discontinue the marks, names, logotypes, and/or commercial symbols and we retain the right to license the modified or discontinued marks, you agree to make, at your expense, such modifications as may be necessary to comply with our decisions related to use of our marks. If we lose the right to license the "Family Fare" mark or other proprietary marks to you, we will not reimburse you for the costs and expenses you incur in rebranding.

You may not contest the validity of ownership of the trademarks, trade secrets, or business techniques that are part of the Family Fare System. You will not use the trademarks, in any form, as part of any corporate or trade name, nor may you use them in connection with the sale of any unauthorized product or service or in any manner not expressly authorized in writing by Family Fare. You must not engage in any activity which is unethical or may be injurious to Family Fare's business, other Family Fare stores, or to the goodwill associated with the trademarks.

If your store sells Energy, you must use the trade names, trademarks and service marks that we designate when you sell the Energy.

If we buy substantially all of the assets of a third-party convenience store or multi-store company, we may license or sublicense to you the right to operate under the third-party's trade names, trademarks, and/or service marks until such time as we designate you start using the "Family Fare" mark and other Family Fare trade names, trademarks, and service marks.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a patent or copyright registration, but you can use the proprietary information in our Brand Standards Manual, our business methods and techniques, promotional techniques, and business processes all of which are trade secrets owned by us or M. M. Fowler. Although we have filed no applications for a copyright registration for the Brand Standards Manual, we claim a copyright and the information is proprietary. This disclosure document describes limitations on the use of this manual by you and your employees. Also, there are significant copyrights and trademarks that are material to this franchise, and we will protect the proprietary nature of those items to the fullest extent of the law.

If you or your principals, owners, officers, managers, or employees conceive, invent, create, design and/or develop any ideas, techniques, methods, processes or procedures, recipes, formulae, products, packaging or other concepts and features relating to store operations, business practices or the manufacturing, production, marketing or sale of other food or beverage items, or related goods in connection with the franchised business (the "Innovations"), you (or they) will be deemed to have assigned all of your (or their) rights, title and interests in the Innovations, including any intellectual property rights, to us. You and your principals, owners, officers, managers and employees must also cooperate with us in connection with protecting the Innovations.

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If you reproduce any items or materials suitable for copyright protection, you must make sure that each item bears a copyright notice in the form specified by us. You must use the proprietary information only in the manner required by us and in no other manner. This information is strictly confidential. You may not disclose any of that information to anyone except to a person who has signed and delivered to us a confidentiality agreement. Also, you may not use any of that information for any purpose except as necessary in connection with the operation of your Family Fare store. In addition, you must fully and strictly comply with all security measures required by us for maintaining the confidentiality of all information designated by us as trade secrets.

You will not have the exclusive right to use the Innovations, any of our patents or patent applications, copyrights or proprietary information, nor will you acquire, by use or otherwise, any right, title or interest in or to the Innovations, the copyrights or the proprietary information, other than as expressly contained in, and limited by, the franchise agreement. Your right to use the Innovations, the claimed subject matter of any patents or patent applications, the copyrights and the proprietary information is limited and temporary. Upon expiration, termination, or non-renewal of the franchise agreement, you may not, directly or indirectly, use the Innovations, the claimed subject matter of any patents or patent applications, the copyrights or the proprietary information in any manner or for any purpose whatsoever.

You must immediately notify us of any conduct that could constitute infringement of or challenge to the Innovations, the patents or patent applications, the copyrights, and the proprietary information. We or our affiliate will decide, in our sole discretion, whether to institute any action in connection with infringement of or challenge to the Innovations, the patents or patent applications, the copyrights, and the proprietary information, and will control any proceedings and litigation. Neither we nor our affiliate are required to protect your right to use the Innovations, the patents or patent applications, the copyrights, or the proprietary information.

We may, in our sole discretion, modify or discontinue use of the Innovations, the claimed subject matter of any patents or patent applications, the copyrights, and the proprietary information and/or use other information and/or rights in their place. If we decide to do so, you must do so also, at your expense.

We claim proprietary rights to the Family Fare System that we license you to use in the franchise agreement. Family Fare has developed and continues to develop distinguishing characteristics of the Family Fare System for the operation of the convenience stores, including, among other things, distinctive signs, layout plans, equipment, specifications, purchasing and inventory control method, merchandising, sales and promotional techniques, installation techniques, personnel education and development, and other matters intended to enable such convenience stores to operate efficiently, ensure uniformity and conformity to operational standards, increase the likelihood of success and promote the maintenance of high standards of quality and service. You may use this information only for your operation of your store. You may not copy or disclose any of the information to anyone outside the Family Fare System. You and each of your principals, owners, officers, and managers will be bound by certain provisions protecting Family Fare proprietary rights.

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

You are required to form a corporation or limited liability company to operate your Family Fare store. You and your owners may not transfer ownership or control of the franchise business or that corporation or limited liability company without our prior written approval. The business must be directly supervised and managed by an owner of the corporation or limited liability company, identified to and approved by us, who has completed the initial training program to our satisfaction prior to opening the store ("Operating Principal"). The Operating Principal may delegate supervisory and management responsibilities to a qualified manager who has completed the required training. The Operating Principal is not required to be on the premises at all times. You may not change your Operating Principal without our prior approval. Examples of the types of functions which your Operating Principal might perform include hiring employees, supervising employees, checking inventory, reviewing sales and costs of goods sold, bookkeeping, and making all reasonable efforts to ensure smooth and efficient operations.

You agree to make your owners and Operating Principal available to meet with us at reasonable times, at our request. At all times, your Operating Principal is required to reside within 25 miles of your franchised business as driven on a roadway, and your owners must maintain a valid local driver's license and such other additional documentation as we may require which proves that they do. Failure to comply with these obligations are defaults under the franchise agreement.

You must keep your Family Fare store open to the public seven days each week, during the required hours set forth in the franchise agreement or as otherwise approved by us. In cases where local regulations or landlord restrictions affect hours of operation, we will discuss deviation from this requirement with you.

Each owner of Franchisee must sign the personal guaranty, in the form of Exhibit 4 attached to Exhibit A, as a guarantor. By signing the personal guaranty, each owner agrees to perform, and guarantees, all of the franchisee's obligations to Family Fare and its affiliates and agrees to be bound by the restrictive covenants, the confidentiality provisions, and certain other provisions contained in the franchise agreement, lease agreement, and any other agreement between the franchisee and Family Fare and/or its affiliates.

You are exclusively responsible for managing your employees. All personnel employed by you in connection with the operation of your Family Fare store will be your agents and employees. They are not our agents or employees and we are not a joint employer of such persons. You alone are responsible for your employees' and agents' hiring, firing, training, wages, taxes, benefits, safety, schedules, work conditions, assignments, discipline, supervision, and termination. You must comply with all applicable employment laws. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever, and nothing in any aspect of the System or the trademarks in any way shifts any employee or employment related responsibility from you to us. All personnel employed by you in connection with the operation of your Family Fare store must maintain standards of sanitation, cleanliness, and demeanor as may be established by Family Fare from time to time. All owners of franchisees must adhere to our then-current substance abuse policy and must submit themselves to drug testing. Additionally, you can elect for your employees to participate in random drug testing performed according to the standards of our then-current substance abuse policy. All personnel must wear uniforms or other clothing approved by Family Fare. In addition, you must ensure that all employees whose duties include customer service have sufficient literacy and fluency in the English language (or

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such other language that is the primary language in your market) to adequately serve the public at your Family Fare store.

Neither you, an owner, nor your Operating Principal are an agent, legal representative, joint venturer, partner, employee, or servant of Family Fare for any purpose under the franchise agreement. You are an independent contractor and are in no way authorized to make any contract, agreement, warranty, or representation for Family Fare or to create any obligation, express or implied, for Family Fare. You must identify yourself and your store in all dealing as an independent franchisee of Family Fare and place notice of your independent ownership as directed by us.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate your store solely as an on-site retail convenience store and you must not sell any items through any other channel of distribution (such as telemarketing, computer marketing, grocery stores, internet sales, electronic commerce, mail order catalogs, delivery sales, or any other such system other than retail sales at your specific business location) without our prior approval. Although there are no restrictions on the retail customers or trade area you may serve from your store, except as limited by law, as a practical matter, you will be limited to serving customers who choose to visit your store.

You do not receive any rights to: (i) sell products or merchandise identified by the Family Fare trademarks at any location (other than your approved Family Fare store) or through any other channels or methods of distribution; (ii) sell products or merchandise identified by the Family Fare trademarks to any person or entity for resale or further distribution; or (iii) exclude, control or impose conditions on our development or operation of franchised, company or affiliate-owned stores at any time or at any location. We may grant franchises for Family Fare stores or operate Family Fare stores at any location as determined by us, regardless of proximity to your store. We have the right to sell goods and services through other channels of distribution and may authorize you to do so from time to time.

Family Fare has the right to delete or add authorized goods or services and you must comply with such deletions or additions. There are no limits on our right to change the authorized goods and services. You must comply with the merchandising system we offer, which includes requirements for inventory displays, selection, inventory, placement, and suppliers. Your Family Fare store must carry all types and categories of inventory in the amount that we specify, which may vary depending on your store. We may limit the amount of inventory that you may carry of a particular type of item. For example, we currently limit the amount of cigarettes that you may carry in your store as provided in the Brand Standards Manual. You may stop carrying an inventory category only with our prior written consent. You must carry, use and offer for sale only the inventory and other products that are consistent with the type, quantity, quality, and variety associated with the Family Fare brand and as we specify in the franchise agreement. You must comply with our merchandising and shelf-life requirements for all products. We impose these requirements to control the quality and uniformity of the goods and services you and other franchisees may offer through use of our trade name and trademarks. We have the right to add and delete products and merchandise from the list of approved products and merchandise. There are no limits on our right to make these changes. We reserve the right to charge you a fine up to $1,000 per occurrence if you sell unauthorized food or merchandise or use unapproved vendors.

We permit you to carry inventory of your choosing to fill shelving space designated by us from time to time, provided that such inventory meets the image of the Family Fare brand and

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complies with all contracts we may have with suppliers, and provided that such inventory complies with EBT and SNAP program requirements. Your store must at all times be and remain an authorized SNAP retailer using EBT, and you must at all times carry such inventory as those programs require. We may require you to immediately stop selling any products or services that we in our sole discretion find to not be consistent with the Family Fare brand or for any other reason.

You must at all times maintain in the store a reasonable and representative quantity of all proprietary products. We may change the proprietary products that you are required to offer and sell periodically upon reasonable notice (delivered in electronic or other form) to you. Effective on the first day of the calendar month beginning 30 days after we notify you of the change, you must offer the new or modified proprietary products. You must not offer or sell at your store any products which directly compete with the proprietary products we designate as exclusive, unless you obtain our prior written consent.

If we require that a product (including a proprietary product) be sold in a standardized container or special packaging, or be sold using certain display cases, equipment, or other related components, you may use only the standardized containers, packaging, display cases, equipment and other components (including bags and napkins) that conform to the type, style and quality we specify and that bear any distinctive identification we designate. You must properly account for these items. You must carry all components we designate as necessary for any proprietary product. You may use containers, packaging, display cases, equipment and related components designated for use with proprietary products only in the offer, sale or promotion of proprietary products, unless you first obtain our written permission. We may require you to participate in the costs of certain distinctive or special merchandising programs, such as offering cups which display special insignia.

You must immediately cease offering for sale or selling any product or service if Family Fare deems the product or service to be detrimental to the Family Fare marks or the image of the Family Fare System.

You must accept or participate in all required payment systems, including but not limited to various currencies, credit cards, charge cards, gift cards, gift certificates, and coupons.

If you participate in our promotional programs, you must carry at your store a reasonable and representative quantity of all advertised or promoted products that are supported by electronic or published media during the entire duration of the advertising or promotional campaign. If the promotion is a Mandatory Promotion, you must comply with our requirements for the promotion. If we implement a loyalty program and you are required to participate, you may be required to provide free or discounted items or other free or discounted products or services as a result. We are not required to reimburse you for costs and expenses incurred as a result of participation in a loyalty program.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

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PROVISION	SECTION IN AGREEMENT	SUMMARY
a. Length of the franchise term	Franchise Agreement Section 2; Exhibit 3	Initial Term ends at the earlier of (i) 5 years after the effective date of the franchise agreement, or, in the event that your store location was transferred to you from another franchisee, 5 years after the effective date of the transferor's franchise agreement, (ii) upon the sale, exchange, or transfer to a non-affiliate by M. M. Fowler of the real estate, or (iii) upon the sale by M. M. Fowler of its non-real estate business holdings. The term of the franchise agreement will end if the term of our lease and all options that were available for us to exercise as of the Effective Date end (or we elect not to exercise an existing option), regardless of whether we extend such lease or sign a new lease for the store site. If we or our affiliate owns the real estate upon which your store operates, we, at our sole option, may sell the real estate at any time, which will terminate your franchise agreement. The Initial Term can also end if the store is not available or open for business within a certain period of time. In some circumstances a termination payment from us to you will be applicable.
b. Renewal or extension of the term	Franchise Agreement Section 2(c)	One 5-year renewal term if you acquired the original franchise from us or, in the case of a transfer, the length of the remaining renewal term of the transferor, if any

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PROVISION	SECTION IN AGREEMENT	SUMMARY
c. Requirements for Franchisee to renew or extend	Franchise Agreement Section 2(c)	You must be in good standing and exercise your option within a window of time and give notice four to six months prior to the agreement's expiration. You must have no more than 2 defaults during the prior 24 months. You must execute a general release of claims against us and our affiliates. At our election, you must agree to either (i) execute an amendment permitting you to operate for the renewal term under the original franchise agreement and lease or (ii) sign the then current version of the franchise agreement then being offered, and sign a new lease or sublease for the length renewal term. You may be asked to sign a contract with materially different terms and conditions than your original franchise agreement or lease. The royalty rate could be different, but will be no greater than the royalty rate we then impose on similarly situated renewing franchises. The financial terms of the lease will vary on a location by location basis.
d. Termination by Franchisee	Franchise Agreement Section 20(f)	For cause, if we breach a material provision of the contract and fail to cure 90 days after written notice, then you can terminate with 30 days' notice if you are compliant with the terms of your agreement. Without cause, you may terminate your Agreement by giving us 90 days written notice.
e. Termination by Franchisor without cause	Franchise Agreement Sections 2 (b), 20(a), (d) and (e)	We can terminate the agreement upon termination of the lease for the site of your franchised business, unavailability of the store after a certain period pre-opening, loss of the premises due to fire or casualty loss, upon death or incapacitation, or if our merchandising or pricing program is deemed illegal. In some circumstances, a termination payment from us to you will be applicable.

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PROVISION	SECTION IN AGREEMENT	SUMMARY
f. Termination by Franchisor with cause	Franchise Agreement Sections 2; 20(a), (b), (c), (d) and (e)	Section 2 relates to termination for real estate events and unavailability of the store. Section 20(a) deals with automatic termination. Section 20(b) deals with termination without opportunity to cure. Section 20(c) describes termination after opportunity to cure. Your lease can also be terminated upon default. The laws of your state may provide additional rights to you concerning termination of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
g. "Cause" defined – defaults that can be cured	Franchise Agreement Section 20(c)	Non-payment, public health or safety issues, late reporting, unauthorized use of the trademarks or Family Fare System, liability for certain discrimination laws or employment laws, ineligibility to participate in SNAP or accept EBT payments, failing to use required suppliers or using unauthorized suppliers, failure to uphold Family Fare Code of Values, failure to maintain a good credit rating, failure to reside within 25 miles of the franchised business as driven on a roadway or produce a driver's license and other documentation confirming the operating principal's residence, and other non-compliance. You have a 3-day cure period from the date the notice is deemed received (or perhaps more if truly required) to totally cure the default.

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PROVISION	SECTION IN AGREEMENT	SUMMARY
h. "Cause" defined – defaults that cannot be cured	Franchise Agreement Sections 20(a) and (b)	Bankruptcy, insolvency, and the like, Inventory True-Up percentages and shortages exceed a threshold, failure to follow daily accounting procedures, abandonment of the store, loss of the right to occupy the premises or to do business, unauthorized transfers, certain convictions or criminal conduct, 2 otherwise curable defaults within 12 months, willful and material falsification, breach of a representation or warranty made to us, failure to comply with the covenants under the agreement, actions or omissions that impair the value or good will of the brand, committing the same act of default within 6 months, dishonest conduct, repeated violations of the FLSA, taking payroll tax money, inability to receive necessary permitting, failure to comply with pre-opening requirements, and noncompliance with any of the agreements between franchisee and Family Fare or its affiliates. There are additional items set forth in Item 17(a) relating to early termination of the franchise agreement that will also apply. A provision in the franchise agreement that terminates the franchise upon the bankruptcy of the franchise may not be enforceable under Title 11, U. S. Code Section 101.

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PROVISION	SECTION IN AGREEMENT	SUMMARY
i. Franchisee's obligations on termination/ non-renewal	Franchise Agreement Section 21	Cease operating, peacefully surrender the store as provided in the lease agreement, remove personal property, cease to use confidential information and all other proprietary methods, pay us all sums due without set-off, return our property including the Brand Standards Manual and business data, discontinue use of the trademarks, provide login credentials, cooperate with our affiliate's rights as landlord, cease representing yourself as a present or past Family Fare franchisee, assign us your phone numbers, directory accounts, email addresses, etc. relating to the store, sell us such business assets as we request, and comply with the covenants, including confidentiality covenants and covenants against unfair competition. You will grant us a security interest in your assets, including the lease, and if you default under the terms of your lease or franchise agreement, we have the right to take possession of the store.
j. Assignment of contract by Franchisor	Franchise Agreement Section 26(a)	We may freely assign our rights and duties under the Agreement.
k. "Transfer" by franchisee – definition	Franchise Agreement Section 26(b)	Broadly defined to include sales, assignments, conveyances, dissolutions, mergers, consolidations, pledges or sale of stock or issuance of stock.
l. Franchisor's approval of transfer by franchisee	Franchise Agreement Sections 26(b), (c) and (d)	Our prior written consent is required for all transfers. Prospect must meet our standards for new franchisees as determined in our sole discretion. The franchise can be terminated for non-compliance.

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PROVISION	SECTION IN AGREEMENT	SUMMARY
m. Conditions for Franchisor's approval of transfer	Franchise Agreement Section 26 (b), (c), and (d)	You must submit all information we require to evaluate the proposed transfer and transferee, and you must release us of all claims. Transferee must be approved by us, assume your obligations under the franchise agreement, attend and successfully complete our training, and execute franchise and collateral agreements, including a lease agreement, in the then-current form. If a sale is involved, you must offer us a 60-day right of first refusal, which 60-day period will commence once all information we require has been provided to us. If the transfer is permitted, you must pay us a transfer fee equal to 10% or 50% of the purchase price of the franchise depending on how long ago you signed your current franchise agreement, and you must reimburse us for all attorneys' fees we incur as a result of your proposed transfer. The transferor must pay a transfer cleaning fee, which will be returned to the transferor no later than one (1) year after the transfer, less any amounts we use to clean the store. A purchaser must have the managerial ability, aptitude, capacity, ability, credit rating, financial resources, moral character, values, reputation and business qualifications satisfactory to us, and otherwise meet all then-current requirements of new franchisees as determined in our sole discretion, including residing within 25 miles of the franchised business.
n. Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement Section 26(c)	We have the option to purchase your business before you sell it in an approved transfer. You cannot transfer the business until we have been provided all information we require to evaluate the proposed transfer and the 60 day right of first refusal period has expired, which 60-day period is measured from the date we receive all required information.

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PROVISION	SECTION IN AGREEMENT	SUMMARY
o. Franchisor's option to purchase franchisee's business	Franchise Agreement Sections 2(a), 21(a)(ii), 26(c) and (d)	In the event the agreement terminates, expires, or is not renewed, we have the option to purchase the assets of the business for the lesser of $500 or the depreciated book value of the acquired equipment or assign the right to someone else. If exercised, you will have to assign us the business assets for their depreciated book value. We also have the right to step-in and run your business in certain situations, including your death, incapacitation, or default until such are cured or upon termination. Additionally, if you default under the terms of your lease or the franchise agreement, we have the right to take possession of the store.
p. Franchisee's death or disability	Franchise Agreement Section 20(d)	Upon the death or incapacitation of the Operating Principal, we will have the right to terminate you upon 5 days' notice in the event of death and 15 days' notice in the event of incapacitation. We will pay you one month's worth of the average monthly end of period reconciled revenue paid for the franchised business during the 12 months before death or incapacitation less the attorneys' fees we incur as a result of the death or disability. We also have the right to step-in and operate the business until the franchise agreement is terminated.
q. Non-competition covenants during the term of the franchise	Franchise Agreement Section 24(a) and (b)	You must not own or otherwise engage in any other similar or competitive business to that of Family Fare convenience stores.
r. Non-competition covenants after the franchise is terminated/ expires	Franchise Agreement Section 24(c)	For 2 years after termination or expiration of the franchise, you must not own or engage in any other similar or competitive business of Family Fare convenience stores located within a 3 mile radius of your store or any Family Fare business location licensed from or owned by us.

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PROVISION	SECTION IN AGREEMENT	SUMMARY
s. Modification of the agreement	Franchise Agreement Section 37(b)	No modifications to the franchise agreement other than in writing, but we can change the Brand Standards Manual. Also, your agreement terms automatically change if 75% of the then-current franchisees agree with the change we propose.
t. Integration/ merger clause	Franchise Agreement Sections 15(j), 37(a) and (b)	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement are not enforceable.
u. Dispute resolution by arbitration or mediation	Franchise Agreement Section 33(a)	Except for certain claims, all disputes not first settled informally or through mediation must be litigated in federal or state courts located in Durham, North Carolina. No arbitration of disputes is permitted.
v. Choice of forum	Franchise Agreement Sections 33(a) and (b)	Durham, North Carolina federal or state courts, which provision is subject to applicable state laws.
w. Choice of law	Franchise Agreement Section 33(b)	North Carolina law, except federal Lanham Act, which choice of law is subject to individual state laws.

See Exhibit F for information on the Agreements that may affect franchisees in your state.

Certain state laws may govern dispute resolution and the renewal, termination, and transfer of your franchise. If your state's law applies and if the franchise agreement contains a provision that is inconsistent with your state law, then the law will control.

ITEM 18. PUBLIC FIGURES

We use no public figures to promote the franchise.

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 item sets forth certain information regarding the historical transaction prices paid by all transferees who purchased an existing Family Fare store franchise from a franchisee during

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the period from January 1, 2016 to December 31, 2021. The table below sets forth the purchase price paid by the transferee and the number of years remaining on transferor's franchise agreement and lease. The franchises transferred are substantially similar to the franchise offered under the terms of this disclosure document. This data does not represent the initial franchise fees paid by new franchisees nor does it include any information about stores that were not transferred.

Year of Transfer	Purchase Price Paid By Transferee	Remaining Length of Franchise Agreement Term
2016	$21,000	7 years 4 months
2016	$350,000	7 years 1 month
2016	$50,000	7 years
2017	$40,000	6 years 7 months
2017	$110,000	6 years 5 months
2017	$115,000	6 years 5 months
2017	$60,000	6 years 3 months
2017	$110,000	6 years 1 month
2017	$100,000	6 years
2018	$40,000	6 years 10 months
2018	$50,000	6 years 3 months
2018	$50,000	5 years 3 months
2018	$85,000	5 years 1 month
2018	$108,900	5 years 1 month
2018	$35,000	8 years 1 month
2018	$115,000	4 years 11 months
2019*	$38,000	9 years 8 months
2019	$30,000	9 years 10 months
2019	$40,000	7 years 4 months
2019	$12,500	6 years 6 months
2019	$72,000	4 years 10 months
2019**	$180,000	4 years 10 months
2019	$55,000	4 years 8 months
2019	$78,000	4 years 8 months
2019	$55,000	4 years 7 months
2019	$45,000	4 years 7 months
2019	$115,000	3 years 9 months
2020***	$82,500	10 years
2020	$85,000	6 years 9 months
2020	$180,000	3 years 6 months
2020	$67,000	3 years 5 months
2020	$115,000	3 years 3 months
2020	$155,000	3 years 1 month

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Year of Transfer	Purchase Price Paid By Transferee	Remaining Length of Franchise Agreement Term
2020	$35,000	3 years
2020	$110,000	3 years
2020	$110,000	3 years
2021	$160,000	8 years 6 months
2021	$78,000	7 years 5 months
2021	$53,000	7 years
2021	$70,000	6 years 3 months
2021	$110,000	5 years 2 months
2021	$45,000	3 years 11 months
2021	$115,000	2 years 6 months
2021	$80,000	2 years 3 months
2021	$150,000	2 years 2 months
2021	$75,000	2 years 1 month
2021	$80,000	2 years
2021	$105,000	2 years
2021	$150,000	2 years

* In 2019, two franchisees departed the system and did not sell their businesses to a transferee. Instead, a new franchisee took over the existing location and paid us an initial franchise fee. For purposes of Item 20, the change of ownership at these two locations in 2019 is described as two transfers. The payment of the initial franchise fee is not included in this Item 19.

** This purchase price was paid for the transfer of two businesses.

*** In 2020, two franchisees departed the system and did not sell their businesses to a transferee. Instead, a new franchisee took over the existing location and paid us an initial franchise fee. For purposes of Item 20, the change of ownership at these two locations in 2020 is described as two transfers. The payment of the initial franchise fee is not included in this Item 19.

Written substantiation for the financial performance representation will be made available to you upon reasonable request.

Some outlets have sold or earned this amount. Your individual results may differ. There is no assurance you will sell or earn as much.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you

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should report it to our management by contacting our President, DR. M. LEE BARNES, JR., 4220 Neal Road, Durham, NC 27705, 919-309-2925.

ITEM 20. LIST OF OUTLETS AND FRANCHISE INFORMATION

Table 1
Systemwide Outlet Summary
For years 2019, 2020 and 2021

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2019	93	96	+3
	2020	96	101	+5
	2021	101	102	+1
Company Owned	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Total Outlets	**2019**	**93**	**96**	**+3**
	2020	**96**	**101**	**+5**
	2021	**101**	**102**	**+1**

Table 2
Transfers from Franchisees to New Owners (Other than the Franchisor)
For years 2019, 2020 and 2021

STATE	YEAR	NUMBER OF TRANSFERS
North Carolina	2019	12
	2020	10
	2021	13
Virginia	2019	2
	2020	1
	2021	0
Totals	**2019**	**14**
	2020	**11**
	2021	**13**

Table 3
Status of Franchised Outlets
For years 2019, 2020 and 2021

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMI-NATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS-OTHER REASONS	OUTLETS AT END OF YEAR
North Carolina	2019	93	1	0	0	0	0	94
	2020	94	4	0	0	0	0	98
	2021	98	1	0	0	0	0	99
Virginia	2019	0	2	0	0	0	0	2
	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3

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STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMI-NATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS-OTHER REASONS	OUTLETS AT END OF YEAR
Totals	**2019**	**93**	**3**	**0**	**0**	**0**	**0**	**96**
	2020	**96**	**5**	**0**	**0**	**0**	**0**	**101**
	2021	**101**	**1**	**0**	**0**	**0**	**0**	**102**

Table 4
Status of Company-Owned Outlets
For years 2019, 2020 and 2021

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM Franchisee	OUTLETS CLOSED	OUTLETS SOLD TO Franchisee	OUTLETS AT END OF THE YEAR
North Carolina	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
Virginia	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
Totals	**2019**	**0**	**0**	**0**	**0**	**0**	**0**
	2020	**0**	**0**	**0**	**0**	**0**	**0**
	2021	**0**	**0**	**0**	**0**	**0**	**0**

Table 5
Projected Openings as of December 31, 2021
For Year 2022

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR
North Carolina	0	2	0
Virginia	0	0	0
TOTALS	**0**	**2**	**0**

- Among the attached Exhibits you will find:

  - Exhibit B-1 STORE DIRECTORY/Listing of Current Franchisees lists the names of all current franchisees and the addresses and telephone numbers of their outlets as of March 1, 2022.

  - Exhibit B-2 LISTING OF CERTAIN PAST FRANCHISEES lists the name, city, state, and the 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 our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this FDD. If you buy

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this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

- During the last three fiscal years, we have signed confidentiality clauses with some current and former franchisees. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

- There are no trademark-specific franchisee organizations associated with the franchise system being offered which we have created, sponsored, or endorsed.

- There are no independent franchisee organizations that have been asked to be included in this disclosure document.

ITEM 21. FINANCIAL STATEMENTS

Attached as Exhibit C are audited financial statements for the periods ending December 31, 2021, December 31, 2020, and December 31, 2019.

ITEM 22. CONTRACTS

Copy of the following contracts or documents are also attached as Exhibits to the disclosure document:

Exhibit A	Family Fare Franchise Agreement with Exhibits	
	Exhibit 1	Optional Family Fare Franchise System Drug Testing Agreement with Attachment
	Exhibit 2	Owners' Statement
	Exhibit 3	Conditional Assignment and Assumption of Lease
	Exhibit 4	Personal Guaranty
	Exhibit 5	Nondisclosure and Noncompetition Agreement
Exhibit G	Lease	
Exhibit H	Consignment and Commission Agreement	
Exhibit I	Car Wash Addendum	
Exhibit J	Games of Skill Addendum	
Exhibit K	Initial Franchise Fee Promissory Note and Security Agreement	
Exhibit L	Sample General Release Agreement	
Exhibit M	ACH/EFT Transfer Agreement	
Exhibit N	Referral Program Participation Agreement	
Exhibit T	Limited Power of Attorney	
Exhibit U	Statement of Prospective Franchisee	

ITEM 23. RECEIPT

You will find copies of a detachable receipt in Exhibit V at the very end of this disclosure document. Please sign both acknowledging receipt of this disclosure document and return one of them to us.

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EXHIBIT A

FRANCHISE AGREEMENT

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TABLE OF CONTENTS

PAGE

RECITALS 1
1. Grant of Franchise 2
2. Term 3
3. Lease 4
4. Education and Development 6
5. The Franchise Fees 7
6. Design and Appearance 11
7. Inventory 11
8. Supplies 13
9. Merchandising System 15
10. Promotions and Advertising 15
11. Bank Account and Daily Deposits 18
12. Trade Name, Business Address, Identification Numbers and Licenses 19
13. Personnel 22
14. Use and Operation of Store Location 23
15. Franchisee's Conduct of Business 26
16. Taxes and Fees 31
17. Alteration, Maintenance and Repair 31
18. Franchisee's Business-Indemnity 31
19. Insurance 33
20. Termination 34
21. Obligations Upon Termination 41
22. Inventory; Inspections 43
23. Losses 44
24. Covenants Against Unfair Competition 45
25. Financial Statements, Books and Records 48
26. Transfer Provisions 48
27. Guaranty 52
28. Time is of the Essence 52
29. Notice 52
30. Waiver 52
31. Attorneys' Fees 53
32. Confidentiality 53
33. Dispute Resolution; Governing Law, Jurisdiction and Venue 54
34. Risk Factor; Franchisee Representations 56
35. Covenant of Good Faith 60
36. Security Interest 60
37. Miscellaneous 61

Exhibits
Exhibit 1 Optional Family Fare Franchise System Drug Testing Agreement with Attachment
Exhibit 2 Owners' Statement
Exhibit 3 Conditional Assignment and Assumption of Lease
Exhibit 4 Personal Guaranty
Exhibit 5 Nondisclosure and Noncompetition Agreement

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FAMILY FARE
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") made _____("Effective Date"), between FAMILY FARE, LLC, the Franchisor, a North Carolina limited liability company, having an office in Durham, North Carolina (hereinafter "Franchisor" or "Family Fare") and _____, a _____, having a business mailing address at _____ (hereinafter "Franchisee") and the undersigned guarantors ("Guarantors").

RECITALS:

A. Family Fare is engaged in and expended considerable time, money and effort developing a system for operating convenience stores (the "System") known as "Family Fare," which stores engage in the sale of food, Energy (as defined below) and other products to the public. In order to maintain the goodwill associated with the Marks (defined below), all Family Fare stores must operate using the System in accordance with the Brand Standards Manual (defined below), all of which Family Fare may improve, further develop, or otherwise modify from time to time.

B. Family Fare licenses from M. M. FOWLER, INC. ("M. M. Fowler") the right to franchise certain proprietary and property rights in and to the "Family Fare" name, trademarks and service marks, as well as certain other trademarks, service marks, slogans, logos and emblems which are used currently or which may hereafter be designated for use in connection with the operation of a Family Fare convenience store (the "Marks").

C. Family Fare has developed and continues to develop distinguishing characteristics of the System for the operation of the convenience stores, including, among other things, distinctive signs, layout plans, equipment, specifications, purchasing and inventory control methods, merchandising, sales and promotional techniques, installation techniques, personnel education and development, and other matters intended to enable such convenience stores to operate efficiently, ensure uniformity and conformity to operational standards, increase the likelihood of success and promote the maintenance of high standards of quality and service.

D. The products and services offered and sold at authorized Family Fare locations have become well and favorably known to the public, wherein Family Fare has acquired a valuable goodwill.

E. Franchisee desires to obtain a license from Family Fare for use of the Marks and the Family Fare System to establish and operate a single Family Fare store at a location mutually agreed upon by Family Fare and Franchisee and to derive the benefits of Family Fare's experience, know how, methods, advice, guidance and customer goodwill.

F. Franchisee acknowledges that strict adherence to certain uniform standards, procedures and policies as hereafter set forth and agreed is essential to the maintenance of the high standards which the public have come to expect from authorized Family Fare locations.

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, Family Fare and Franchisee agree as follows:

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1. Grant of Franchise.

(a) Grant. Family Fare grants to Franchisee on the terms and conditions contained in this Agreement, and Franchisee accepts from Family Fare, for the term hereof, a nonexclusive, limited right, franchise and license for the term and conditions herein agreed to establish and operate under the Family Fare System a single Family Fare store (the "Store") at _____ (the "Store Location") and to use the Marks in connection with the operation of the Store.

(b) Reserved Rights. The license and franchise granted herein is specific to one Family Fare retail convenience store at one location only. It grants no rights outside the operation of the Store from the Store Location in the manner provided herein, nor does it include any territorial protection against competition. The right, franchise, and license granted herein shall be non-exclusive. Family Fare will not operate or license another party to operate a brick and mortar Family Fare store at the Store Location. Otherwise, there is no restriction or limitation on Family Fare's right to operate or license others to operate businesses under the Family Fare trademark or any other trademarks and no other restriction or limitation on what other business activities may be authorized to occur the Store Location. Family Fare and Family Fare's affiliates reserve any and all rights not expressly granted to Franchisee under this Agreement, and Family Fare and its affiliates will not be restricted in any manner from exercising them nor will Family Fare or its affiliates be required to compensate Franchisee should Family Fare or its affiliates exercise them. This includes but is not limited to, the right, directly or through others and regardless of either (1) proximity to the Store Location or (2) any actual or threatened impact on sales of the Store to:

(i) establish or operate, or permit others to establish or operate, Family Fare stores or otherwise to use the Marks and/or the Family Fare System at any location, including at locations that may compete for customers drawn from the same area as the Store Location;

(ii) offer, sell, and distribute, and grant others the right to offer, sell, and distribute, any products and services, whether or not sold they are also sold or distributed by Family Fare stores or identified by the Marks, through any channel of distribution, whether traditional or nontraditional, on any terms, at any location;

(iii) acquire, establish, or operate, or permit others to acquire, establish, or operate, without using the Marks, any business of any kind at any location, including other convenience stores and including at locations that may compete for customers drawn from the same area as the Store Location; and

(iv) offer and sell, and grant others the right to offer and sell, Energy and any other products and services, at any location, including at the Store Location. This includes the right to modify the premises at the Store Location to permit the sale of products, services, and Energy, i.e., installing or removing equipment at the Store Location. "Energy" shall mean gasoline, kerosene, diesel, liquid propane, electricity, or any other chemical, material, energy, or substance that is now or in the future used to provide the heat or power for transporting people and objects along a roadway.

(c) Commence Operations. Unless otherwise agreed in a writing executed by Family Fare, Franchisee shall commence operating the Store within three (3) months after the execution

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of this Agreement, and shall diligently operate such business in accordance with this Agreement for the Term stated herein. Failure to timely open the Store shall constitute an event of default under the Agreement.

2. Term.

(a) Initial Term. Unless terminated earlier as provided for herein, the Initial term of this Agreement (the "Term" or "Initial Term") and of the right, franchise and license herein granted shall be for a term that commences on the Effective Date the Store was originally franchised to a franchisee and terminates or expires the earliest of (i) the fifth (5th) anniversary of the Effective Date, (ii) the date upon which M. M. Fowler sells, exchanges, or transfers to a non-affiliate the leased or owned real estate where the Store is located, (iii) the date that is, in M.M. Fowler's discretion, up to ninety (90) days prior to the expiration of M. M. Fowler's lease for the real estate in the event M. M. Fowler is subleasing the real estate to Franchisee, or (iv) the date upon which M. M. Fowler sells its non-real estate holdings, defined as disposing of the majority of its operating tangible personal property and business goodwill, or the stockholders of M. M. Fowler elect to sell and transfer all of their capital stock to a non-affiliate if, in either such event, Family Fare elects, in Family Fare's sole discretion, to terminate this Agreement by paying Franchisee a termination payment equal to one (1) month's worth of average monthly net revenue for the Store during the prior twelve (12) months less the Cost of Goods Sold, Continuing Royalties, Sales Tax, and the value of items not subject to Continuing Royalties ("Termination Payment"). Notwithstanding the foregoing, in the event the merchandising, promotions, or pricing standards established by this Agreement are deemed illegal or invalid at any time, Family Fare shall have the right to unilaterally terminate this Agreement.

(b) Unable to Open. Additionally, if Franchisee has completed, to Family Fare's satisfaction, all of the steps necessary to begin operation of Franchisee's store, and (1) the store is not available within ninety (90) days after Franchisee satisfactorily completes training or (2) Franchisee's store does not open for business within one hundred twenty (120) days after the date this Agreement is signed (or, if the store is under construction, within thirty (30) days after construction is completed, if later), then this Agreement will terminate and Family Fare and Franchisee shall be released from all obligations hereunder (except for Franchisee's post-termination obligations and Franchisee's confidentiality and noncompetition obligations) unless the parties agree in writing otherwise. If this Agreement terminates pursuant to this subsection 2(b) through no fault of Franchisee, then upon Franchisee's execution of a release of claims against Family Fare, Family Fare will refund to Franchisee the Initial Franchise Fee, without interest, less any amount Franchisee owes Family Fare.

(c) Additional Term. Upon expiration of the Initial Term, Franchisee will have the right to be granted a renewal of the license for one (1) additional consecutive period of five (5) years from date of expiration on the Initial Term (the "Renewal Term"), provided the following conditions have been met:

(i) Franchisee has given Family Fare written notice of its intent to renew the license not less than four (4) months nor more than six (6) months prior to the expiration of the Initial Term;

(ii) Franchisee is not in default of any of the provisions of this Agreement or any other agreement between Franchisee and Family Fare or an affiliate of Family Fare both at the time Franchisee gives notice of its intent to exercise its rights under the terms of this Section 2(c) and at the commencement of the Renewal Term;

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(iii) All debts and obligations of Franchisee under this Agreement are current;

(iv) Franchisee has not received more than two (2) notices of default during any consecutive twenty-four (24) month period during the Initial Term;

(v) Within thirty (30) days after delivery to Franchisee, Franchisee executes, at Family Fare's election, either (i) an amendment permitting Franchisee to operate under this Agreement and associated lease for the renewal term or (ii) the form of then-current Family Fare Franchise Agreement, including all exhibits and Family Fare's other then-current ancillary agreements, which agreements shall supersede this Agreement in all respects, and the terms and conditions of which may substantially differ from this Agreement and which may include different performance standards or fee structures or increased fees;

(vi) At Family Fare's election, Franchisee either (i) enters into a lease with M. M. Fowler for the Store for a period at least equal to the term of the Franchise Agreement to be executed as provided in Section 2(c)(v) or (ii) executes an amendment to the lease executed with this agreement for the renewal term; and

(vii) Franchisee and its owners and guarantors execute and deliver to Family Fare a general release, in the form prescribed by Family Fare, releasing, to the fullest extent permitted by law, all claims that Franchisee may have against Family Fare and its affiliates and subsidiaries, and their respective officers, directors, shareholders, members, managers, and employees in both their corporate and individual capacities.

(d) Expiration. Renewal of the license after the Initial Term shall not constitute a renewal or extension of this Agreement, but shall be conditioned upon satisfaction of the above provisions and shall, upon expiration of the Initial Term, be governed by the Franchise Agreement then executed by Franchisee. If Franchisee fails to meet any of the conditions under this Section 2 with respect to renewal of the license, then the license shall automatically expire at the end of the Initial Term without notice or action by Family Fare. After the Initial Term, Section 2(c) shall be deemed deleted and of no force and effect as it relates to periods beyond the term immediately following the Initial Term granted to Franchisee or Franchisee's predecessor. Beyond the single renewal term granted as part of the franchise agreement associated with the Initial Term, Franchisee shall have no expectation or right to any further renewal options.

(e) Notice of Expiration. If applicable law requires that Family Fare give Franchisee notice of expiration prior to the expiration of the Initial Term, this Agreement shall be deemed to remain in effect on a month-to-month basis until Family Fare has given to Franchisee that notice of expiration so required and the applicable period required to pass before the notice becomes effective shall have expired.

3. Lease.

(a) Required Lease. Upon the execution of this Agreement Franchisee will simultaneously enter into a written lease with Family Fare's affiliate, M. M. Fowler, for the improvements on the Store Location and certain equipment necessary for operation of the Store, which shall provide, among other things, for a term co-existent with the term of this Agreement and that Franchisee shall duly perform all terms, conditions, covenants and obligations in said lease and not be in breach thereof at any time during the term of this Agreement. The lease shall

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also provide that Franchisee has inspected the Store and accepts the Store "as is." Neither M. M. Fowler nor Family Fare shall make any representations or warranties regarding the condition of the Store except for those specifically contained in the lease.

(b) Compliance with the Lease. Franchisee agrees to comply with all terms and provisions of the lease referred to herein and not cause a breach of the lease. A breach of any provision of the lease with M. M. Fowler shall be grounds for default under this Agreement. Family Fare, through itself or its affiliate, reserves the right, as Family Fare or its affiliate may elect, to install or permit others to install, without limitation, banking or other similar equipment, attended or self-service gasoline pumps, attended or self-service car washes, a photo kiosk, signs or billboards, or telecommunications towers and other telecommunications equipment of any type, equipment for providing or selling Energy, such as electric charging stations or other such devices that may today or in the future propel consumers along a commercial roadway, and to perform installation, maintenance, repair, and operation of the leased and non-leased equipment. Family Fare, through itself or its affiliate, reserves the right to add, remove, modify, and replace any and all equipment at any time for any reason. Franchisee agrees to give Family Fare, its affiliate, and their employees and representatives, and third-party service providers unobstructed non-exclusive rights to enter and exit in connection with these reserved rights. Franchisee agrees to allow Family Fare and its affiliates to remodel the Store at any time, at Family Fare's sole discretion. Franchisee agrees the remodel can involve any capital expenditure and there is no limit on the frequency or magnitude of the remodel. Franchisee acknowledges that a remodel may result in temporary closure of the Store during the remodel. Franchisee agrees that neither M. M. Fowler nor Family Fare will be liable for any loss or damage, including but not limited to lost profits, arising under or related to closure of the Store in the event of remodeling. For any period of closure resulting from a remodel, Franchisee will not (i) pay rent or (ii) pay any portion of a lottery system rental fee. Except for the foregoing exceptions, closures resulting from remodeling will not modify, alter, reduce, or terminate this Agreement or Franchisee's lease or relieve Franchisee of any of its obligations contained therein.

Franchisee may not remodel the Store Location without Family Fare's prior written consent. Franchisee must use all equipment currently in the Store Location, as modified, removed, or added to from time to time by Family Fare.

(c) DISCLAIMER OF WARRANTIES. FRANCHISEE AGREES TO TAKE ALL OF THE STORE AND FAMILY FARE EQUIPMENT LEASED UNDER THIS AGREEMENT IN AS-IS CONDITION, WITH ALL FAULTS AND DEFECTS, SUBJECT TO THE LEASE, IF ANY, AND ALL DOCUMENTS OF RECORD AFFECTING THE STORE AND THE FAMILY FARE EQUIPMENT. FAMILY FARE MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE STORE AND THE FAMILY FARE EQUIPMENT, INCLUDING WARRANTIES OF HABITABILITY, MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, NON-DISTURBANCE, INTERFERENCE OR INFRINGEMENT.

(d) Conditional Assignment and Assumption of Lease. Franchisee shall enter into Family Fare's then-current form of Conditional Assignment and Assumption of Lease agreement, attached hereto as Exhibit 3 and incorporated by reference, which grants Family Fare a security interest in the lease and other assets and grants Family Fare other remedies that it may exercise upon Franchisee's default under the lease or this Agreement.

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4. Education and Development.

Prior to the opening of the Store, Family Fare will educate and train Franchisee in the Family Fare System by providing an educational and development program at a location designated by Family Fare which shall be attended by Franchisee's Operating Principal (as defined below) and management as Family Fare may reasonably designate. Franchisee acknowledges that there is a fee for the initial educational and developmental training program which is included in the Initial Franchise Fee (defined below) and agrees to be responsible for all expenses incurred by such persons in connection with training, including, without limitation, all cost of travel, lodging, meals and wages.

From time to time after the opening of the Store Location, Family Fare may, at its option, provide additional educational and development programs to Franchisee and Franchisee agrees to attend and to cause the Operating Principal, the Owners, and other management employees of Franchisee to attend.

Franchisee agrees that Family Fare is not obligated to provide any training or assistance to Franchisee's particular level of satisfaction, but as a function of Family Fare's experience, knowledge and judgment. Franchisee also acknowledges that Family Fare is not obligated to provide any services to Franchisee that are not set forth in this Agreement. If Franchisee believes Family Fare has failed to adequately provide any pre-opening services to Franchisee, the Operating Principal, or to Franchisee's management employees, whether with respect to any matter affecting the establishment of Franchisee's Store, Franchisee shall notify Family Fare in writing within thirty (30) days following the opening of Franchisee's Store or Franchisee will be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by Family Fare were sufficient and satisfactory in Franchisee's judgment, and complied with all representations made to Franchisee.

Family Fare may, in its sole discretion, convene meetings of franchisees as it considers necessary or appropriate, in its sole discretion.

During the Initial Term of the Agreement, Family Fare may choose, but is not obligated, to give Franchisee guidance, advice, operating assistance, and additional training. Family Fare shall not be liable to Franchisee or any other person, and Franchisee waives all claims for liability or damages of any type (whether direct, indirect, incidental, consequential, or exemplary) on account of any guidance or operating assistance offered by Family Fare. If Franchisee requests advice, information, or assistance at a level greater than what is provided to other franchisees, Family Fare reserves the right to charge Franchisee Family Fare's then-current training fee. Family Fare reserves the right to assess a training fee or attendance fee for any conferences, conventions, or other training Family Fare or its approved suppliers provide.

FRANCHISEE AGREES THAT FAMILY FARE IS NOT OBLIGATED TO PROVIDE ANY TRAINING OR ASSISTANCE TO FRANCHISEE'S PARTICULAR LEVEL OF SATISFACTION, BUT AS A FUNCTION OF FAMILY FARE'S EXPERIENCE, KNOWLEDGE AND JUDGMENT. FRANCHISEE ALSO ACKNOWLEDGES THAT FAMILY FARE IS NOT OBLIGATED TO PROVIDE ANY SERVICES TO FRANCHISEE THAT ARE NOT SET FORTH IN THIS AGREEMENT. IF FRANCHISEE BELIEVES FAMILY FARE HAS FAILED TO ADEQUATELY PROVIDE ANY PREOPENING SERVICES TO FRANCHISEE OR TO FRANCHISEE'S EMPLOYEES, WHETHER WITH RESPECT TO SELECTION AND PURCHASE OF EQUIPMENT AND SUPPLIES, TRAINING, OR ANY OTHER MATTER AFFECTING THE ESTABLISHMENT OF FRANCHISEE'S STORE, FRANCHISEE MUST NOTIFY FAMILY FARE

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IN WRITING WITHIN THIRTY (30) DAYS FOLLOWING THE OPENING OF FRANCHISEE'S STORE OR FRANCHISEE WILL BE DEEMED TO CONCLUSIVELY ACKNOWLEDGE THAT ALL PRE-OPENING AND OPENING SERVICES REQUIRED TO BE PROVIDED BY FAMILY FARE WERE SUFFICIENT AND SATISFACTORY IN FRANCHISEE'S JUDGMENT, AND COMPLIANT WITH ALL REPRESENTATIONS MADE TO FRANCHISEE. IF FRANCHISEE FAILS TO SO NOTIFY FAMILY FARE, FRANCHISEE WILL BE DEEMED TO HAVE WAIVED ALL CLAIMS RELATING TO OR ARISING FROM FAMILY FARE'S OBLIGATIONS TO PROVIDE PRE-OPENING ASSISTANCE.

5. The Franchise Fees.

(a) Initial Franchise Fee. Franchisee shall pay Family Fare an initial franchise fee in the amount equal to the greater of Ten Thousand Dollars ($10,000) or the amount Franchisee bids through the sealed bid process for the Store ("Initial Franchise Fee"), which Initial Franchise Fee shall be paid upon execution of this Agreement.

(b) Further Investment. On the date of this Agreement, Franchisee shall have a sufficient investment in the business to provide necessary working capital to operate and conduct its business and to meet all business obligations, including, but not limited to, payroll and its associated expenses, worker's compensation insurance, general liability insurance and other operating expenses. For the avoidance of doubt, unless a cost, expense, or fee is expressly to be borne by Family Fare or its affiliate(s) pursuant to the terms of an agreement between Franchisee and Family Fare or between Franchisee and Family Fare's affiliate(s), respectively, Franchisee is responsible for paying all the costs, expenses, and fees associated with operating the Store.

(c) Continuing Royalty. As a continuing franchise fee, Family Fare shall receive a portion of the Gross Profit (defined below) in accordance with the following schedule ("Continuing Royalty"):

(i) Under the standard franchise program, the final retail prices Franchisee selects is at Franchisee's sole discretion. Family Fare shall receive a "Standard Continuing Royalty" of Fifty Six Percent (56%) of Franchisee's Gross Profit; or

(ii) If Franchisee elects to participate in the Price Book Option (defined below) or the Promotional Program (defined below), but not both, then Family Fare shall receive a reduced Continuing Royalty of Fifty Three Percent (53%) of Franchisee's Gross Profit ("Family Fare Option A") in lieu of the Standard Continuing Royalty provided for in Section 5(c)(i) above; or

(iii) If Franchisee fully participates in both the Promotional Program (defined below) and the Price Book Option (defined below), then Family Fare shall receive a reduced Continuing Royalty equal to Fifty Percent (50%) of Franchisee's Gross Profit ("Family Fare Option B") in lieu of the Standard Continuing Royalty provided for in Section 5(c)(i) above.

(d) Change in Continuing Royalty: Up to three (3) times during a twelve (12) month period, Franchisee may change between the Standard Continuing Royalty, Family Fare Option A, and Family Fare Option B with thirty (30) days prior written notice. The change will be implemented at the beginning of the calendar month following the notice period. The Continuing Royalty accrues daily, but is charged to Franchisee once a month following settlement of

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Franchisee's monthly account. At Family Fare's election, Franchisee shall either (i) directly remit to Family Fare on a monthly basis the Continuing Royalty owed for the previous month, (ii) instruct M. M. Fowler to remit the Continuing Royalty to Family Fare on Franchisee's behalf, or (iii) authorize Family Fare to withdraw the Continuing Royalty directly from the Franchisee's Bank Account.

(e) Cash and Safe Fund. Franchisee shall pay Family Fare a cash and safe fund for purposes of making change, which amount shall be paid upon execution of this Agreement.

(f) Goods and Services. If Family Fare or any of its affiliates is the supplier of any goods and services used in or sold from the Store, Franchisee agrees to pay to Family Fare or any of its affiliates the fees, costs, and expenses that Family Fare or any of its affiliates may charge for the goods and services. The goods and services Family Fare or any of its affiliates supply may change from time to time.

(g) EBT Transaction Fees. As described in Section 7(c), Franchisee shall participate in the SNAP and EBT programs (defined below). Family Fare shall establish the amount of EBT transaction fees that Franchisee is responsible to pay and Franchisee agrees to pay them. The amount that Family Fare establishes that Franchisee must pay may be up to one hundred percent (100%) of the EBT transaction fees.

(h) Service Fees. If Franchisee asks Family Fare to make any changes to this Agreement or perform any services related to the Agreement that Family Fare is not required to perform and Family Fare agrees to perform the services, Family Fare may charge Franchisee an additional fee and the attorneys fees Family Fare incurs to perform the service.

(i) Additional Training Fees. If Franchisee requests any additional training from Family Fare, Family Fare shall have the right to require Franchisee to pay its then-current additional training fee. Franchisee remains responsible for paying for its and its employees' lodging, transportation, wages, and food expenses incurred for additional training.

(j) Third Party Vendor Charges. Family Fare reserves the right to have vendors bill it or an affiliate for goods and services that benefit the system of Family Fare franchisees. Franchisee agrees to pay Family Fare its pro rata share of these goods and services costs and fees.

(k) Delinquent Payments. If Franchisee is delinquent in the payment of any obligation to Family Fare, its subsidiaries, affiliates or designees, then Family Fare (or such subsidiaries, affiliates or designees), will have the right to apply any payment from Franchisee to any obligation due, including the oldest obligation due, whether under this Agreement or otherwise, notwithstanding any contrary designation by Franchisee as to such application.

(l) Franchisee's Absolute Obligation to Pay. Franchisee's obligation to pay Family Fare the fees required hereunder will be absolute and unconditional. Franchisee will not, for any reason, withhold payment of the Continuing Royalty Fees or any other fees or payments due Family Fare under this Agreement or any other agreement. Franchisee will not have the right to "offset" any liquidated or unliquidated amounts allegedly due to Franchisee from Family Fare against the Continuing Royalty or any other payments due to Family Fare under this Agreement or any other agreement. Franchisee must pay timely and in full all fees due under this Agreement regardless of any claims that Franchisee may allege against Family Fare. Except as noted above with respect to the Initial Franchise Fee, no fees paid by Franchisee hereunder are refundable

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under any circumstances. In the event the Promotional Program is discontinued for any reason or the validity challenged, at Family Fare's option, Family Fare may unilaterally amend the Agreement to increase the Family Fare Charge by Three Percent (3%) for the remainder of the Term.

(m) Certain Definitions.

(i) "Gross Profit" means Gross Sales less the Cost of Goods Sold.

(ii) "Gross Sales" means the total sales that Franchisee derives from the sale of Core Products at Franchisee's Family Fare franchise, whether from sales for cash or credit and regardless of the collection thereof. "Gross Sales" does not include sales taxes or sales to other franchisees. Additionally, "Gross Sales" does not include the revenue generated from the sale of Other Products and Services.

(iii) "Core Products" means the food, beverage, and non-food merchandise and inventory, other than Other Products and Services, that are designated and identified as Core Products by Family Fare and consigned to Franchisee through the Commissary, including but not limited to the food, beverage, and non-food merchandise and inventory for which Franchisee has some discretion in selecting pursuant to the terms of this Agreement. The sale of Core Products is subject to the Continuing Royalty. Family Fare may add, delete, and/or otherwise modify the list of Core Products at any time in Family Fare's absolute discretion.

(iv) "Other Products and Services" are products and services, other than the Core Products, that Family Fare permits to be offered and sold at the Store. Unless a good or service is otherwise designated by Family Fare to be a Core Product, "Other Products and Services" includes but is not limited to (i) products and services for which Family Fare or M.M. Fowler receive a commission from a third party, (ii) products and services that are both provided by and transacted by machines or equipment, (iii) Energy, (iv) goods and services sold by other tenants of the leased premises, and (v) other goods and services that Family Fare may designate from time to time. As of the date of this Agreement, Other Products and Services include financial services offered by automated teller machines, air dispensing services, items sold from vending machines, lottery tickets, car wash services, games, and Energy. The sale of Other Products and Services are not subject to the Continuing Royalty as all of the revenue from Other Products and Services belongs to Family Fare.

(v) "Cost of Goods Sold" means the cost of all inventory and merchandise sold by Franchisee's Family Fare store and the cost of all supplies consigned to Franchisee from the Commissary.

(vi) Inventory shortages or overages for an audit period that are Two Percent (2%) or less of the Gross Sales subject to the Continuing Royalty ("Inventory True-Up Percentage") will be calculated in the Cost of Goods Sold. In the event of inventory shortages for an audit period exceeding the Inventory True-Up Percentage of the Gross Sales subject to the Continuing Royalty, Franchisee will be required to pay the amount that exceeds the Inventory True-Up Percentage to Family Fare or its affiliate. In the event of inventory overages for an audit period exceeding the Inventory True-Up Percentage of the Gross Sales subject to the Continuing Royalty, Family Fare or its affiliate will pay Franchisee this overage up to the inventory shortage Franchisee paid over the Inventory

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True-Up Percentage the prior audit period or can be used to offset a shortage greater than the Inventory True-Up Percentage the following audit period. In the event of shortages in cash or Other Products and Services and other items included in M. M. Fowler's Revenue and not subject to the Continuing Royalty, Franchisee will be required to pay the shortage amount to M. M. Fowler in the manner set forth in the Consignment and Commission Agreement. As provided for in the Consignment and Commission Agreement between Franchisee and M. M. Fowler, M. M. Fowler has the right to offset against any amounts owed to Franchisee with amounts Franchisee owes to Family Fare or Family Fare's affiliates.

(vii) "Price Book Option" is an optional program offered by Family Fare whereby Family Fare provides suggested retail prices for inventory and merchandise items. Participation in such program requires Franchisee to sell such items at the suggested retail prices. The final retail prices Franchisee selects is at Franchisee's sole discretion. To be eligible for the most favorable Family Fare Option B, Franchisee must participate in the Price Book Option by Family Fare offered under the then-current Price Book Program.

(viii) "Promotions Program" is an optional promotional program designed to promote sales at Family Fare stores. While Franchisee may always participate in the promotional programs offered by Family Fare, to be eligible for the most favorable Family Fare Option B, Franchisee must participate in all promotions by Family Fare offered under the program. Franchisee's right and choice to participate in the Family Fare Promotions Program is at Franchisee's sole discretion. However, as detailed further in Section 10(a), there are certain Mandatory Promotions that Franchisee must participate in that will not be considered an election to participate in the Promotions Program.

(n) Fines; Adjustments to Royalties. For each instance where Franchisee fails to obtain prior written approval for advertisements, sells unauthorized food or merchandise, fails to use designated vendors, fails to attend required training or Family Fare-sponsored conventions, breaches Franchisee's obligations under this Agreement, or otherwise fails to follow system standards and requirements, or violates the Family Fare Code of Values, Family Fare shall, at Family Fare's option, have the right to levy a fine of up to One Thousand Dollars ($1,000) per occurrence plus attorneys' fees related to providing notice of and collecting the fine. Additionally, at any time Family Fare determines the premises fails to meet Family Fare's standards, Family Fare can charge a premises cleaning fee of up to Seven Hundred Fifty Dollars ($750) per occurrence. Alternatively, in the case of failure to attend required training or Family Fare sponsored conventions, the Continuing Royalty paid to Family Fare for the balance of the calendar year shall increase by one percent (1%). The imposition of a fine pursuant to this paragraph shall not act as a waiver of any of Family Fare's other remedies under this Agreement. Furthermore, Family Fare shall have the right to collect any such fines by means of electronic funds transfer. Further, in the event the merchandising, promotions, or pricing standards established by this Agreement are deemed illegal or invalid at any time, Family Fare shall have the right to unilaterally increase the Standard Continuing Royalty by Three Percent (3%) for the balance of the term of this Agreement. Failure to follow Family Fare's instructions regarding advertising materials will result in fines. Imposition of these fines will in no way waive Family Fare's right to consider Franchisee's use of prohibited advertising or other breach of this Agreement as a default-triggering event.

(o) Interest on Late Payments. All amounts which Franchisee owes to Family Fare or its affiliates will bear interest automatically and without notice from Family Fare or its affiliates after their due date at the annual rate of eighteen percent (18%) or the highest contract rate of

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interest permitted by law, whichever is less. Franchisee acknowledges that Family Fare does not agree to accept any payments after they are due nor commits to extend credit to, or otherwise finance Franchisee's operation of the Store. Franchisee's failure to pay all amounts when due constitutes grounds for termination of this Agreement.

(p) Inflation Adjustment. Family Fare and its affiliates reserve the right to increase the amount of any fee provided for hereunder due Family Fare or an affiliate under this Agreement or a related agreement ("Inflation Adjustment"). An Inflation Adjustment shall be in relation to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor, the cost-of-living-adjustment ("COLA") using the COLA factors determined by the United States Department of Labor, or such other measure determined reliable by Family Fare. Family Fare will notify Franchisee of the amount or percentage adjustment thirty (30) days prior to their effective date.

6. Design and Appearance.

The design and appearance of both the exterior and interior of the Store Location building is part of the Family Fare indicia, subject to modification from time to time by Family Fare at Family Fare's sole discretion, and is an essential component of the Family Fare brand and System. Accordingly, Franchisee agrees that:

(a) No Changes Without Permission. Franchisee will make no change, addition or alteration of any kind to the structural elements, fixtures, signage or decor of the Store Location building or to adjacent areas without prior written consent of Family Fare.

(b) Fixtures and Equipment. Franchisee will only use the fixtures and equipment (including Computer Systems (as defined in Section 8(d)) and signs as provided, or otherwise approved by Family Fare, and will not change or alter the locations of the equipment and fixtures without the express written approval of Family Fare.

(c) Technology Changes. Franchisee acknowledges and agrees that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Family Fare shall have the right to establish new standards for the implementation of technology and Computer Systems in the System; and Franchisee agrees that it will abide by those new standards established by Family Fare, at Franchisee's sole cost and expense. Franchisee may be required to pay additional or increased fees to Family Fare, its affiliates, or third-party vendors, as a result of these changes to technology and Computer Systems.

(d) Other Restrictions. Without Family Fare's prior written consent, Franchisee shall not install or permit at the Store Location unauthorized vending machines, newspaper or magazine racks, games, rides, amusement devices, juke boxes, whether or not coin operated, nor any unapproved music systems or other entertainment systems or activities. Music cannot be played in the Store for any reason without Family Fare's prior written consent.

7. Inventory.

(a) Consigned Inventory. Family Fare or its affiliate, M. M. Fowler ("Commissary"), shall deliver upon consignment to the Store Location prior to opening an initial inventory adequate to provide customers with a type, quantity, quality and variety consistent with the Family Fare

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merchandising program and thereafter replenish such inventory as required from time to time at the discretion and direction of the Commissary.

(b) Restrictions on Inventory. Except as otherwise provided in this Agreement, to assure the uniformity of Family Fare stores and quality of store merchandise offered for sale and consumption to Family Fare customers, Franchisee agrees to sell only merchandise consigned to Franchisee by the Commissary sourced from approved vendors. Franchisee must maintain in the store at all times a reasonable and representative quantity of all products Family Fare designates as proprietary products and quantities of inventory that align with the Merchandising System (defined in Section 9).

(c) SNAP and EBT. At all times during the Term of this Agreement, Franchisee's store must be and remain at all times an authorized Supplemental Nutrition Assistance Program ("SNAP") retailer and must participate in the program using Electronic Benefits Transfer ("EBT") system equipment and transaction services. If at any time Franchisee's store is or becomes ineligible, for any reason, to participate in SNAP or to accept EBT payments, Franchisee will be in default of this Agreement.

(d) Franchisee Selected Inventory. Notwithstanding (b) above, provided the merchandise or vendor does not reflect negatively on the Family Fare brand or System, that Family Fare approves of the vendor, and provided that Franchisee at all times complies with SNAP and EBT requirements as required in (c) above, Franchisee may select a vendor of its choice as the source for the below products which Franchisee will resale:

(i) Bread, fruit and produce; and

(ii) Merchandise for resale in the gondola space as provided under Section 9(a).

These selected products shall be consigned to Franchisee in the same manner as the other Core Products. Franchisee shall deliver to the Commissary the cost and retail selling prices of such merchandise selected pursuant to this Section 7(d) to be entered into Franchisee's Price Book and accounted for in the Family Fare System in order to accurately account for Gross Profit. Upon receipt of a proper invoice from the vendor in the form and in the manner as prescribed by Commissary from time to time, Commissary shall accept and pay such invoice.

(e) Approval for Inventory. If Franchisee desires to offer for resale other merchandise or products not historically consigned by the Commissary or as allowed under (d) above, Franchisee must first submit and obtain Family Fare's approval in the manner as then-currently prescribed by Family Fare. If approved by Family Fare, Franchisee shall deliver to the Commissary the cost and retail selling prices of such approved merchandise to be entered into Franchisee's Price Book and accounted for in the Family Fare System in order to accurately account for Gross Profit. Upon receipt of a proper invoice from the vendor in the form and in the manner as prescribed by the Commissary from time to time, the Commissary shall accept and pay such invoice and the merchandise and products will be consigned to Franchisee as with other Core Products. Any such merchandise or products must be provided by vendors who meet Family Fare's credit terms and other conditions to be considered for approval.

(f) Prices. Family Fare agrees to provide Franchisee suggested retail selling prices (the "Price Book"). The retail selling prices of Store merchandise shall be in the sole discretion of

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Franchisee and Franchisee is not required to sell any merchandise at prices suggested by Family Fare, unless Franchisee elects to participate in the Price Book Option as described above.

(g) Supplier Relationships. Franchisee acknowledges and agrees that: (i) monies, benefits or other remuneration that Family Fare or its affiliates receive in connection with Franchisee's sale or purchase of any supplies, goods, or services is fair and appropriate compensation to Family Fare or its affiliates in connection with Family Fare's active efforts to evaluate supplies, goods, services, vendors and suppliers, ongoing efforts to monitor and evaluate whether if such supplies, goods, services, vendors and suppliers continue to meet their requirements for supplies, goods, services, vendors and suppliers, Family Fare's administration of the System and merchandising program, and Family Fare's activities to continue to improve and enhance the Family Fare System; and (ii) such monies or remuneration are fully earned by Family Fare or its affiliates. Family Fare and its affiliates may retain all revenue and other remuneration they receive from suppliers and vendors without restriction. Family Fare or its affiliates, in their sole discretion, may concentrate purchases with one or more suppliers or vendors to obtain lower prices, advertising support and/or services for the benefit of Family Fare, its affiliates, and the stores, or for any other reason that Family Fare deems appropriate. Family Fare may establish supply facilities or servicing capabilities owned by Family Fare or its affiliates and may designate them as approved suppliers and vendors.

(h) Inventory Audit. Franchisee agrees that Family Fare and its affiliates, or their representatives and designees, shall have the right, but not the obligation, to audit the inventory at the Store Location at any time and shall have the right to charge Franchisee an audit fee for any fifth or subsequent inventory audit in a calendar year.

(i) Inventory Changes. The goods and services Franchisee is permitted to sell at the Store may change from time to time in Family Fare's sole discretion and in accordance with the Merchandising System described in Section 9 below. Franchisee shall comply with the changes made by Family Fare.

8. Supplies and Computer Systems.

(a) Obtaining Supplies. Franchisee is solely responsible for ordering from the Commissary the supplies it needs to operate the Store and for having such items consigned to it.

(b) Required Supplies. As to items customarily sold in standardized containers such as fountain beverages, frozen carbonated beverages, and prepared coffee, Franchisee shall use only standardized containers which conform to the type, style, quality and, where deemed appropriate by Family Fare, bear the distinctive identification designated by Family Fare. Franchisee agrees that it will use only those designated standardized supplies and materials in the operation of the Store as Family Fare shall have specifically designated or approved. Franchisee may be required to receive on consignment from Family Fare or the Commissary certain supplies and products that involve trade secrets, or that have been specially prepared by Family Fare or at Family Fare's direction, or that Family Fare considers integral to the system. Family Fare may designate one or more designated suppliers, which may be Family Fare or an affiliate, for any services, products, equipment, or supplies used in the operation of the Store from time to time, in which event Franchisee must purchase or receive on consignment every item exclusively from the designated supplier. If Franchisee requests that Family Fare evaluate a good, service, or supplier that has not been previously approved by Family Fare, Franchisee agrees to provide Family Fare with the information Family Fare requests and to pay a fee to Family Fare for the review.

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(c) Supplier Relationships. Family Fare or its affiliates may receive payments, rebates, or other compensation from suppliers on account of the suppliers' dealings with Family Fare, Franchisee, or other stores in the system, and Family Fare may alter, modify or create new relationships in which they receive payments, rebates, or other compensation, or for such other reasons as Family Fare in its sole discretion deems appropriate, at any time in the future. Franchisee has no right to, claim, or interest in any such payments, rebates, and compensation. Family Fare and its affiliates may use any amounts received from suppliers for any purpose that Family Fare and its affiliates deem appropriate.

(d) Computer Systems. Family Fare has the right to require Franchisee to purchase or lease, and thereafter maintain, Computer Systems for use in operating the Store. "Computer Systems" means any computer systems, hardware (including cash registers, mobile devices and tablets), software, communications equipment, electronics, point of sale systems, self-checkout systems, transaction systems, automated systems, applications, and technologies. These purchase or lease requirements may be in addition to the equipment and Computer Systems leased to Franchisee by Family Fare or its affiliate. All Computer Systems must meet Family Fare's standards and specifications. Franchisee's use of the Computer Systems must comply with Family Fare's brand standards. Family Fare's requirements for the Computer Systems will be updated from time to time as deemed necessary by Family Fare in accordance with changing technology and industry standards. Franchisee must periodically update, as required by Family Fare and/or the Computer Systems' manufacturers or vendors, all Computer Systems solely at the Franchisee's expense, which may include the purchase or lease of new Computer Systems. Franchisee must disclose to Family Fare all passwords or codes associated with the Computer Systems. Family Fare and its affiliates may develop proprietary or non-proprietary Computer Systems and may require that Franchisee enter into a license agreement with Family Fare or its affiliates for the Computer Systems. Additional fees may be required with the terms of the license agreement. Initially Franchisee shall be required to purchase a time clock, tablet computer, and cell phone that meet family Fare's standards and specifications. Franchisee acknowledges and agrees that Family Fare shall have no responsibility under any circumstances for any malfunction or "crash" of any Computer System provided by or approved by Family Fare or its affiliates, including, but not limited to, for any data lost as a result of such malfunction or "crash." Family Fare shall have unlimited, independent access to all information and data produced by or otherwise located on any of Franchisee's Computer Systems. Franchisee agrees to hold Family Fare and its affiliates, its or their agents and assigns, harmless with regards to any damages that may occur to the Computer Systems and the data contained on them as a result of Family Fare's access to the data. From time to time, Family Fare or Family Fare's affiliate may provide the Store with certain Computer Systems. Franchisee must comply with Family Fare's instructions regarding Computer Systems, regardless of Franchisee's or Family Fare's ownership of such.

(e) Payment Types. Franchisee shall comply with Family Fare's brand standards for the type of payments accepted at the store and the Computer Systems used in the transactions. Payment types may include various currencies, credit cards, charge cards, loyalty program benefits, gift cards, gift certificates, government assistance payments, coupons, and other types of electronic payment methods. Franchisee shall fully honor all payment types that are in the form provided or approved by Family Fare. If applicable, Franchisee shall sell, issue, and redeem gift cards and gift certificates and participate in loyalty and coupon programs in accordance with procedures and policies specified by Family Fare in the Brand Standards Manual. Franchisee agrees to use such credit card processing services approved by Family Fare and, if Family Fare so designates, to purchase and maintain, at Franchisee's expense, any equipment necessary to permit such credit card processing functionality. Notwithstanding the credit card processing

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requirement, Family Fare does not represent, nor does it certify or warrant, to Franchisee or Franchisee's customers that the credit card processing service approved by Family Fare is compliant whether or not certified as such, with the then-current Payment Card Industry Data Security Standard of the PCI Security Standards Council. Franchisee may be required to provide free or discounted items or other free or discounted products or services as a result of a loyalty program. Family Fare is not required to reimburse Franchisee for Franchisee's costs and expenses incurred as a result of participation in a loyalty program.

9. Merchandising System.

(a) Merchandising System. Family Fare offers a merchandising system for the display and configuration of store merchandise and products offered for sale to ensure uniformity and conformity standards (the "Merchandising System"). The Merchandising System includes all aspects of retail operations, including, but not limited to, how the inventory is displayed, inventory selection, inventory quantities, inventory placement, and selection of suppliers. To ensure such uniformity and conformity of the Family Fare brand and System, Franchisee shall at all times conform to the Merchandising System, as amended and modified from time to time by Family Fare, except as provided in Section 9(a)(i) below, and all space not provided for in the following exceptions must be allocated to merchandise as Family Fare specifies:

(i) Provided the merchandise or vendor does not reflect negatively on the Family Fare brand or System, and each is approved by Family Fare, Franchisee will be allowed to sell merchandise within thirty-two (32) linear feet of floor gondola space within the Store Location to be assigned and designated by Family Fare, and the merchandise offered for sale within such area will be in the sole and absolute discretion of the Franchisee; and

(b) Lottery. Family Fare may require Franchisee to offer for sale at the Store such products available from any relevant state lottery. Sales from lottery products will not be included in Gross Sales or counted in determining Gross Profit. Franchisee shall pay Fifty Percent (50%) of any rental fee charged by the state or a servicing entity required to operate the lottery, and M.M. Fowler will pay the remaining Fifty Percent (50%). Franchisee shall accept only cash in the sale of lottery tickets. Any transaction utilizing any other payment method is subject to a fee to Family Fare or M.M. Fowler of One Hundred Dollars ($100) and revocation of any commission that would have been due to Franchisee had the payment not been improper. Notwithstanding the foregoing, if Family Fare or M.M. Fowler receives an award for selling a winning ticket, Family Fare or M.M. Fowler is not obligated to share the proceeds with Franchisee.

10. Promotions and Advertising.

(a) Promotion Program. From time to time Family Fare may offer Franchisee the opportunity to participate in merchandise promotions of selected products ("Promotion Program"). Franchisee will have the option to accept or decline participation in any particular Promotion Program. Nevertheless, Family Fare reserves the right to mandate some promotions in which Franchisee must participate, regardless of whether Franchisee has elected to participate in the Promotion Program ("Mandatory Promotions"). Mandatory Promotions may include promotional pricing or loyalty programs that Franchisee must comply with. Participation in the Mandatory Promotions will not be considered an election to participate in the Promotion Program.

(b) Cooperative or Competitive Development Agreements. Family Fare has developed a favorable reputation for expertise in vendor relations and Franchisee acknowledges

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that certain vendors may engage in cooperative or competitive development agreements with Family Fare or its affiliates. Franchisee acknowledges that this may result in a direct payment to Family Fare or its affiliates for conducting certain marketing and administrative operations, and Franchisee agrees that it has no interest in any portion of this consideration and will receive no compensation from the vendor or Family Fare or its affiliates if engaged in cooperative or competitive development agreements. Franchisee acknowledges that Family Fare and its affiliates make no guaranty, warranty, or promise that cooperative or competitive development agreements will benefit Franchisee. Franchisee acknowledges that cooperative and/or competitive development agreements may increase the Cost of Goods Sold and reduce the Gross Profit.

(c) Advertising by Family Fare. Family Fare, at its own expense, may, at its sole discretion, advertise the Family Fare brand and System in any way it deems appropriate. However, Family Fare has no obligation to engage in any marketing activities. Franchisee acknowledges that such advertising and marketing is designed to increase recognition of the Family Fare brand and to further the public image and acceptance of the Family Fare System, and that Family Fare does not undertake any obligation to ensure that its expenditures will benefit Franchisee directly or in proportion to other franchisees. Family Fare may from time to time offer to Franchisee such approved advertising and promotional plans and materials as Family Fare deems advisable. Family Fare expressly disclaims and Franchisee hereby acknowledges that Franchisee has not received or relied upon any warranty regarding the success of any advertising and/or promotional plans or materials recommended by Family Fare for use by Franchisee. Further, Franchisee acknowledges and agrees that all advertising and promotional plans and materials created in whole or in part by Family Fare are and remain the exclusive property of Family Fare. Family Fare shall have the right to include the promotion of available franchises in all marketing and advertising materials, including, but not limited to, signage in Store, table tents, print media, and TV or radio spots.

(d) Franchisee Advertising. Franchisee shall have the right to conduct, at its separate expense, supplemental advertising. Franchisee shall at all times adhere to Family Fare's then current branding standards, including the font and presentation of the Marks. Family Fare's prior approval of advertising consistent with the branding standards is not required. Notwithstanding, upon receipt of written notice from Family Fare, Franchisee shall not use, and shall cease using, any advertising or promotional materials that Family Fare may at any time disapprove, regardless of whether any such items had been previously approved by Family Fare in the past.

(e) Ownership. Family Fare shall be the sole and exclusive owner of all materials and rights which result from advertising and marketing related to the System, whether produced and conducted by Franchisee, another franchisee, Family Fare, or Family Fare's affiliate. Any participation by Franchisee in any advertising, whether by monetary contribution or otherwise, shall not vest Franchisee with any rights in the Marks employed in such advertising or in any tangible or intangible materials or rights, including, copyrights, generated by such advertising. If requested by Family Fare, Franchisee shall assign to Family Fare any contractual rights or copyright it acquires in any advertising.

(f) Online Presence. Franchisee will not, directly or indirectly, establish or operate an Online Presence that in any way concerns, discusses or alludes to the Family Fare, the System or the Store without Family Fare's written consent, which Family Fare is not obligated to provide. An "Online Presence" includes (1) a website, other webpages, URLs, or domain names, (2) accounts, pages, or profiles on social media sites, social networking sites, news sites and groups, online, internet, or digital directories, video, photography, audio, and messaging services, blogs,

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or forums, (3) e-commerce sites or accounts, (4) digital or online advertising and marketing content and services, (5) mobile applications, (6) virtual reality platforms, (7) identifiers of an Online Presence, or (8) a presence on any other type of online, internet, or digital tool, good, or service that may be developed. Further, the Marks may not be used as part of, in conjunction with, to establish or to operate any Online Presence or email address, unless specifically approved by the Family Fare, which approval Family Fare is not obligated to provide. Franchisee will not post, and will take such steps as necessary to ensure that its employees do not post, any information to an Online Presence relating to the Family Fare, the System, the Marks, or the Store that (a) does not comply with the Family Fare's then-current brand, social media, or Online Presence guidelines described in the Brand Standards Manual, (b) is derogatory, disparaging, or critical of the Family Fare, the System or the Marks, (c) is offensive, inflammatory or indecent, or (d) harms the goodwill and/or public image of the System and/or the Marks. Franchisee shall not establish or permit or aid anyone else to establish any links to any Online Presence which Family Fare Family Fare may create. Franchisee specifically acknowledges and agrees that any Online Presence will be deemed "advertising" under this Agreement, and will be subject to (among other things) Family Fare's approval under this Agreement. Family Fare alone has the right, but not the obligation, to establish, maintain, modify or discontinue all internet and electronic commerce activities pertaining to the System, including through any Online Presence. Family Fare shall not be liable for downtime that may occur to any such Online Presence or email address, whether such downtime is caused by Family Fare or a third-party. Family Fare alone will be, and at all times remain, the sole owner of the copyrights to all material which appears on any Online Presence, including any and all material Franchisee may furnish to Family Fare for use on an Online Presence. Ownership of all URLs and other identifiers with any such Online Presence shall vest exclusively in Family Fare. Family Fare shall have the right, but not the obligation, to designate one or more webpage(s) or other form of Online Presence to describe Franchisee and/or the stores, with such webpage(s) or Online Presence to be located within Family Fare's website or another Online Presence. Franchisee shall comply with Family Fare's policies with respect to the creation, maintenance and content of any such web page(s) and any other Online Presence and email addresses; and Family Fare shall have the right to refuse to post and/or discontinue posing any content and/or the operation of any webpage or Online Presence. Franchisee shall not establish a separate website or Online Presence or business email address, without Family Fare's prior written approval (which Family Fare shall not be obligated to provide). If approved to establish an Online Presence or email address, Franchisee shall comply with Family Fare's policies, standards and specifications with respect to the creation, maintenance and content of any such Online Presence or email address. Family Fare shall have the right to modify the provisions of this Section 10(f) relating to any Online Presence as Family Fare shall solely determine is necessary or appropriate. Franchisee shall not use the Marks or any abbreviation or other name associated with Family Fare and/or the System as part of any Online Presence or email address of Franchisee, except as permitted by Family Fare's then-current policies. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without Family Fare's prior written consent as to Franchisee's plan for transmitting such advertisements. For any Online Presence (and all URLS and other identifiers related to any Online Presence) or email address Franchisee is approved to create or use, Family Fare reserves the right, at its sole option and discretion, to have the Online Presence directly owned by Family Fare or to require any such Online Presence or email address be transferred to Family Fare upon the termination, expiration, or non-renewal of this Agreement for any reason. Family Fare has the right to require that any Online Presence or email address Franchisee is permitted to create, use, or maintain be registered in Family Fare's name. Upon request, Franchisee must provide Family Fare with any login credentials for any Online Presence or email address Franchisee is authorized to create, use, or maintain. Family Fare has the right to access any Online Presence to take corrective action if any content or post

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on the Online Presence is in violation of Family Fare's policies and Family Fare may take ownership of any Online Presence upon expiration, non-renewal, transfer, or termination of this Agreement and operate it in Family Fare's sole discretion.

(g) Telephone Number and Directories. Family Fare shall establish a local telephone number for the Store. Family Fare shall be the sole owner of that telephone number. In no event shall Franchisee use such number for any other business. Franchisee shall not obtain any additional or substitute telephone service or telephone number at the Store without prior written consent from Family Fare. Family Fare may arrange for the listing of the Store's telephone number and address in business directories as deemed appropriate by Family Fare under the name "Family Fare" or such other name as Family Fare may designate. Franchisee shall not arrange any advertising or listing in business directories without prior written approval of Family Fare. Franchisee agrees to pay the cost of the business directory listings and reimburse Family Fare if Family Fare does so on Franchisee's behalf.

(h) Use of Likeness Consent/Release. Franchisee hereby grants Family Fare and its affiliates absolute and unrestricted permission to use the name, likeness, image, voice, and/or appearance of Franchisee's owners as such may be embodied in any photographs, video recordings, audio recordings, digital images, and the like taken or made by Family Fare or its affiliates. Franchisee agrees that Family Fare has complete ownership of such material and can use said material for any purpose, including for videos, social media, publications, advertisements, posts, news releases, brochures, websites, and any promotional or training materials in any medium or Online Presence. Franchisee acknowledges that Franchisee will not receive any compensation for the use of such images, video, or likeness. Franchisee releases and holds harmless Family Fare and its affiliates and their members, directors, agents, representatives and assignees from any and all claims and demands arising out of or in connection with the use of Franchisee's name, likeness, image, voice and/or appearance, including any and all claims for invasion of privacy, right of publicity, misappropriation or misuse of image, and/or defamation.

(i) Content. Family Fare has the right to require Franchisee to provide graphical, photographic, video, written or other forms or artistic or literary content for Family Fare to use in connection with any Online Presence and other brand development, advertising, public relations, and marketing activities.

11. Bank Account and Daily Deposits.

(a) M.M. Fowler Account. M. M. Fowler shall establish and maintain a bank account at a financial institution of M. M. Fowler's choosing ("M. M. Fowler Bank Account"). The M. M. Fowler Bank Account shall be owned by M. M. Fowler. Franchisee shall deposit all proceeds and/or funds ("Proceeds") arising in connection with the sale of Core Products and Other Products and Services at the Store. The Proceeds shall include all of Franchisee's Gross Sales, as well as the proceeds from the Other Products and Services ("M. M. Fowler's Revenue"). Franchisee shall receive its portion of Gross Profit as set forth in this Agreement, its commissions as set forth the Consignment and Commission Agreement, and any other payment owed to Franchisee under an addendum to this Agreement, for Franchisee's collection of M. M. Fowler's Revenue and remittance of M. M. Fowler's Revenue to the M. M. Fowler Bank Account. Remittance shall be by cash deposited to the M. M. Fowler Bank Account on a daily basis or by such other means as Family Fare or M. M. Fowler may direct. In the event that Franchisee fails to account daily, make settlement, remit or otherwise observe the procedures established by Family Fare for the deposit of Proceeds, Family Fare shall have the right to immediately cancel and terminate this Agreement.

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Family Fare has the right to draft Continuing Royalties directly from Franchisee's Gross Sales in the M. M. Fowler Bank Account through electronic funds transfer ("EFT") or to otherwise receive payment from M. M. Fowler of the Continuing Royalties from the Proceeds remitted to the M. M. Fowler Bank Account.

(b) Franchisee's Account. Franchisee shall also establish and maintain a bank account at a financial institution of Franchisee's choosing ("Franchisee's Bank Account"). Family Fare or M. M. Fowler has the right to remit Franchisee's Gross Profit, less its Continuing Royalties and any other payments due to Family Fare or M. M. Fowler, to Franchisee's Bank Account through EFT. To facilitate this process, Franchisee shall: (1) comply with procedures specified by Family Fare and shall execute an ACH/EFT authorization in a form approved by Family Fare; (2) perform those acts and sign and deliver those documents as may be necessary to accomplish payment by EFT as described in this Section; (3) give Family Fare and M. M. Fowler an authorization in the form designated by Family Fare to initiate debit entries and/or credit correction entries to the Franchisee Bank Account for remittance of amounts due to Franchisee under this Agreement; (4) maintain the Franchisee Bank Account as the single bank account into which Family Fare or M. M. Fowler shall pay or remit any amounts required by to be made by this Agreement. Franchisee must advise Family Fare at least fifteen (15) business days prior to any change in the Franchisee Bank Account and no such change will be permitted without the prior written authorization of Family Fare. To ensure the orderly electronic transfer of the Continuing Royalty and all other fees as outlined in this Section 11, Franchisee will enter into and maintain a banking agreement with the financial institution which will be responsible for the transfer and payment of the fees owed by Franchisee to Family Fare or M. M. Fowler, and a copy of that agreement will be submitted to Family Fare prior to the effective date of this Agreement. Franchisee shall not offset or withhold any payments required to be made under this Agreement on any grounds, including any allegations of Family Fare's or M. M. Fowler's non-performance.

(c) Proper Payment. If Franchisee fails to pay the full amount of the Continuing Royalty or other fees due Family Fare when due or Franchisee has insufficient funds to cover an electronic transfer when initiated by Family Fare, Franchisee shall pay interest on the amount due and unpaid at an interest rate in the amounts set forth in Section 5(o). Franchisee shall also pay Family Fare an insufficient funds fee of Fifty Dollars ($50) plus any fee charged to Family Fare for the uncollected funds. In addition, and not in lieu thereof, failure by Franchisee to have sufficient funds in the Franchisee Account or to remit the Proceeds to the M. M. Fowler Account shall constitute a default of this Agreement and may subject this Agreement to termination for cause as hereinafter set forth. Franchisee shall not be entitled to set off, deduct or otherwise withhold any Proceeds, royalty fees, advertising contributions, interest charges or any other monies payable by Franchisee under this Agreement on grounds of any alleged non-performance by Family Fare or M. M. Fowler of any of their obligations or for any other reason.

12. Trade Name, Business Address, Identification Numbers and Licenses.

(a) Trade Name. Franchisee shall not use in any corporate or trade name the designated trade name for the Store Location or any variant thereof the term Amoco, BP, Shell, M. M. Fowler, Family Fare, or any other brand of Energy sold at the Store Location, as designated by Family Fare, or any derivation thereof.

(b) Business Address. The business address for the Franchisee shall not be identified as being located at the Store Location or associated with Amoco, BP, Shell, M. M. Fowler, Family Fare, or any other brand of Energy sold at the Store Location, as designated by Family Fare.

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(c) Steps to take Prior to Commencing Operations. Prior to commencing business operations, Franchisee shall do the following:

(i) Apply for and obtain a federal employer's identification number for Franchisee's business, unless Franchisee is presently conducting business under an issued number;

(ii) Apply for and obtain any required business licenses. Franchisee must submit application for such licenses within two (2) days after Family Fare notifies Franchisee that it must submit application. Failure to do so shall constitute a default under this Agreement;

(iii) Register as an employer with the relevant local employment agency;

(iv) Provide Family Fare with a certificate of insurance, or as Family Fare may require a certified copy of the policy, certifying the existence of the general liability, employment practices liability, and workers' compensation insurance required under Section 19; and

(v) Provide Family Fare with a certified copy of the Articles of Incorporation or Articles of Organization reflecting that Franchisee is a duly organized corporation or limited liability company validly existing, organized and in good standing under the laws of the State of its incorporation or organization, and Franchisee shall remain in good standing at all times during the Term of this Agreement.

Additionally, the Operating Principal must complete Family Fare's required initial training program to Family Fare's satisfaction prior to opening.

(d) Ownership of Marks; Use by Others. Family Fare and its affiliates shall have and retain all rights associated with the Marks, including, but not limited to, the following: (a) to use the Marks in connection with selling products and services; (b) to grant licenses to others for the use of the Marks, in addition to those licenses already granted to existing franchisees; (c) to develop and establish other systems using the Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee; (d) to sell and distribute food, Energy, and other items via the same and alternate distribution channels bearing the Marks, and (e) to offer for sale using the Marks any product or service at the Store or Store Location. Franchisee acknowledges that any unauthorized use of the Family Fare System or the Marks is and shall be deemed an infringement of Family Fare's rights. Franchisee shall execute any documents deemed necessary by Family Fare, its affiliate, or its counsel for the protection of the Family Fare System and the Marks or to maintain their validity or enforceability, or to aid Family Fare or its affiliate in acquiring rights in or in registering any of the Family Fare System or the Marks or any trademarks, trade names, service marks, slogans, logos and emblems subsequently adopted by Family Fare. Franchisee shall give notice to Family Fare of any knowledge that Franchisee acquires regarding the use by others of the same or similar names or marks or of any claim or litigation instituted by any person or legal entity against Franchisee involving the franchise system or any of the Marks. Franchisee shall cooperate with Family Fare and its affiliates in any suit, claim, or proceeding involving the Family Fare System or the Marks or their use to protect Family Fare's rights and interest in the Family Fare System and the Marks. In the event of any settlement, award or judgment rendered in favor of Family Fare or its affiliates relating to the use or ownership of the Family Fare System or the Marks, such settlement, award or judgment shall be the sole property of Family Fare and its

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affiliates and Franchisee shall not be entitled to or make any claim for all or any part of it. Neither Family Fare nor its affiliates shall have an obligation to indemnify Franchisee for any damages or expenses Franchisee may incur from any trademark infringement claims.

(e) Use of Marks. During the term of this Agreement or thereafter, directly or indirectly, Franchisee shall not commit any act of infringement or contest or aid in contesting the validity or ownership of the Family Fare System or the Marks, or take any other action to disparage them. Franchisee shall use the Marks only in connection with the operation of the Store at the Store Location specified herein, and shall use them only in the manner authorized by Family Fare. Franchisee shall prominently display the Marks in the manner prescribed by Family Fare on all signs, plastic and paper products, and other supplies and packaging materials designated by Family Fare. Franchisee shall not fail to perform any act required under this Agreement, or commit any act which would impair the value of the Marks or the goodwill associated with the Marks. Franchisee shall not at any time engage in any business or market any products or service under any name or mark which is confusingly or deceptively similar to any of the Marks. Franchisee shall not use any trademark, trade name, service mark, logo, slogan or emblem in connection with the Store that has not been authorized by Family Fare. Franchisee shall obtain such fictitious or assumed name registrations as may be required by Family Fare or applicable state law. Franchisee also acknowledges that its use of the Marks pursuant to this Agreement does not give Franchisee any ownership or other interest in or to the Marks, except the license granted by this Agreement.

(f) Designation as Franchisee. Franchisee shall take such additional action as may be necessary under the laws of the state in which the Store is operated to make clear to the public that Franchisee is an independent franchisee of Family Fare and not owned by Family Fare. Franchisee shall post in a conspicuous location at the business premises, as well as on invoices, purchase orders, marketing materials and the like that "This Family Fare Franchise is independently owned and operated by [Franchisee's entity name] under license from Family Fare, LLC."

(g) Discontinuance of Use; Additional Marks. Family Fare has the right to change, revise, or substitute different Marks for use in identifying the Family Fare System, the Store, and the products sold or offered for sale through the Store, if Family Fare, in its sole discretion, determines that change, revision, or substitution of different Marks will be beneficial to the franchise system. In such circumstances, the use of the substitute proprietary marks shall be governed by the terms of this Agreement. Franchisee shall comply with each such change, revision, or substitution and bear all expenses associated therewith, except Family Fare shall be responsible, at Family Fare's expense, for making such modifications and changes to the exterior and interior signage. In the event that a court of competent jurisdiction should order, or if Family Fare in its sole discretion should deem it necessary or advisable, Franchisee shall modify or discontinue use of any Family Fare Mark. Franchisee shall comply with Family Fare's directions regarding any such Mark within twenty-four (24) hours after receipt of notice from Family Fare or, if such modification or discontinuance is court-ordered, immediately. Family Fare shall not be obligated to compensate Franchisee for any costs or expenses incurred by Franchisee in connection with any such modification or discontinuance except for such modifications for which Family Fare is responsible as specifically provided for herein. Franchisee shall also use such additional or substitute Marks as Family Fare shall direct.

(h) Changes in Law Affecting Marks. In the event the trademark law is amended so as to render inapplicable any of the provisions of this Agreement, Franchisee shall sign any documents and do such other acts and things as in the opinion of Family Fare may be necessary

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to effect the intent and purpose of the provisions of this Agreement; provided, however, that Family Fare shall bear all costs associated with such request.

(i) Copyrights and Patents. Franchisee acknowledges that as between Franchisee and Family Fare, any and all present or future copyrights relating to the Family Fare System or the Family Fare concept, including, but not limited to, the Brand Standards Manual (as defined below) and specifications and marketing materials, (collectively, the "Copyrights") and any patents relating to the Family Fare System or Family Fare concept belong solely and exclusively to Family Fare. Franchisee has no interest in the Copyrights and patents beyond the nonexclusive license granted in this Agreement.

13. Personnel.

Franchisee is expected to employ and provide personnel to perform or assist in performing the duties and obligations under this Agreement. Franchisee must designate one of its Owners as the "Operating Principal" who shall be responsible for the supervision, conduct, development and operation of the Store. The Owner who will be the Operating Principal is set forth on Exhibit 2 attached hereto and incorporated by reference. The Operating Principal shall complete Family Fare's initial training program to Family Fare's satisfaction prior to opening the Store. The Operating Principal may delegate the services and duties to be performed under this Agreement to Franchisee's qualified employees. The Operating Principal is not required to be on the Store premises or at the Store Location, but must ensure that a qualified employee is supervising the Store during all hours of operation.

Franchisee acknowledges that Franchisee is an independent business and responsible for control and management of Franchisee's store, including, but not limited to, the hiring and discharging of Franchisee's employees and setting and paying wage and benefits of Franchisee's employees. With regards to Franchisee's employees, Family Fare has no responsibility or liability in respect to the hiring, discharging, setting or paying of wages, setting work hours, supervising employees, or related employment matters and Franchisee retains full, complete, and exclusive responsibility over all employment matters. None of Franchisee's employees will be deemed to be a Family Fare employee for any purpose whatsoever and nothing in any aspect of the Family Fare System or Marks in any way shifts any employee or employment-related responsibility from Franchisee to Family Fare. Franchisee is responsible for ensuring that its employees comply with Family Fare brand standards, including standards for wearing uniforms.

Franchisee and Franchisee's Operating Principal agree to make Franchisee's Operating Principal and Owners available to meet with Family Fare at reasonable times during reasonable business hours. The Operating Principal acknowledges that the Operating Principal has been educated and instructed on the operations and safety of the fuel and Energy dispensers, including the shutting off and closing down of the fuel and Energy dispensers in the event of an emergency. Such Operating Principal and Franchisee agree to provide the necessary training to all of Franchisee's employees. It will be solely Franchisee's responsibility to ensure that all of its employees are trained to perform their duties in a proper manner at the Store and Franchisee shall implement and maintain an employee training program, at Franchisee's expense, pursuant to all specifications, standards and procedures prescribed by Family Fare. Franchisee shall ensure that all employees have all necessary certifications and credentials as required by applicable state laws and licensing regulations, and that all employees must satisfy all continuing educational training requirements as may be specified by applicable laws, regulations. At all times Franchisee shall have trained employees operating the Store. The service to be performed by Franchisee's personnel shall include, but not be limited to, (a) the service of customers purchasing

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Energy from the equipment located at the Store Location; (b) the service of customers purchasing store merchandise located in the Store Location; (c) acting as cashier in collecting proceeds from the sale of its Energy products and Store merchandise to the customers and to promptly remit said proceeds in accordance with the terms of this Agreement; (d) taking and recording of meter readings for the fuel and Energy dispensers and to submit reports, as required, to Family Fare; and (e) performing other duties required under this Agreement or Brand Standards Manual.

Franchisee agrees to comply with all applicable federal, state and local laws in the employment of personnel, including, but not limited to, the Fair Credit Reporting Act and all other federal, state, and local consumer protection and privacy-related laws and regulations in processing job applications, laws requiring the withholding and payment of social security taxes (FICA), federal and state unemployment taxes, and other taxes, wage and hour laws, including, without limitation, state and federal wage and hour laws, the Fair Labor Standards Act (child labor, minimum wage, overtime, and record keeping requirements), immigration laws, and laws prohibiting discrimination on the basis of race, color, national origin, sex (including pregnancy), religion, age, disability, genetic information, veteran status, and any other protected class characteristic, and Franchisee must promptly file all required returns, notices, and reports of every kind and nature. Franchisee agrees to hold harmless, defend and indemnify Family Fare and its affiliates, and Family Fare and their affiliates' officers, directors, agents, and employees, from and against any and all losses, expenses, judgments, claims, attorneys' fees and damages arising out of or in connection with any claim or cause of action in which Family Fare or its affiliates shall be a named defendant and which arises, directly or indirectly, out of the operation of, or in connection with, Franchisee's violation of any consumer protection or privacy-related law or regulation, or the violation of any consumer protection or privacy-related law or regulation by Franchisee's officers, directors, agents, or employees. Franchisee assumes full responsibility for such employees. It is the intention of the parties to this Agreement that Family Fare and Franchisee shall not be deemed to be joint employers for any reason. Franchisee shall obtain from each of its employees an acknowledgment signed by such persons providing that such individual understands, acknowledges, and agrees that (i) the individual is an employee of Franchisee and not Family Fare and (ii) the individual shall look solely to Franchisee, and not to Family Fare or its affiliates, agents, or employees, for his or her compensation and for all other employment matters. If Family Fare incurs any cost, loss of damage as a result of any actions or omissions of Franchisee or Franchisee's employees, including any that relate to any party making a finding of any joint employer status, Franchisee shall fully indemnify Family Fare for such loss.

Franchisee authorizes, consents and grants to Family Fare, or its representatives or affiliates (i) access to inspect and copy all payroll records of Franchisee, including, but not limited to, employee time records, payroll checks, deductions therefrom and governmental payroll returns; (ii) the right to contact any payroll service utilized by Franchisee and request any payroll information and (iii) the right of access to the online document center of any payroll service used by Franchisee. Franchisee expressly authorizes and consents to the release of such information to Family Fare and its affiliates.

14. Use and Operation of Store Location.

(a) Family Fare Reputation. Franchisee recognizes that Family Fare has developed a favorable reputation for the sale of Energy and other products and the rendering of high quality services, and that Family Fare, Amoco, BP, and Shell trademarks and service marks or such other marks identifying goods or Energy sold at the Store Location, as designated by Family Fare, or such other marks as developed or licensed by Family Fare, unique color combinations, and

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facility design and appearance represent an image distinguished for high standards of product quality, facility appearance (inside and out) and customer service. Therefore, Franchisee agrees to manage, operate, and maintain the Store and surrounding premises in a manner which in no event will detract from or disparage the Family Fare image or the image associated with the trademarks and service marks of the brands of goods or Energy sold at the Store Location.

(b) Brand Standards Manual. In particular, without limiting the foregoing obligation, Franchisee agrees to operate the Store in accordance with the operations manuals, operating, materials, and other material promulgated by Family Fare, which may consist of more than one handout or volume (collectively, "Brand Standards Manual") as amended from time to time, a copy of which is supplied to Franchisee and receipt acknowledged at the time of signing this Agreement. Franchisee shall at all times treat the Brand Standards Manual and the information contained therein as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. The Brand Standards Manual shall at all times remain the sole property of Family Fare and shall at all be times be kept in a secure place. Family Fare may revise, update, or amend the Brand Standards Manual from time to time in its absolute discretion and Franchisee shall comply with all updates and amendments, including those provided through newsletters or notices. Franchisee's obligations to maintain the confidentiality of the Brand Standards Manual will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration, termination, or non-renewal for any reason. Franchisee shall comply with all e-mail, spam, copyright notice and takedown, privacy, intranet and internet, website, hyperlink, wireless, Bluetooth, telephony, and other communications policies designated by Family Fare from time to time, regardless of the technology or media.

(c) Hours. Franchisee agrees the Store Location will be kept open for operation, properly lighted and staffed, for at least the hours shown below or as provided in the Brand Standards Manual, as amended from time to time:

DAY	**OPEN HOURS**		**MINIMUM NO. OF HOURS**
	From:	To:	
Monday	A.M.	A.M./P.M	
Tuesday	A.M.	A.M./P.M	
Wednesday	A.M.	A.M./P.M	
Thursday	A.M.	A.M./P.M	
Friday	A.M.	A.M./P.M	
Saturday	A.M.	A.M./P.M	
Sunday	A.M.	A.M./P.M	
TOTAL WEEKLY HOURS:			

The Franchisee acknowledges and agrees the covenants or provisions contained in this Section 14, subparagraphs (a), (b), and (c), are reasonable and of material significance to the relationship between Franchisee and Family Fare.

(d) Deli and Kitchen Hours. The hours of operation for sale to customers of prepared food service items through the operation of deli service or a Family Fare Kitchen shall be in the sole and absolute discretion of Franchisee.

(e) Substance Abuse Policy. Franchisee agrees the use or abuse of alcohol or illegal drugs by Franchisee's Operating Principal and or Owners can seriously affect the discharge of Franchisee's responsibilities and duties under this Agreement and endanger the safety of

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customers as well as the general public. Family Fare, as part of its commitment to promote a drug-free community, has established and adopted a substance abuse policy for Family Fare that applies to all of Franchisee's Operating Principal and/or Owners, which involves random drug testing of Franchisee's Operating Principal and/or Owners. Additionally, Family Fare offers Franchisee the ability to adopt a Substance Abuse Policy with random drug testing performed by Family Fare's contractors. Franchisee elects to participate by executing the Family Fare System Drug Testing Policy Agreement set forth as Exhibit 1 of the Franchise Agreement. To demonstrate its support, Family Fare agrees to pay one-half (½) the costs incurred by Franchisee in the establishment, implementation and continuation of the Family Fare System Drug Testing Policy with Franchisee responsible for the balance. The current form of the Family Fare System Drug Testing Policy is attached hereto as Attachment A to Exhibit 1 and is subject to modification.

(f) Smoke Free Environment. To maintain high standards of quality, facility appearance, customer service, safety and a healthy environment, Family Fare requires a smoke free environment for the Store and surrounding premises. Accordingly, Franchisee agrees that in the management and operation of the Store and premises to maintain and enforce a smoke free environment.

(g) Business Services and Payroll. In the course and operation of its business, Franchisee shall require the assistance of business and financial services for the preparation of income tax returns, financial statements, budgets, and other financial information. Franchisee shall use the financial service vendors Family Fare may designate from time to time in Family Fare's Brand Standards Manual and shall pay all fees charged by such designated financial service vendors. Family Fare agrees to provide Franchisee, at Franchisee's expense, with payroll services, including time and attendance, and record keeping devices, through PrimePay, or such other provider designated by Family Fare, to assist Franchisee in the maintenance of payroll records, including payroll checks, required deductions therefrom, and governmental reporting requirements. Franchisee shall at all times comply with PrimePay's terms of service, and, where available from PrimePay or such other designated payroll vendor, shall elect to have Franchisee's requisite tax payments drafted from Franchisee's Bank Account in accordance with this Section or as further designated or amended in the Brand Standards Manual. Franchisee's Operating Principal shall at all times remain an employee in good standing with the Franchisee corporation or limited liability company, as applicable. Franchisee shall make such required withholdings of Franchisee's Operating Principal's wages as required by law. Franchisee agrees to retain at Franchisee's expense A. Grant Mangum & Company, Inc. or such other provider as Family Fare may designate from time to time in its sole discretion, to provide bookkeeping services to Franchisee.

(h) Minors. Franchisee shall not permit minors, whether related or unrelated to the Franchisee, its Owners, its employees, or the Operating Principal, to be present at the Store Location unless they are in the care of and supervised by an adult customer who is actively shopping or otherwise purchasing the goods and services of the Store.

(i) Restrooms. Franchisee is primarily responsible for the cleaning of the Store restrooms. Family Fare has the right to require Franchisee to use a designated vendor for supplemental restroom cleaning services and cleaning products. Family Fare has the right to establish the frequency with which Franchisee must have the restroom cleaned by its personnel or third parties and the services and products to be used. Except for the brief periods when Franchisee is demonstrably maintaining and cleaning the restrooms, Franchisee must ensure that restrooms are open and available to the public at all times. Restroom maintenance and appearance must comply with the brand standards and Family Fare's specifications.

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15. Franchisee's Conduct of Business.

(a) Licensed Business Purpose. The Store Location shall be used and occupied only for the purpose of operating a retail convenience food store pursuant to the license granted herein, with or without Energy service, and for no other purpose whatsoever.

(b) Adherence to Standards. During the business hours prescribed by Family Fare, Franchisee agrees to continuously and uninterruptedly operate and conduct at the Store Location the business in strict adherence to Family Fare's standards, specifications and policies as they now exist, and as they may from time to time be modified. Franchisee agrees that it will at all times keep and maintain within and upon the Store Location an adequate stock of merchandise to service and supply the usual and ordinary demands and requirements of its customers and agrees to conduct its business under the trade name agreed to by Family Fare and to keep open the Store and operate the business at such hours and on such days as required under Section 14(c).

(c) Purpose of Standards; Variations in Standards. Any required standards exist to protect Family Fare's interest in the Family Fare System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved by Franchisee. The required standards will generally be set forth in the Brand Standards Manual or other written materials. The Brand Standards Manual may also contain guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. Franchisee may elect to follow the recommendations or guidelines to meet the required standards. Franchisee may elect to follow the recommendations or guidelines or some other suitable alternative, provided Franchisee meets and complies with the required standards. In other instances, no suitable alternative may exist. Franchisee acknowledges that it is responsible for the day-to-day operation of its Store, including hiring, setting the conditions of employment, supervision, discipline and termination of all personnel, purchases and maintenance of equipment and supplies, maintenance of employment records, and daily maintenance, safety, security and the achievement of compliance with the Brand Standards Manual. Family Fare's ability to approve certain matters, to inspect the Store and its operations and to enforce its rights, exists only to the extent necessary to protect its interest in the Family Fare System and the Marks. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters that are clearly reserved to Franchisee. In order to protect Family Fare's interest in the Family Fare System and the Marks, Family Fare reserves the right to determine if Franchisee is complying with a required standard and whether an alternative is suitable to any recommendations or guidelines. Further, because complete and detailed uniformity under varying conditions may not be possible or practical, Family Fare specifically reserves the right, in its sole discretion and as it may deem in the best interests of Franchisee or the Family Fare chain, to vary required standards within the Store or any other Family Fare store in the Family Fare chain based upon peculiarities of a particular location or circumstances, including, but not limited to, density of population and other demographic factors, business practices or customs, or any other condition which Family Fare deems to be of importance to the operation of such Store. Franchisee acknowledges that because of these factors and others, there may be variations from standard specifications and practices throughout the Family Fare chain and that Franchisee shall not be entitled to require Family Fare to grant like or similar variations or privileges to Franchisee.

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(d) Franchisee Developments. Family Fare shall have the right to use and incorporate into the Family Fare chain for the benefit of other franchisees and Family Fare any modifications, ideas or improvements, in whole or in part, developed or discovered by Franchisee or Franchisee's Owners, Guarantors, officers, employees or agents, without any compensation, liability or obligation to Franchisee or the developer thereof.

(e) Family Fare Code of Values. Franchisee shall at all times uphold, respect and adhere to the Family Fare Code of Values ("Code of Values"), which Code of Values has been developed and agreed to by Family Fare and its franchisees. Franchisee agrees and acknowledges that upholding, respecting and adhering to the Family Fare Code of Values is of paramount importance to maintaining Family Fare's brand standards and as such Franchisee shall explain the Code of Values to its employees during training and shall cause its employees to adhere to, the Code of Values. If Franchisee fails to adhere to, or fails to cause its employees to adhere to, the Code of Values, such action or inaction by Franchisee will likely be detrimental to Family Fare's brand standards and the Family Fare System and shall constitute a default under this Agreement.

(f) Compliance with Laws. Franchisee shall at all times during the Term comply with all laws, ordinances, rules and regulations of all applicable governmental bodies, and pay any and all taxes, assessments, fines and penalties arising out of the operation of the Store, including state and federal unemployment taxes. Franchisee agrees that Franchisee is solely responsible for complying with the Americans with Disabilities Act and any other laws, rules, or regulations regarding public accommodations for persons with disabilities. Immediately after Franchisee's receipt of any notice of any violation of a health or sanitation code, law, or regulation which affects the day to day operation of the Store, Franchisee must provide Family Fare with a copy of the notice and a detailed plan to correct the alleged violation. Franchisee agrees not to take any action, or omit to take any action, which could have the effect of causing the Franchisee to be in default of any lease.

(g) Courtesy, Cooperation, Fair Dealing. In all dealings with customers, suppliers, Family Fare and others, Franchisee will act according to the highest standards of honesty, integrity, fair dealing and ethical conduct. At all times and under all circumstances, Franchisee and its employees shall treat all customers and other persons, including Family Fare's agents, officers, and employees with the utmost respect and courtesy, and shall fully cooperate with Family Fare and its agents, officers, and employees in all aspects of the franchise relationship.

(h) Business Relations. Franchisee shall at all times operate the Store in a financially sound, prudent and business-like manner and, without limiting the generality of the foregoing, pay all its bills and accounts promptly when due, and shall take no action, or omit to take any action, the result of which would tend to disrupt, damage or jeopardize Franchisee's relationship with suppliers or customers, Family Fare's good reputation, or the good reputation of Family Fare's other franchisees. Franchisee will not engage in any trade practice or other activity which is harmful to the goodwill or reflects unfavorably on the reputation of Franchisee, Family Fare, Family Fare's affiliates, the Family Fare chain, the Family Fare System, the Marks, the services and/or products sold at the Store, or constitutes deceptive or unfair competition or otherwise is in violation of any applicable laws.

(i) Secret Shoppers; Toll-Free Number. Family Fare may, at its sole discretion, institute various programs for verifying customer satisfaction and/or Franchisee's compliance with all operational and other aspects of the Family Fare System, including, without limitation, marketing research surveys, a toll-free number, customer comment cards, secret shoppers, or

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otherwise, and Franchisee is required to participate in such programs. Family Fare will share with Franchisee the results of such programs as they pertain to Franchisee's Store.

(j) System Changes. Franchisee acknowledges that Family Fare may modify from time to time the Family Fare System and the services and products offered by the Store may be modified (such as, but not limited to, the addition, deletion, and/or modification of operating procedures, products, and services) and Franchisee agrees to comply, at its expense, with all such modifications, including, without limitation, all requirements needed to implement the modifications. Franchisee agrees there is no limit to Family Fare's ability to modify the franchise system. If Family Fare changes the Family Fare System to require Franchisee to offer, sell, and/or distribute goods and services through channels of distribution other than on-premises retail sales at the Store Location (including, without limitation, delivery sales, online sales and ordering, off-premises sales, or internet based commerce), Franchisee agrees to comply with the terms and conditions and standards and specifications that Family Fare may develop for the alternate channels of distribution.

(k) Data Protection; Privacy.

(i) Data Protection and Security Policies. Franchisee shall comply with, or, as applicable, adopt policies consistent with the then-current version of Family Fare's data protection and security policies as may be described in Family Fare's Brand Standards Manual ("Data Protection and Security Policies"). Such policies may govern how Franchisee data and Personal Information (as defined below) contained in such data shall be accessed, shared, stored, protected, disposed of, or destroyed. Family Fare has the right, but not the obligation to create such Data Protection and Security Policies. Franchisee acknowledges that Family Fare may supplement, modify or amend the Data Protection and Security Policies from time to time in its sole discretion, and that Franchisee shall comply with such modifications or amendments within thirty (30) days of notice from Family Fare. Family Fare may require Franchisee to institute a data privacy policy for its Store. Franchisee shall not publish, disseminate, implement, revise, or rescind a data privacy policy without Family Fare's prior written consent as to said policy.

(ii) Privacy Laws. Franchisee warrants and represents and covenants that it shall comply with (i) applicable prevailing industry standards concerning privacy, data protection, confidentiality and information security, including, without limitation, the then-current Payment Card Industry Data Security Standard of the PCI Security Standards Council (the "PCI-DSS"), (ii) those Security and Data Protection Policies mandated by the Brand Standards Manual, if any, and (iii) all applicable international, federal, state, and local laws, rules, and regulations, as the same may be amended or supplemented from time to time, pertaining in any way to the privacy, confidentiality, security, management, disclosure, reporting, and any other obligations related to the possession or use of Personal Information (collectively, "Privacy Laws").

(iii) Marketing; Consumer Protection. Franchisee warrants and represents not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without first obtaining Family Fare's written consent as to: (a) the content of such e-mail advertisements or solicitations; and (b) Franchisee's plan for transmitting such advertisements. In addition to any other provision of this Agreement, Franchisee shall be solely responsible for compliance with all laws pertaining to e-mails, including, but not limited to, the U.S. Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003"), and to use of

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automatic dialing systems, SMS text messages, and artificial or prerecorded voice messages, including but not limited to the Telephone Consumer Protection Act of 1991 ("TCPA"). Franchisee must comply with the Fair and Accurate Credit Transactions Act (FACTA) and all other consumer protection laws and regulations.

(iv) Security Breach. Franchisee shall cooperate with Family Fare in any audit that Family Fare may conduct from time to time of its data storage and management systems and Franchisee's storage of Personal Information. In addition, if Franchisee becomes aware of any actual or suspected unauthorized access, processing, loss, use, disclosure, alteration, destruction or other compromise or acquisition of or access to any information, whether such information is stored in paper or electronic form, (i) that can be used to identify, locate or contact an individual, including but not limited to Franchisee's employees and customers (collectively, "Personal Information"); (ii) that is subject to any of the Privacy Laws and/or PCI-DSS; or (iii) that might reasonably expose Family Fare to any harm or prejudice of any type or actual or suspected intrusion by an unauthorized third party into Franchisee's or Family Fare's Computer Systems, networks, servers, IT resources, or paper files (a "Security Breach"), Franchisee shall immediately notify Family Fare's Vice President of Operations via telephone of such matter and shall thereafter cooperate with Family Fare to investigate and remedy such matter. Except to the extent required by applicable law, no public disclosure of any instance of such unauthorized access or breach shall be made by Franchisee unless Family Fare has authorized the provision of notice and the form of such notice in writing. Franchisee shall reimburse Family Fare for all reasonable Notification and Remediation Related Costs (hereinafter defined) incurred by Family Fare arising out of or in connection with any such Security Breach that is directly or indirectly caused by Franchisee or its personnel. "Notification and Remediation Related Costs" shall include Family Fare's internal and external costs associated with addressing and responding to the Security Breach, including but not limited to: (i) preparation and mailing or other transmission of legally required notifications to affected individuals, regulators and attorneys general; (ii) preparation and mailing or other transmission of such other communications to customers, agents or others as Family Fare deems reasonably appropriate; (iii) establishment of a call center or other communications procedures in response to such Security Breach (e.g., customer service FAQs, talking points and training); (iv) engagement of information technology consultants, public relations and other similar crisis management services; (v) payment of legal and accounting fees and expenses associated with Family Fare's investigation of and response to the Security Breach; and (vi) payment of costs for commercially reasonable credit reporting services that are associated with legally required notifications or are advisable under the circumstances. Franchisee agrees to hold harmless, defend and indemnify Family Fare and its officers, directors, agents, and employees from and against any and all losses, expenses, judgments, claims, attorney fees and damages arising out of or in connection with any claim or cause of action in which Family Fare shall be a named defendant and which arises, directly or indirectly, out of the operation of, or in connection with a Security Breach or Franchisee's or Franchisee's officers, directors, agents or employees' violation of any Privacy Law or regulation, consumer protection-related law or regulation, e-mail marketing and other marketing laws and regulations, and the PCI-DSS.

(v) Inspection. Family Fare, through its employees and/or any agents designated by Family Fare from time to time, may at any time during business hours, and without prior notice to Franchisee enter upon and inspect the Store premises and examine Franchisee's Computer Systems, databases, business records and other supporting records and documents in order to verify compliance with its Data Protection and Security

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Policies, and Privacy Laws. Any such inspection shall be made at Family Fare's expense, provided that if such inspection is necessitated by Franchisee's repeated or continuing failure to comply with the Data Protection and Security Policies, Privacy Laws, this Agreement or the Franchise Agreement, Family Fare may charge Franchisee for the costs of making such inspection, including without limitation, travel expenses, room and board, and compensation of Family Fare's employees and/or agents.

(vi) Personal Information Requests. Franchisee shall fully comply with Data Protection and Security Policies as they relate to requests regarding individuals' personal information, as it may be defined under international, federal, state, and local law. If requested by Family Fare, Franchisee must cooperate or coordinate with Family Fare to identify personal information Franchisee has accessed, collected, retained, or used in any way.

(vii) Use of Personal Information. Franchisee shall not use, disclose, retain, transfer, share, or sell Personal Information, or personal information as it may be defined under international, federal, state, and local law, unless such action is permitted by (i) the terms of this Agreement, (ii) the terms of the Data Protection and Security Policies, (iii) the standards in the Brand Standards Manual, or (iv) written approval of Family Fare.

(l) Crisis Situations. Franchisee shall notify Family Fare immediately upon the occurrence of any situation that may have a material impact on Franchisee, Family Fare, Store, or which could have a deleterious effect on the Family Fare brand, Marks or Family Fare System (a "Crisis"). Franchisee shall follow all of Family Fare's policies, procedures, and instructions in every such situation, including, without limitation, managing public relations and communications, as directed by Family Fare or as specified in the Brand Standard's Manual, whether or not Franchisee has retained outside counsel or a public relations firm to assist with such matters. Crisis means any event that occurs at or about the Store that has or may cause harm or injury to customers or employees. Examples include, but are not limited to, contagious diseases, natural disasters, terrorist acts, shootings, or any other circumstance which may damage the Family Fare System, Marks, or image or reputation of the Store, the Family Fare System or Family Fare. Franchisee will cooperate fully with Family Fare with respect to Family Fare's response to the Crisis. In the event of the occurrence of a Crisis, Family Fare may establish emergency procedures which may require Franchisee to temporarily close the Store to the public, in which event Family Fare shall not be liable to Franchisee for any loss or costs, including consequential damages or lost profits occasioned thereby.

(m) Leases, Subleases, Franchise, and Management Agreements. Franchisee shall not enter into a lease, sub-lease, franchise, or management agreement with any third party in connection with the Store or Store Location without providing Family Fare with the relevant agreements and related documents and obtaining Family Fare's prior approval, which may be withheld or conditioned in Family Fare's sole discretion. Family Fare reserves the rights, in its sole discretion, to require that Franchisee delete, revise, or insert provisions into such agreements as Family Fare deems necessary to protect Family Fare's rights under this Agreement.

(n) Pricing. Family Fare may suggest retail pricing for the Energy, products, beverages, merchandise, and services offered by Franchisee's Store. Family Fare reserves the right, to the fullest extent permitted by applicable law, to establish maximum, minimum, or other pricing requirements with respect to the prices for Energy, products, beverages, merchandise, or services sold at the Store. If Franchisee sells any Energy, products, beverages, services, or merchandise at any price recommended or required by Family Fare, Franchisee acknowledges

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that Family Fare has made no guaranty or warranty that the recommended or required price will enhance Franchisee's sales or profits.

(o) Timely Payment. Franchisee must maintain its trade accounts in a current status and seek to resolve any disputes with suppliers promptly and to timely pay all taxes for which it is responsible. Failure to do so is a material breach of this Agreement. If Franchisee fails to maintain its trade accounts in a current status, timely pay taxes or other amounts owing to any third parties, or perform any non-monetary obligations to third parties, Family Fare may, but is not required to pay any and all such amounts and perform such obligations on Franchisee's behalf. If Family Fare elects to do so, then Franchisee must reimburse Family Fare such amounts. Franchisee agrees to repay Family Fare immediately upon receipt of Family Fare's invoice. Family Fare may also set off the amounts of any such reimbursement obligations against all amounts which Family Fare may owe to Franchisee.

(p) Supply Relationships. To the extent Family Fare has standards and specifications, Franchisee must comply with Family Fare's standards and specifications for all products and services carried, used or offered for sale at the Store. To the extent Family Fare has an approved supplier, Franchisee must purchase or lease, or have consigned to Franchisee, all products and services Franchise uses or sells in the Store from Family Fare or a source Family Fare approves, which may be Family Fare's affiliate(s).

16. Taxes and Fees.

Family Fare or M. M. Fowler, as the case may be, shall pay all real and personal property ad valorem taxes on the Store Location and surrounding premises except taxes on personal property owned by Franchisee, which shall be paid by Franchisee.

17. Alteration, Maintenance and Repair.

(a) Franchisee Repairs. In the event of damage to the Store Location or any of Family Fare's or its affiliates' equipment resulting from misuse or negligent acts or omissions of Franchisee, Franchisee's employees or third persons, Franchisee agrees promptly to repair or replace all damaged property at Franchisee's expense and, upon any failure to do so, Family Fare may make such repairs or replacements, or perform such duties, and charge the cost to Franchisee. Franchisee will promptly advise Family Fare in writing of any damage to the Store, the Store Location or the surrounding premises, improvements or equipment which requires repairs normally performed by Family Fare.

(b) Maintenance by Family Fare. Any maintenance required on the equipment at the Store Location, the Computer Systems, the fuel totalizers either on the point of sale equipment or on any of the fuel or Energy dispensing equipment shall be performed by Family Fare, its affiliates, or their representatives. Franchisee will inform Family Fare immediately if maintenance is required. Franchisee will not repair, perform maintenance, reset, modify, adjust or in any way alter the operation of the Energy equipment, totalizers, or Computer Systems.

18. Franchisee's Business-Indemnity.

(a) Independence. Franchisee shall be an independent Franchisee and shall control the manner and means of the operation of the Store Location and exercise complete control over and have responsibility for all labor relations and the conduct of Franchisee's agents and employees and the day-to-day operations of the Store Location.

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(b) Indemnification. It is mutually agreed the business conducted by Franchisee at the Store Location or surrounding premises is the independent business of Franchisee, and this Agreement shall not be construed as reserving to or conferring upon Family Fare any right to direct or control Franchisee or any of Franchisee's employees in the conduct of Franchisee's business. Nothing in this Agreement is intended to make either party an agent, joint venture, partner or employee of the other. Franchisee shall have no authority to employ any person as an agent or employee of Family Fare for any purpose, and neither Franchisee nor any other person performing any act in connection with the operation of Franchisee's business at the Store Location nor the surrounding premises, including the Operating Principal, is or shall be deemed to be an employee or agent of Family Fare. Neither federal nor state nor local income tax nor payroll tax of any kind shall be withheld or paid by Family Fare on behalf of Franchisee or the employees of Franchisee. Franchisee employees are not and shall not be treated as employees of Family Fare with respect to the services performed under this Agreement for federal or state tax purposes. Franchisee is an independent contractor. Nothing in this Agreement will be deemed or construed to create the relationship of principal and agent, partnership, joint venture, employment, or a fiduciary relationship, and Franchisee will not hold itself out as an agent, legal representative, partner, subsidiary, joint venturer, servant or employee of Family Fare. Family Fare is not liable for any act, omission, debt, or any other obligation of Franchisee, and Franchisee agrees to indemnify and hold Family Fare harmless from any such claim and the costs—including legal fees—incurred in defending such a claim. Neither Family Fare nor Franchisee has the right to bind or obligate the other to any obligations or debts. It is expressly understood and agreed that neither Franchisee nor any employee or contractor of Franchisee whose compensation for services is paid by Franchisee may, in any way, directly or indirectly, expressly or by implication, be construed to be an employee of Family Fare for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state, or federal governmental agency. Because Franchisee is engaged in Franchisee's own independently established business, Franchisee is not eligible for, and shall not participate in, any employee pension, health or other fringe benefit plan of Family Fare or Family Fare's affiliates, including, but not limited to, M. M. Fowler.

(c) Operational Indemnification. Franchisee agrees to indemnify, defend and hold Family Fare, its employees, officers, agents and affiliates harmless from and against all liabilities, losses, obligations, claims, damages (consequential or otherwise), penalties, suits, actions, judgments, fines, costs and expenses (including attorneys' fees) of whatsoever nature for violation of laws, ordinances or regulations, damage to property (including that of Family Fare or Franchisee) or for injury to or death of persons (including agents and employees of Family Fare or Franchisee) which may be imposed upon, incurred by, or asserted against Family Fare, directly or indirectly, resulting from or connected with any occurrence arising out of the use, non-use, possession, condition, operation, or maintenance of the Store Location or surrounding premises and the business conducted by Franchisee thereon.

(d) Compliance Indemnification. Franchisee agrees to indemnify and hold harmless Family Fare of all fines and penalties for violations of any federal, state or local laws, ordinances or regulations relating to any alleged impermissible activity including, but not limited to, price gouging or the unauthorized or illegal sale of alcohol, tobacco or lottery products. Franchisee shall orally report to Family Fare within twenty-four (24) hours the receipt of any notice of violation for the unauthorized or illegal sale of alcohol, tobacco, lottery or ephedrine and other similar products. Franchisee irrevocably authorizes and appoints Family Fare as its attorney in fact under power of attorney, which power shall be effective on signing this Agreement and shall survive termination, expiration or nonrenewal of this Agreement, to act in Franchisee's name, place and

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stead with respect to the following matters: (i) to negotiate and settle with any governmental authority, Attorney General's office, or agency a violation by Franchisee or its agents and employees of any federal, state or local law, ordinance or regulation; (ii) to agree upon the assessment of any monetary fine or penalty; (iii) to advance and pay on the Franchisee's behalf any such fine or penalty and assess the same against Franchisee for reimbursement; and (iv) to agree upon any suspension period for the sale of alcohol or tobacco products or such other business restrictions as imposed on Franchisee as a result of the resolution negotiated by Family Fare.

(e) Proceedings in which Family Fare is not a Party. Franchisee agrees to indemnify and hold Family Fare harmless immediately reimbursing Family Fare upon demand for any attorneys' fees or costs incurred by Family Fare in responding to a subpoena or document production related to a lawsuit or other legal proceeding to which Family Fare is not a party.

(f) Notification. Franchisee will notify Family Fare of any event that is or may be subject to indemnity as provided herein, and which has resulted or may result in personal injury, death, disease, or destruction of property, by telephone within twenty-four (24) hours after such event and in writing within three (3) days after such event.

19. Insurance.

(a) Required Insurance. Franchisee agrees to purchase, maintain in force at all times during the Term, and pay the premiums thereon when due, at Franchisee's expense and in compliance with any requirements of applicable law, insurance satisfactory to Family Fare of the following minimum types and limits:

(i) Comprehensive general liability insurance, including products liability, and any other applicable insurance covering the Store, operations, use and occupancy of the Store Location or the surrounding premises, in an amount of at least One Million Dollars ($1,000,000) combined single limit for bodily injury and property damage per occurrence.

(ii) Workers' compensation insurance and employers' liability insurance with a limit of Five Hundred Thousand Dollars ($500,000) for each accident or an amount which satisfies statutory requirements (whichever is greater), which coverage shall cover all Franchisee's employees including the members, shareholders, managers, or corporate officers (active or inactive) as may be applicable; and

(iii) Employment Practices Liability Insurance Coverage to insure losses arising out of Franchisee's wrongful employment act against employees, applicants for employment, and third parties with a limit of One Hundred Thousand Dollars ($100,000) including cost of defense.

(b) Standards for Insurance. All the insurance policies required by Section 19(a) hereof shall (i) be written as primary policy coverage and not "excess over" or contributory with any other applicable insurance, including Family Fare's insurance; (ii) shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer(s) liability; (iii) shall not contain any special limitations on the scope of coverage afforded to Family Fare; (iv) shall provide that any failure by Franchisee or any of Franchisee's employees, agents, subcontractors or suppliers, to comply with any notice, reporting or other similar provisions of such policies shall not affect the coverage provided to Family Fare. All insurance policies shall include both Family Fare and M. M. Fowler as additional insured, shall

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expressly protect both Franchisee, Family Fare and M.M. Fowler on a primary and non-contributory basis and shall require the insurer to defend Franchisee, Family Fare, and M.M. Fowler in any action while reserving Family Fare and M.M. Fowler's right to involve counsel of their own choosing in protection of their own and system wide interests. All insurance policies will provide Family Fare shall receive at least thirty (30) days' written notice prior to the making of changes, modifications, or cancelations to the policy and, if required, provide a waiver of subrogation in favor of Family Fare and M. M. Fowler. Franchisee agrees to provide Family Fare with any and all evidence of insurance or other information regarding the insurance as Family Fare may require, including, but not limited to, proof the premiums have been paid, rate information, policy details, loss runs, experience factors, and rate factors. Franchisee shall cause Franchisee's insurance carriers to provide such information directly to Family Fare and Franchisee hereby grants Family Fare power of attorney to communicate directly with Franchisee's insurance carrier and/or agent to obtain such information as Family Fare deems appropriate from the insurance carrier and/or agent without prior notice or further authorization from Franchisee, which right shall survive the termination, expiration, or non-renewal of this Agreement. Additionally, Franchisee shall provide Family Fare with certificates of insurance or certified copies of policies providing evidence of compliance with the foregoing requirements, including the requirement that Family Fare and M.M. Fowler are additional insured under such policies on a primary and non-contributory basis, prior to opening the Store and annually thereafter or more frequently if required by Family Fare. Should Franchisee for any reason fail to procure or maintain the insurance required by this Agreement, Family Fare will have the right and authority to immediately procure such insurance deemed to be necessary and to charge the amount of the cost to procure and maintain such insurance to Franchisee, along with a reasonable fee for Family Fare's expenses in procuring the insurance. Family Fare is authorized to collect from Franchisee all insurance-related expenses paid on behalf of Franchisee through EFT. Franchisee agrees to promptly report to Family Fare all casualty losses or other events covered by either indemnification or insurance. Franchisee agrees Family Fare has no obligation to process insurance claims on Franchisee's behalf.

(c) Changes in Requirements. Franchisee agrees to increase the amount of any insurance described herein promptly upon receiving the written notice from Family Fare to do so. In addition, Family Fare reserves the right to require additional types of coverage and Franchisee agrees to obtain such additional insurance promptly upon receiving the written notice from Family Fare to do so. Franchisee understands that meeting Family Fare's minimum insurance requirements does not necessarily furnish Franchisee with protection levels adequate to its needs and that its obligation to indemnify Family Fare as set forth above in this Agreement may exceed the amount of insurance Franchisee is required to obtain or does obtain.

20. Termination.

(a) Automatic Termination. Franchisee shall be in default under this Agreement, and this Agreement and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee in the event, (i) Franchisee makes a general assignment for the benefit of creditors or a petition in bankruptcy is filed by Franchisee; (ii) a petition in bankruptcy is filed against and not opposed by Franchisee; (iii) Franchisee is adjudicated as bankrupt or insolvent; (iv) a bill in equity or other proceeding is filed for the appointment of a receiver or other custodian for Franchisee's business or assets if filed and consented to by Franchisee; (v) a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (vi) proceeding for a composition with creditors under any state or federal law should be instituted by or against Franchisee; (vii) a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless an appeal or supersedeas

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bond is filed); (viii) Franchisee is dissolved; (ix) any portion of Franchisee's interest in the Store becomes subject to an attachment, garnishment, levy or seizure by any creditor or any other person claiming against or in the rights of Franchisee; (x) execution is levied against Franchisee's business or property; (xi) the real or personal property of Franchisee's Store shall be sold after levy thereupon by any sheriff, marshal, or constable, (xii) in the event either (a) the Inventory True-Up Percentage is exceeded for three (3) or more consecutive calendar months or three (3) or more consecutive audit periods; (b) a shortage in lottery occurs in the amount of Three Hundred Dollars ($300) or more for three (3) or more consecutive calendar months or three (3) or more consecutive audit periods or (c) a shortage in cash occurs in the amount of $300 or more for three (3) or more consecutive calendar months or three (3) or more audit periods, (xiii) Franchisee fails to daily account, make settlement, remit, or otherwise observe the procedures established by Family Fare for the deposit of Proceeds as defined in Section 11(a); or (xiv) the Initial Term or any Renewal Term is terminated for any reason set forth in Section 2 of this Agreement.

(b) Termination without Opportunity to Cure. Franchisee shall be in default and Family Fare may, at its option, terminate this Agreement and all rights granted herein, without affording Franchisee any opportunity to cure the default, effective upon the date that the termination notice is deemed received pursuant to Section 29, upon the occurrence of any of the following events:

(i) If for a period of twenty-four (24) hours or more, Franchisee at any time ceases to operate or otherwise abandons the Store or forfeits the right to do or transact business in the jurisdiction where the Store is located or loses the right to possession of the Store Location; or

(ii) Except as otherwise permitted in this Agreement, any owner of Twenty Percent (20%) or more interest in Franchisee transfers all or part of such interest, or Franchisee transfers any interest in the Store, or Franchisee transfers—not in the ordinary course of business—any assets of the store other than assets owned by Franchisee; or

(iii) Franchisee, Franchisee's Operating Principal, or any person owning Twenty Percent (20%) or more of Franchisee is (1) proven to have engaged in fraudulent conduct, (2) convicted of or pleads guilty or no contest to a felony, crime, or offense involving moral turpitude, or (3) convicted of or pleads guilty or no contest to a felony, crime, or offense that is reasonably likely to have an adverse effect on the Family Fare chain, the Marks or the goodwill associated therewith; or Family Fare has proof, in Family Fare's sole determination, that Franchisee, Franchisee's Operating Principal, or any person owning Twenty Percent (20%) or more of Franchisee committed a felony, crime, or offense set forth in (1)-(3) above, including, but not limited to, income or payroll tax reporting violations; or

(iv) Franchisee is given two (2) or more notices of being in default under any of the terms or requirements of this Agreement within any twelve (12) month period, whether or not such defaults are timely cured after notice; or

(v) Franchisee, any Owner, or the Operating Principal fails to comply with any of the covenants set forth in this Agreement, makes any material misrepresentation to Family Fare, or breaches any warranty or representation made to Family Fare, whether in this Agreement or otherwise, including, but not limited to, the warranties and representations related to Franchisee's governing documents, Owners, and Operating Principal; or

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(vi) Franchisee knowingly or intentionally maintains false books or records or submits any false records, statement, or report to Family Fare, fails to deposit the cash receipts from merchandise sales, Energy, lottery, and other items in the M. M. Fowler Bank Account as required under Section 11, or has improper records or associated lottery deposits; or

(vii) Franchisee, any Owner, or the Operating Principal by act or omission, materially impairs the value of, or the goodwill associated with, the Family Fare chain, any of the Marks or the franchise system; which acts may include, without limitation, abuse, abuse of customers, use of employees who do not meet Family Fare's then-current standards, health or safety hazards, illegal drug use, alcohol or narcotics abuse or related substance-abuse problems, smoking or permitting others to smoke in or around the Store, or permitting unlawful activities at Franchisee's store; or

(viii) Franchisee, any Owner, or the Operating Principal takes, withholds, misdirects, or appropriates for Franchisee's, Owner's or Operating Principal's own use any funds from Franchisee's employees' wages or employees' taxes, FICA, insurance or benefits, or generally fails to deal fairly and honestly with Franchisee's employees or customers, and/or Franchisee violates the minimum wage or overtime requirements of the FLSA resulting in complaints to the federal or state Department of Labor more than once in any twenty-four (24) month period; or

(ix) Franchisee loses or is denied any federal, state or local license the Franchisee must possess in order to operate the Store; or

(x) In Family Fare's sole judgment, it is apparent that Franchisee will not be able to obtain a license necessary to operate the Store or such license will be delayed so as to impair the continuous operation or timely opening of the Store; or

(xi) Franchisee, after curing a default pursuant to Section 20 of this Agreement, commits the same act of default again within six (6) months; or

(xii) Franchisee does not submit a complete and truthful application for a federal, state, or local license necessary to operate the Store within two (2) business days after Family Fare provides Franchisee with written notice thereof; or

(xiii) Franchisee fails to comply with the requirements of Section 12(c) relating to steps necessary before commencing operations; or

(xiv) upon the occurrence of Franchisee's default under (1) any other agreement or obligation between Franchisee and Family Fare or between Franchisee and Family Fare's affiliates or (2) any lease, sublease, loan agreement, or security interest related to Franchisee's Store; or

(xv) any of the following occur: (1) any representations or warranties of Franchisee or its Operating Principal prove to be inaccurate or false, (2) the Operating Principal or designated manager fails to take or pass any of Family Fare's required training, and/or (3) the Operating Principal and/or Franchisee fail to timely or diligently perform any duties or obligations during the period prior to the opening date.

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(c) Termination after Failure to Cure. Except for those defaults provided for under Section 20(a) or 20(b) or otherwise set forth in this Agreement, Franchisee shall be in default hereunder for any failure to maintain or comply with any of the terms, covenants, specifications, standards, procedures or requirements imposed by this Agreement or the Brand Standards Manual, policy and procedure statement or other written document provided by Family Fare, or to carry out the terms of this Agreement in good faith. For such defaults, Family Fare will provide Franchisee with written notice, and, to the extent such defaults are curable, three (3) days to cure from the date the notice is deemed received pursuant to Section 29. If a default cannot reasonably be cured within three (3) days, Franchisee shall initiate within that time substantial and continuing action to cure such default and to provide Family Fare with evidence of such actions. If the defaults specified in such notice are not cured within the three (3)-day period, if substantial and continuing action to cure has not been initiated, or if the default is not curable, Family Fare may, at its option, terminate this Agreement upon written notice to Franchisee. Such defaults shall include, without limitation, the occurrence of any of the following events:

(i) Franchisee fails, refuses, or neglects to promptly pay any monies owing to Family Fare or its affiliates when due or to submit the financial or other information required under this Agreement when due; or

(ii) A threat or danger to public health or safety results from the maintenance or operation of the Store; or

(iii) Franchisee, its Owner, and Operating Principal misuses or makes any unauthorized use of the Family Fare System or the Marks; or

(iv) Franchisee is found liable by any judicial, administrative, or arbitral body for any applicable violation of federal, state, or local laws barring discrimination on the basis of race, color, sex (including pregnancy), national origin, disability, religion, genetic information, veteran status, or other protected class characteristics or is found liable of such discrimination; or Franchisee is found to have violated state or federal wage and hour laws, including the Fair Labor Standards Act; or

(v) If Franchisee fails to maintain a good credit rating by failing to make prompt payment of undisputed bills, invoices or statements from suppliers of products and services; or

(vi) Franchisee's store is or becomes ineligible, for any reason, to participate in SNAP or to accept EBT payments; or

(vii) Franchisee fails to use a vendor or supplier required pursuant to this Agreement or the Brand Standards Manual or Franchisee uses a vendor or supplier that is not approved by Family Fare; or

(viii) The Operating Principal fails at any time to reside within twenty-five (25) miles of the Store Location as driven on a roadway or to present, upon request, a valid driver's license and such additional documentation as Family Fare may require certifying a residence located within twenty-five (25) miles of the Store Location as driven on a roadway; or

(ix) Franchisee, any Owner, or the Operating Principal fails to uphold, or fails to cause its employees to uphold, the Family Fare Code of Values.

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Franchisee hereby authorizes Family Fare to notify any lender, creditor, customer or landlord of the Franchisee or Store upon the occurrence of any default under this Section 20, or any event or circumstances which the giving of notice or passage of time or both would constitute an event of default under this Section, and to otherwise communicate with such lenders, creditors, customers or landlords with respect to any such default, or any such event or circumstance.

(d) Termination on Death or Incapacitation. Immediately upon the occurrence of the Operating Principal's death or incapacitation, and without notice to Franchisee or any of its Owners, Family Fare may exercise its step-in rights pursuant to Section 20(j) of this Agreement until such time as Family Fare formally, in its sole discretion, terminates this Agreement with Franchisee. Family Fare may terminate this Agreement upon five (5) days' notice (or such longer period that Family Fare may determine or as required by applicable law) in the case of death or upon fifteen (15) days' notice (or such longer period that Family Fare may determine or as required by applicable law) in the case of incapacitation. Upon termination for death or incapacitation, Franchisee, or at Family Fare's option, Franchisee's Operating Principal's estate, shall be due from Family Fare, as applicable, an amount equal to one (1) month's worth of the average monthly Franchisee Gross Profit for the prior twelve (12) months, less Family Fare's attorneys' fees incurred as a result of dealing with the death or incapacitation (the "Death or Incapacitation Termination Payment"). "Franchisee Gross Profit" shall mean Gross Profit less the applicable Continuing Royalty. Family Fare shall be authorized as Franchisee's attorney-in-fact to execute any documents necessary to effect the transfer of Franchisee's business property to Family Fare or Family Fare's assignee. "Incapacitation" shall mean a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent Operating Principal from operating the Store in the manner required by this Agreement and the Brand Standards Manual or from performing his or her obligations under this Agreement and the Brand Standards Manual.

(e) Termination Fire. If the Store Location or any portion thereof shall be damaged by fire or other casualty so as to render the same or any portion thereof, in the opinion of Family Fare, untenantable, then this Agreement shall be cancelled and terminated and Family Fare shall provide a final financial accounting between the parties. In the event of a termination pursuant to this Section 20(e), Franchisee shall receive an amount equal to one (1) month's worth of the average monthly Franchisee Gross Profit for the prior twelve (12) months.

(f) Termination by Franchisee. If Family Fare fails to perform any material obligation imposed upon it by this Agreement, and such failure is not cured within ninety (90) days after Franchisee delivers written notice of such failure to Family Fare, then, provided Franchisee is otherwise compliant with Franchisee's obligation under this Agreement and any other agreement with Family Fare, Franchisee may terminate this Agreement at any time thereafter by delivering thirty (30) days' written termination notice to Family Fare. Additionally, Franchisee can terminate this Agreement without cause upon delivery of ninety (90) days' prior written notice to Family Fare.

(g) Relief in Equity. Franchisee agrees that neither termination of this Agreement, nor an action at law, nor both, would be an adequate remedy for a breach or default by Franchisee, or by any other persons bound by this Agreement, in the performance of any obligation relating to Family Fare's Marks or indicia, the trade secrets revealed to Franchisee in confidence pursuant to this Agreement, or the obligations of Franchisee and such other persons upon and after termination of this Agreement. The parties therefore agree that in the event of any such breach or default, in addition to all other remedies provided elsewhere in this Agreement or by law, Family

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Fare shall be entitled to relief in equity from a judge (including a temporary restraining order, temporary or preliminary injunction and permanent mandatory or prohibitory injunction) to restrain the continuation of any such breach or default or to compel compliance with such provisions of this Agreement.

(h) Limitation of Services or Benefits; Notice of Noncompliance.

(i) Family Fare shall have the right, but not the obligation, to temporarily or permanently limit or remove certain services or benefits provided or required to be provided to Franchisee hereunder in lieu of exercising its right to terminate this Agreement pursuant to the terms hereof, including, without limitation, restricting or removing Franchisee's right to purchase or order products or have products consigned to it or order directly or indirectly from Family Fare or its affiliates, limiting Family Fare's advertising and promotional assistance, if any, and restricting or removing Franchisee's right to use Family Fare's proprietary Computer Systems, if any. Nothing in this Section constitutes a waiver of any other right or remedy of Family Fare under this Agreement. Franchisee acknowledges that Family Fare's exercise of its rights pursuant to this Section shall not be deemed a constructive termination. Any services or benefits removed or limited pursuant to this Section may be reinstated at any time in Family Fare's sole discretion.

(ii) Family Fare, without waiving any rights it may have herein, and in its sole discretion, may elect not to terminate Franchisee as a result of a default. In the event a default occurs, Family Fare may elect to give written notification (a "Notice of Noncompliance") to Franchisee that a Family Fare Store (or more than one Family Fare Store, if applicable), is not in compliance with the terms and conditions of this Agreement. Such Notice of Noncompliance shall state a period for Franchisee to cure the noncompliance, which shall be a period not less than thirty (30) days. For a period of six (6) months from and after the date of such Notice of Noncompliance, Franchisee shall reimburse Family Fare for reasonable costs that Family Fare incurs with respect to the Family Fare Store(s) identified in such notice, including without limitation the costs of any audit or inspection of such Store(s) in excess of Family Fare's normal audit program applied to all Family Fare Stores, any mystery shopping for such Store(s) during such six month period in excess of Family Fare's normal mystery shopping program applied to all Family Fare Stores, additional training that Family Fare determines is required to bring the Store up to Family Fare standards, any personnel costs incurred by Family Fare at the Store site to ensure the proper management and operation of such Store(s), and any costs Family Fare incurs to cause the Family Fare Store to come into compliance with a service charge equal to the greater of $250 or 10% of the amount expended to bring the Store into compliance. Nothing in this Section shall limit Family Fare's termination rights as otherwise set forth in this Agreement, which Family Fare reserves the right to exercise at any time.

(i) Step In Rights on Default. In addition to Family Fare's right to terminate this Agreement, and not in lieu of such right, or any other rights Family Fare may have, upon an event of default by Franchisee and failure to cure such default within the applicable time period (if any), Family Fare or its designee have the right, but not the obligation, upon written notice of the exercise of the step-in right, to operate the Store. The details of this right are set forth in Section 20(j) below. Family Fare or its designee may operate the Store until such time as Family Fare determines the default has been cured and Franchisee is otherwise in compliance with this Agreement, or, if the default is incurable, until such time as Family Fare in its sole discretion terminates this Agreement.

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(j) Step in Right Generally. Family Fare's step-in right allows Family Fare, or its designee, the right to enter upon Franchisee's business premises and exercise complete authority with respect to the operation of the Store, including operating the Store on behalf of Franchisee's corporation or limited liability company, as applicable. In the event Family Fare exercises the step-in right, in addition to all amounts otherwise owed pursuant to this Agreement, Franchisee must reimburse Family Fare or its designee for all reasonable costs and overhead, if any, incurred in connection with its operation of the Store including, without limitation, costs of personnel for supervising and staffing Franchisee's Store and their travel and lodging accommodations, plus a fee not to exceed Three Hundred Dollars ($300) per day. Franchisee must also reimburse Family Fare or its designee for all attorneys' fees incurred in connection with its operation of the Store or its providing notice of its intent to so operate the Store. Franchisee agrees that Family Fare or its designee may use monies from the Gross Profit of the Store for these reimbursements and fees. If Family Fare undertakes to exercise its step-in rights, Franchisee agrees to indemnify and hold Family Fare, or its designee (and each party's respective affiliates, officers, representatives, and employees) harmless from and against any fines, claims, suits or proceedings which may arise out of Family Fare's, or its designee's, operation of the Store. Family Fare and its designee have a duty to utilize only reasonable efforts in operating the Store and will not be liable to Franchisee, the Owners, the Operating Principal, or their respective heirs, beneficiaries, devisees, or estates for any debts, losses, or obligations the Store incurs, or to any of Franchisee's or Owners' creditors, for any products, other assets, or services, the Store purchases, while Family Fare or its designee manages the Store. In connection with Family Fare's step-in right, Franchisee agrees to execute the form of Limited Power of Attorney that Family Fare shall designate, the terms of which are incorporated by reference which shall grant Family Fare the right to act on Franchisee's behalf regarding payroll and human resources matters during the step-in period.

(k) Notice. Notwithstanding anything to the contrary contained in this Section, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit Family Fare's rights of termination in this Agreement or shall require longer notice periods or restrictions upon such termination required by such laws and regulations, this Section shall be amended to include the notice and/or other action required by such law or regulation; provided, however, that such constructive amendment shall not be deemed a concession by Family Fare that the grounds for termination set forth in this Agreement do not constitute "good cause" for termination within the meaning ascribed to that term by any applicable law or regulation. Family Fare will not be precluded from contesting the validity, enforceability or application of such laws or regulations in any actions, hearing or proceeding relating to this Agreement or the termination thereof.

(l) Extended Cure Period. Notwithstanding anything to the contrary in this Agreement, Family Fare reserves the right to grant to Franchisee in Family Fare's sole discretion an extended cure period for any breach. Franchisee acknowledges that Family Fare's decision to grant such an extended cure period shall not operate as a waiver of any of Family Fare's rights and that Family Fare can choose to condition such an extension upon requiring Franchisee and its owners, guarantors, and affiliates to sign a general release.

(m) Other Remedies for Default under the Lease or this Agreement. Notwithstanding any other remedy Family Fare has under the terms of this Agreement, if Franchisee defaults under the terms of this Agreement or its lease with M.M. Fowler, Family Fare is entitled to exercise any one or more of the following remedies in its sole discretion:

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(i) to take possession of the Store Location or other Collateral (as defined in Section 36(b)) or any part thereof, personally, or by its agents, employees, or attorneys;

(ii) to, in Family Fare's discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Store and all Collateral, including all furniture, fixtures, equipment, inventory, books, records, papers and accounts of Franchisee; and

(iii) exclude Franchisee and all of Franchisee's Owners, employees, officers, agents, and representatives from the Store Location or any other Collateral.

(n) Cross Default. Any default by Franchisee under this Agreement shall be a default under any other agreement between Family Fare (or any of Family Fare's affiliates) and Franchisee.

(o) Defaults and Termination Due to Failure to Comply with Fuel Company Brand Standards. If M.M. Fowler has entered into an agreement with a third party ("Fuel Company") to sell and distribute Traditional Fuels at the Store, Franchisee agrees to comply with Family Fare's instructions regarding the operations, appearance, customer service, and image of the Store so that each complies with the requirements and brand standards of the Fuel Company. If Franchisee fails an inspection or evaluation by Family Fare and/or the Fuel Company, the violation shall be a default under this Agreement and Family Fare shall have the right to take any and all of the following actions:

(i) Terminate this Agreement upon three (3) days' notice to Franchisee;

(ii) Require Franchisee to cure the violation within three (3) days' notice from Family Fare and provide all necessary documentation and assurances as Family Fare or the Fuel Company may require; and

(iii) Require Franchisee to pay the fees and fines imposed by the Fuel Company on Family Fare or M.M. Fowler (including fines payable to reset the evaluation score) and Family Fare's and M.M. Fowler's expenses (including but not limited to legal fees) associated with the default, whether the impact be on the Store, the network of Family Fare stores, and/or the System.

21. Obligations Upon Termination.

(a) Obligations upon Termination, Expiration, or Non-renewal. Upon termination, expiration or non-renewal of this Agreement, all rights granted hereunder to Franchisee shall terminate and revert to Family Fare. Upon termination, expiration, or non-renewal, Family Fare, or its affiliate, as applicable, shall have the right to take possession of the fuel or Energy dispensing equipment, the Store, the Store Location and surrounding premises, the Store equipment, peaceably or by force, and eject the Franchisee therefrom, and Franchisee shall have the following obligations with respect to the Store franchised under this Agreement:

(i) Franchisee shall immediately cease to operate the business licensed under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a Family Fare franchisee with respect to such business.

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(ii) Franchisee will peaceably surrender and deliver immediate possession of the Store and premises to Family Fare. Franchisee agrees to surrender the Store and premises, its improvements and any of Family Fare's equipment located thereon in the same condition as they were at the time this Agreement was entered into, normal wear and tear excepted. A premises cleaning fee of up to Seven Hundred Fifty Dollars ($750.00) will be charged at the end of the lease if Franchisee does not leave the premises in a condition meeting Family Fare's standards. Included within the rights of Family Fare and its affiliate is the right of Family Fare or its affiliate to "lock up" the fuel or Energy dispensing equipment and "lock out" the Franchisee from the Store. Franchisee acknowledges that in the event of a "lock up" and "lock out," or if Family Fare takes possession of the Store, there may be personal property belonging to the Franchisee located in the Store. Family Fare may take possession of such personal property without liability for trespass or conversion and hold the same for release to Franchisee. Franchisee hereby waives any and all rights to notice and every other formality.

(iii) Upon termination, expiration, or non-renewal of this Agreement for any reason, Family Fare shall have the option, but not the obligation, to purchase any personal property or assets used in connection with the operation of the Store. If Family Fare elects to exercise this option, within sixty (60) days of the date of termination, expiration, or non-renewal of this Agreement, Family Fare shall pay Franchisee an amount which is the lesser of $500 or the depreciated book value of Franchisee's acquired equipment utilized in the Store less any amounts owed to Family Fare by Franchisee. In Family Fare's sole discretion, Family Fare may assign all or a portion of this right to another franchisee and/or M. M. Fowler.

(iv) Franchisee shall promptly remove any property belonging to Franchisee. In the event Franchisee does not remove Franchisee's personal property, Family Fare shall be entitled to remove such property to storage and shall not be liable to Franchisee for either the value of the property or the costs of storage;

(v) Franchisee shall immediately and permanently cease to use, in any manner whatsoever, all Confidential Information (as defined below), customer information, methods, procedures and techniques used by or associated with the franchise system, and the proprietary Marks, FAMILY FARE and all other Marks and distinctive forms, slogans, signs, symbols, logos, and devices associated with the Family Fare System;

(vi) Franchisee shall immediately return to Family Fare any property held or used by Franchisee which is owned by Family Fare and shall cease to use, and either destroy or convey to Family Fare, all signs, advertising materials, displays, stationery, forms, copies of the Brand Standards Manual, policy and procedure statements, instructions, and other materials related to operating the Store or that bear or display the Marks;

(vii) Franchisee shall take such actions as may be necessary to cancel any assumed name or similar registration which contains the mark "Family Fare" or any other Marks of Family Fare, and Franchisee shall furnish Family Fare with evidence satisfactory to Family Fare of compliance with its obligation within thirty (30) days after termination, expiration, or non-renewal of this Agreement;

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(viii) Franchisee shall promptly pay all sums owed to Family Fare. Such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Family Fare as a result of the default and the termination.

(ix) Franchisee shall pay to Family Fare all damages, costs and expenses including reasonable attorneys' fees, incurred by Family Fare subsequent to the termination, expiration, or non-renewal of this Agreement in obtaining injunctive or other relief for the enforcement of any term, covenant or provision of this Agreement.

(x) Franchisee shall provide to Family Fare all account and login credentials for the Computer Systems and any Online Presence.

(b) Family Fare's Option. Family Fare shall have the option, to be exercised within thirty (30) days of expiration, termination, or non-renewal, to assume Franchisee's assumed name or equivalent registration and business licenses, directory listings and advertisements (whether in print or part of an Internet directory), e-mail addresses, Internet domain names, and/or any other Online Presence which contain the Marks of Family Fare or its affiliates, and Franchisee shall sign all documents necessary to permit Family Fare to assume Franchisee's rights in such items. If Family Fare elects not to exercise this option, Franchisee shall take all action necessary to cancel each of the items listed above and shall furnish Family Fare with evidence satisfactory to prove its compliance within fifteen (15) days after receiving notice of Family Fare's termination, expiration, or non-renewal of this Agreement and the expiration of the option granted herein. In the event Franchisee fails to timely do so, Family Fare shall have the right, for which purpose Franchisee hereby appoints Family Fare as its attorney-in-fact, to obtain such cancellation on Franchisee's behalf and at Franchisee's expense.

(c) Compliance with Covenants. Upon expiration, termination, or non-renewal of this Agreement for any reason, Franchisee shall comply with the covenants contained in this Agreement, including, but not limited to, the covenants not to compete and the covenants not to disclose trade secrets or Confidential Information.

22. Inventory; Inspections.

(a) Right to Enter. Family Fare shall have the right to enter, and to send third-party representatives to enter, in person or remotely via communications technology, the Store at all times of operation for the purpose of obtaining an inventory of the Store merchandise and Energy, inspection of Franchisee's books, records and supporting documents, inspecting the Computer Systems and data therein, checking accuracy of cash deposits and for any other reasonably necessary purpose. Family Fare and Franchisee agree that Family Fare's determination as to shortages and overages shall be final and not subject to challenge by Franchisee, provided the determination is derived from an inspection performed by a third-party.

(b) Inspections. Family Fare and its agents have the right to enter the Store, with or without notice, in person or remotely via communications technology, in order to inspect, photograph, and/or videotape on-going new construction or leasehold improvements, equipment and operations, and the performance of any and all services provided in and around the Store and/or the Store Location to ensure compliance with all requirements of this Agreement. Franchisee will cooperate with Family Fare's representatives in those inspections by rendering whatever assistance Family Fare may reasonably request, including using communications or audiovisual technology, such as a smartphone, to facilitate the remote inspection by Family Fare or Family Fare's agents and providing the assistance necessary to enable Family Fare to contact

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and interview contractors, vendors and suppliers, copy and review business records, as well as Franchisee's customers and former customers. Upon reasonable notice from Family Fare, and without limiting Family Fare's other rights under this Agreement, Franchisee will take such steps as may be necessary to correct the deficiencies detected during any such inspection, including without limitation immediately correcting any problems with construction or leasehold improvements, and immediately desisting from the further use of any equipment, advertising materials, products, or materials that do not conform to Family Fare's then-current plans, standards, and specifications, the Brand Standards Manual, or other standards or requirements, and to repair or replace anything in the Store that does not so conform. Franchisee acknowledges and agrees that any and all inspections by Family Fare and all demands made by Family Fare to correct deficiencies and conform to Family Fare's standards and specifications will not constitute a representation or warranty by Family Fare that the Store or its premises comply with applicable laws, codes, ordinances, regulations or governmental standards. Upon reasonable written notification from Family Fare of a scheduled inspection, the Franchisee or the Operating Principal must be present during such inspection.

(c) Data Access. All data provided by Franchisee, uploaded to Family Fare's system from Franchisee's system, and/or downloaded from Franchisee's system to Family Fare's system, from any third party or Family Fare-provided Computer System, or relating to any customer of the Store, is, and will be owned exclusively by, Family Fare during the term of, and following termination, expiration, or non-renewal, of this Agreement for any reason, and Family Fare will have the right to use such data in any manner that Family Fare deems appropriate without compensation to Franchisee. In addition, all other data created or collected by Franchisee in connection with the franchise system, or in connection with Franchisee's operation of the Store (including but not limited to consumer and transaction data and data collected from or about customers), is and will be owned exclusively by Family Fare during the term of, and following termination, expiration, or non-renewal of, this Agreement. Family Fare has the right to access such data at any time and for any purpose by such means as Family Fare may from time to time require. Family Fare shall have no liability to Franchisee as a result of Family Fare's access or failure to access the data. Copies and/or originals of such data must be provided to Family Fare upon Family Fare's request. Family Fare hereby licenses use of such data back to Franchisee, at no additional cost, solely for the term of this Agreement and solely for Franchisee's use in connection with the establishment and operation of the Store. Franchisee shall comply with Family Fare's instructions regarding the collection, use, storage, disclosure and security of all such data. Franchisee shall provide such assistance as may be required to connect its Computer Systems and its video surveillance system with Family Fare's Computer Systems. Family Fare shall have the right from time to time and at any time to retrieve and use for any purpose such data and information from Franchisee's Computer Systems and video surveillance cameras as Family Fare, in its sole and exclusive discretion, deems necessary or desirable, including, but not limited to, sales data and any video archives. Family Fare shall have the unlimited right to retain copies of such electronic materials. In view of the contemplated interconnection of computer/POS systems and video surveillance system and the necessity that such systems be compatible with each other, Franchisee expressly agrees that it will strictly comply with Family Fare's standards and specifications for all items associated with Franchisee's Computer Systems and video surveillance system. Family Fare shall have no liability to Franchisee as a result of Family Fare's access or failure to access the Computer Systems or video surveillance cameras.

23. Losses.

Unless stated otherwise in this Agreement, M. M. Fowler or an affiliate shall retain title to all goods and services from the Store, including but not limited to Store merchandise, inventory, and

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Energy; provided, however, Franchisee shall be liable, in all circumstances, for the loss or shortage of the goods and services sold from the Store or the failure to remit all income, Proceeds and/or funds derived from the sale of the goods and services from the Store.

In those circumstances set forth above where Franchisee shall be accountable, the amount of Franchisee's liability shall be calculated on the basis of the retail price charged at the respective location at the time the loss or shortage occurred.

24. Covenants Against Unfair Competition.

(a) Franchisee and each of the owners and Guarantors of Franchisee (collectively the "Owners") acknowledge they will receive valuable, specialized training and Confidential Information (as defined below) regarding the operational, sales, promotional, and marketing methods of the Family Fare concept that Family Fare has developed through monetary and other resource expenditures that provide competitive advantages to the Family Fare franchise system.

(b) Franchisee's Covenant Against Unfair Competition; Pre-Termination. During the Term, Franchisee and its Owners will not, without Family Fare's prior written consent, for themselves, or through, on behalf of, or in conjunction with any other person or entity:

(i) Own, manage, engage in, be employed by, advise, make loans to, become or be a lessor or landowner to, or become lessee of, or have any other interest in, as a partner, owner, officer, executive, managerial employee, director, sales person or consultant for a Competitive Business (defined in Section 24(d) below); or

(ii) Offer or grant franchises or licenses for any Competitive Business; or

(iii) Perform any other act injurious or prejudicial to the goodwill associated with the Marks and the Family Fare System; or

(iv) Use any vendor relationship established through Franchisee's association with Family Fare for any purpose other than to supply the Store with supplies, products, equipment, merchandise, or services for use in or retail sale in the Store.

(c) Franchisee's Covenant Against Unfair Competition; Post-Termination. In partial consideration for Family Fare allowing Franchisee to license Family Fare's trademark and Confidential Information (as defined in Section 24(f) below), Franchisee and each of the Owners covenant and agree that for a period of two (2) years after the termination, expiration, or non-renewal of this Agreement regardless of the reason for such termination, expiration, or non-renewal ("Restrictive Period"), Franchisee and Owners shall not, within the Restrictive Territory (as defined in Section 24(e) below) engage in any of the following:

(i) Engage in any Competitive Business as franchisee or licensee; or

(ii) Franchise or license any Competitive Business to any other person or third party; or

(iii) Own, manage, operate or have any operational or management authority in any Competitive Business; provided, that the purchase of a publicly traded security of a corporation engaged in such business or service shall not in itself be deemed violative

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of this Section so long as Franchisee and Owners do not own themselves or through their spouses or partners more than one percent (1%) of the securities of such corporation; or

(iv) Engage in any Competitive Business as an employee, consultant, or independent contractor in any capacity in which Franchisee or its Owners would be in a position to use or disclose Confidential Information of Family Fare; or

(v) Solicit, divert, or attempt to solicit or divert to any Competitive Business any vendor or supplier with whom Franchisee, its Owners, or Family Fare had any business relationship as of the termination, expiration, or non-renewal of this Agreement or within one (1) year preceding the termination, expiration, or non-renewal of this Agreement; or

(vi) Solicit, divert or attempt to solicit or divert any persons who were employees or independent contractors associated with the Store at the time of termination, expiration, or non-renewal of the Agreement for, or on behalf of any Competitive Business to work with any Competitive Business; or

(vii) Solicit, divert or attempt to solicit or divert any persons who were employees or independent contractors of Family Fare at the time of termination of the Franchise for, or on behalf of, any Competitive Business to work for any Competitive Business.

(d) Competitive Business. For purposes of this Section 24, the term "Competitive Business" means the following:

(i) a retail convenience store, whether or not selling petroleum or other Energy, that sells food, drinks, and other products typically sold in conveniences stores such as cigarettes, tobacco, vaping products, candy, soft drinks, beer, wine, lottery tickets, energy drinks, and sweet and salty immediate consumption snacks to consumers; or in the event the foregoing is considered too broad then,

(ii) a retail convenience store that sells petroleum or other Energy, food, drinks, and other products typically sold in conveniences stores such as cigarettes, tobacco, vaping products, candy, soft drinks, beer, wine, lottery tickets, energy drinks, and sweet and salty immediate consumption snacks to consumers.

(e) Restrictive Territory. For purposes of this Section 24, the term "Restrictive Territory" means the following:

(i) An area which is within a 3-mile radius of the location of any other business owned by Family Fare or its affiliates or any Family Fare franchisees as of the date of termination, expiration, or non-renewal of this Agreement; or

(ii) Only in the event a court of law determines the foregoing to be too broad, an area which is within a 3-mile radius of the Store Location; or

(iii) Only in the event a court of law determines the foregoing to be too broad, the location of any other business owned by Family Fare or its affiliates or franchisees as of the date of termination, expiration, or non-renewal of this Agreement; or

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(iv) Only in the event a court of law determines the foregoing to be too broad, at the Store Location.

(f) Confidential Information. As used in this Agreement, the term "Confidential Information" means all knowledge, know-how, standards, methods and procedures related to the establishment and operation of the Store and not generally known to the public and includes all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, the Store, whether in print, electronic or other form, including, without limitation, all databases, price lists, recipes, all names, addresses, phone numbers, e-mail addresses, customer purchase records, merchandising, financial information, mail lists, manuals, promotional and marketing materials, marketing strategies and any other data and information that the Family Fare or its affiliates designates as confidential including all information contained in the Brand Standards Manual, which may be provided as one or more separate manuals, written instructional guides, CD Rom, electronic files, or other communications from the Family Fare or its affiliates, which may be changed or supplemented from time to time.

(g) Reasonableness. The foregoing in-term and post-term covenants against unfair competition with respect to similar Competitive Businesses shall apply regardless of how or why the Agreement terminates, expires, or does not renew. The parties agree that the foregoing covenants contained in this Section 24 contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect Family Fare's goodwill or Family Fare's other business interest and its franchisees and the provisions do not prevent Franchisee or its owners from earning a living. Franchisee agrees that the scope of activities prohibited in this Section 24, and the length of the term and geographical restrictions in this Section 24, are necessary to protect the legitimate business interests and are fair and reasonable and are not the result of overreaching, duress, or coercion of any kind. Franchisee's full, uninhibited, and faithful observance of each of the covenants in this Section 24 will not cause any undue hardship, financial or otherwise. Enforcement of each of the covenants in this Section 24 will not impair Franchisee's or its owners' ability to obtain employment commensurate with Franchisee's or its owners' abilities or on terms fully acceptable to Franchisee or otherwise to obtain income required for the comfortable support of Franchisee and its owners and their families, and the satisfaction of the needs of all of Franchisee's and its owners' creditors. Franchisee's and its owners' special knowledge of a retail convenience store (and anyone acquiring this knowledge through Franchisee or its owners) is such as it would cause Family Fare serious injury and loss if Franchisee or its owners (or anyone acquiring this knowledge through Franchisee or its owners) were to use this knowledge to the benefit of a competitor or were to compete with Family Fare or its franchisees. The covenants in this Section 24 are to be construed as independent of any other covenant or provision of this Agreement. The existence of any claim Franchisee or any of its owners may have against Family Fare or any of its affiliates (regardless of whether arising under this Agreement) is not a defense to the enforcement of these covenants against Franchisee or its owners. In the event of any violation of the provisions of this Section 24, the Restrictive Period shall be extended by a period of time equal to the period of the violation. Franchisee and Family Fare agree that the running of the applicable post-termination Restrictive Period shall be tolled during any period of such violation. In the event any court or other judicial authority declares the scope of any geographic restriction or any restricted business activity covered by any paragraph or subparagraph of this Section 24 to be overly broad or otherwise in excess of what is determined to be valid and enforceable under applicable law, the restrictions shall be construed to cover only that duration, scope or activity contained in the specific subparagraphs which are determined to be valid and enforceable under the specific circumstances applicable to the business relationship between Family Fare and Franchisee and its Owners. Franchisee and its Owners hereby acknowledges

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that this Section 24 shall be given the construction that renders its provisions valid and enforceable to the maximum extent, not exceeding its express terms, possible under applicable law.

25. Financial Statements, Books and Records.

(a) Upon request, Franchisee shall furnish to Family Fare (1) copies of all tax returns, federal and state, including but not limited to income, quarterly estimates, sales, excise and employer returns; (2) proof of payment of any type of taxes; and (3) financial statements, profit and loss statements and balance sheets. Family Fare shall have the right during normal business hours to inspect the books and records of Franchisee. Franchisee shall use the chart of accounts that Family Fare requires.

(b) Books and Records. Franchisee shall maintain during the term of this Agreement, and shall preserve for at least five (5) years from the dates of their preparation, and shall make available to Family Fare at Family Fare's request and at Franchisee's expense, full, complete and accurate books, records, and accounts in accordance with generally accepted accounting principles.

(c) Submission of Performance Reports. Franchisee shall submit to Family Fare, for review or auditing, financial statements, including a balance sheet and income statement prepared on a monthly basis, Gross Profits reports and performance reports for monthly periods, and Franchisee shall also submit such forms, reports, records, information, and data as Family Fare may reasonably designate, in the form and at the times and places reasonably required by Family Fare, including without limitation, by electronic telecommunications data transmission methods, upon request and as specified from time to time in the Brand Standards Manual or otherwise in writing. Franchisee also shall immediately notify Family Fare in writing when one or more liens or judgments are filed against the Franchisee, the Store and/or any of the personal guarantors (if any) under this Agreement.

(d) Audit of Franchisee's Records. Family Fare or its designated agents shall have the right at all reasonable times to examine and copy, at Family Fare's expense, the books, records, and tax returns of the Store and remove copies thereof from the Store premises. Family Fare shall also have the right at any time, at Family Fare's expense, to have an independent audit made of the Store books, records and accounts. If any inspection or audit reveals that an underpayment exists, Franchisee shall immediately pay to Family Fare the amount owing to Family Fare, as determined by the inspection or audit. Upon discovery of an understatement of two percent (2%) or more, in addition to prompt payment of the underreported amount, Franchisee shall reimburse Family Fare for any and all expense connected with such inspections or audits, including but not limited to reasonable accounting and legal fees as well as interest as provided for in this Agreement. Such payments shall be without prejudice to any other remedies Family Fare may have under this Agreement or otherwise at law.

26. Transfer Provisions.

(a) Transfer by Family Fare. This Agreement and any and/or all of Family Fare's rights and/or obligations under it, are fully transferable without restriction by Family Fare and in Family Fare's sole discretion and will inure to the benefit of any person or entity to whom Family Fare transfers it, or to any other legal successor to Family Fare's interest in this Agreement; provided, however, the transferee agrees in writing to assume all obligations undertaken by Family Fare herein. If Family Fare transfers this Agreement, or any and/or all of Family Fare's rights and/or

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obligations under it, all past, current and future obligations of Family Fare (and of any of its affiliates) to Franchisee will cease and be forever extinguished. Family Fare shall be released from all obligations and liabilities arising or accruing in connection with this Agreement after the date of such transfer or assignment, and Franchisee's obligations and duties shall be and remain the same notwithstanding any such assignment. Family Fare may be sold and/or may sell any or all of Family Fare's assets to a competitive or other entity, Family Fare may participate in an initial, or other, public offering or private placement of Family Fare stock, may merge, acquire other entities and/or assets (competitive or not), be acquired by a competitive or other entity, and/or may undertake any refinancing, leveraged buy-out and/or other transaction. Franchisee waives any and all claims, demands and/or damages with respect to any transaction or otherwise allowed under this section or otherwise.

(b) Transfer by Franchisee. The rights and interest of Franchisee under this Agreement are and shall remain personal to Franchisee. Franchisee recognizes that Family Fare has granted the License in reliance on the business and financial capacity and other attributes of Franchisee and its Owners, and the personal skill, qualifications and representations of equity owners of Franchisee. Except as hereinafter provided, the Franchisee shall not by operation of law or otherwise sell, assign, transfer or convey any interest in this Agreement or any interest in the franchise granted hereby. Any dissolution, merger, consolidation or other reorganization of the Franchisee, any pledge of or any sale or other transfer of corporate stock or membership interests of Franchisee (whether in a single transaction or cumulatively), any change in the ownership percentages and interests set forth on the Owners' Statement, attached here to as Exhibit 2, or issuance of stock or interests to anyone other than the Owners identified on the Owners' Statement, shall constitute an assignment of this Agreement for all purposes of this section and require the written consent of Family Fare or shall be null and void.

(c) Family Fare's Right of First Refusal. If Franchisee decides to transfer during this Agreement's term the Store's assets, Franchisee's interest in this Agreement, an ownership interest in Franchisee, Franchisee's lease, Franchisee's business assets, or any ownership interest in a legal entity that owns a controlling ownership interest in Franchisee, Franchisee or Franchisee's owners, as applicable, shall give Family Fare sixty (60) days' prior written notice of any intended transfer of any of its rights or interest in the Store or Franchisee ("Transfer Notice"). Such Transfer Notice shall include all materials required by Family Fare's then current transfer policy, including, but not limited to, a copy of the term sheet or non-binding letter of intent outlining all material terms of the contract, and all other materials Family Fare in its sole discretion requires. Additionally, the Transfer Notice shall include the name of the proposed transferee, a confidentiality agreement executed by proposed transferee, a prequalification questionnaire completed by proposed transferee, the transferee and its owners' contact information, copies of the proposed transferee's driver's license, social security card, and immigration documentation (if applicable), criminal background check, credit report, purchase price and terms for payment, proposed lender (if any), proof of funds, post termination obligations, description of training or transitional assistance to be provided, a copy of the completed franchise application, copies of the contract, proof that proposed transferee's domicile is within twenty-five (25) miles of the Store, three (3) years of federal tax returns for each purchaser and/or its owners, copies of financial statements for the preceding three (3) years, and a copy of corporate formation documents. The 60-day right of first refusal evaluation period will not begin until the complete Transfer Notice is received by Family Fare. Irrespective of the qualifications or acceptability of any prospective transferee, Family Fare shall have the first right and option to purchase the interest at a price equal to the price proposed by the prospective transferee, as set forth in the Transfer Notice. Family Fare shall make such determination as promptly as practicable, but in no event later than sixty (60) days after it has received the complete Transfer Notice. Franchisee shall reimburse

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Family Fare for all attorneys' fees Family Fare incurs as a result of reviewing the Transfer Notice. If Family Fare elects not to exercise the right of first refusal, provided the proposed transferee is otherwise approved by Family Fare to be awarded a franchise, then Franchisee shall have sixty (60) days from the date of the waiver to consummate the transaction for the price designated in the Transfer Notice provided to Family Fare. If the price is decreased or the transaction does not timely close, then Family Fare's right of first refusal is reinstated.

(d) Conditions on Transfer. Once the complete Transfer Notice is received by Family Fare, Family Fare will evaluate the proposed transfer concurrently with the right of first refusal process set forth above. Family Fare agrees that it will not unreasonably withhold its consent to a proposed transfer if all the following conditions are satisfied as set forth below and in Family Fare's then current transfer policy, which shall be provided to Franchisee:

(i) Family Fare shall have decided not to exercise its right of first refusal as provided in Section 26(c).

(ii) Franchisee is in full compliance with this Agreement and there are no uncured defaults by Franchisee hereunder, and all debts and financial obligations of Franchisee under this Agreement are current.

(iii) Proposed transferee is a corporation or limited liability company and, unless Family Fare agrees otherwise, is solely owned by a single individual, which individual must be approved by Family Fare and who, in Family Fare's sole discretion, shall: (i) meet Family Fare's educational, managerial, values and business standards; (ii) possess a good moral character, business reputation and credit rating; (iii) have the aptitude and ability to operate the Store, as may be evidenced by prior related business experience or otherwise; (iv) have adequate financial resources, liquidity, and capital to operate the Store; (v) the owner of the proposed transferee has sufficient capacity to lead the Store; (vi) the proposed transferee's operating principal lives within twenty-five (25) miles of the Store Location as driven on a roadway and has a valid driver's license and such other documentation required by Family Fare certifying the operating principal lives within twenty-five (25) miles of the Store Location as driven on a roadway; and (vii) have such other qualifications as Family Fare then requires for new franchisees;

(iv) Once approval is granted, the right of first refusal waived, and all transfer provisions have been satisfied, Franchisee and transferee shall coordinate the closing of the transaction with Family Fare's business consultant assigned to the franchised business and other key constituents who will be involved with the training of the transferee.

(v) Prior to the date of the proposed transfer, the proposed transferee's operating principal and managers undertake and complete, to the satisfaction of Family Fare, such educational and development programs as Family Fare shall deem necessary.

(vi) Franchisee and its owners transferring an interest in Franchisee acknowledge and agree in writing they are bound by non-competition and confidentiality covenants contained herein;

(vii) The proposed transferee executes such documents as Family Fare may reasonably require to evidence that it has assumed the obligations of Franchisee under this Agreement, including, but not limited to, the then-current version of the Franchise Agreement, and if required by Family Fare, the proposed transferee executes, and in

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appropriate circumstances, causes such other parties as Family Fare may require to execute, Family Fare's then-current ancillary agreements to the then-current Franchise Agreement, which documents may be substantially different than those executed contemporaneously with the execution of this Agreement; provided, however, that (i) Continuing Royalty payable by the transferee will not be increased to an amount which is greater than that which is required to be paid system-wide by Family Fare's new franchisees; (ii) the transferee will not be required to pay an additional Initial Franchise Fee; and (iii) the transferee will not receive a new term or renewal term but will instead receive the Franchise only for the term and/or renewal term still remaining under this Agreement. This Agreement between Family Fare and Franchisee will terminate once an approved transfer is complete. The transfer shall not be complete until the executed transfer documentation is delivered to Family Fare's corporate offices and Family Fare executes the transfer documentation.

(viii) In addition to reimbursing Family Fare for all attorneys' fees Family Fare incurs as a result of the transfer, Franchisee or the Owner, as applicable, pays to Family Fare a transfer fee equal to (i) if Family Fare receives the transfer notice within the first twelve (12) months following the Effective Date, the first day of any Renewal Term, or the day this Agreement is transferred, fifty percent (50%) of the purchase price of the franchise or interest being purchased or (ii) if Family Fare receives the transfer notice after the first twelve (12) months following the Effective Date, the first day of any Renewal Term, or the day this Agreement is transferred, ten percent (10%) of the purchase price of the franchise or interest being purchased;

(ix) the transferor shall pay to Family Fare an amount equal to the then-current premises cleaning fee multiplied by four (4); which amount Family Fare shall return to transferor at any time in Family Fare's discretion up to one (1) year after the transfer of the business, less the amounts Family Fare is obligated to use for Store cleaning;

(x) The Transfer and the remittance of all fees involved in the Transfer is controlled by Family Fare;

(xi) Franchisee, Owners, and all of the personal guarantors of this Agreement execute such transfer documents as specified by Family Fare, including, but not limited to, (i) Family Fare's then current transfer agreement and (ii) a general release, in a form prescribed by Family Fare, releasing Family Fare and its affiliates, predecessors, successors and assigns, and their respective members, managers, officers, directors, shareholders and employees, in their corporate and individual capacities, from any and all claims, causes of action, demands, debts, liabilities, obligations, fees, costs and expenses, including without limitation, claims and causes of action arising under federal, state and local laws, rules, regulations and ordinances, arising prior to and including the date the Transfer becomes effective.

Family Fare's consent to a transfer of any interest in Franchisee or the Store granted through this Agreement will not constitute a waiver of any claims it may have against the transferring party, nor will it be deemed a waiver of Family Fare's right to demand exact compliance with any of the terms of this Agreement by the transferee.

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27. Guaranty.

As additional consideration to induce Family Fare to enter into this Agreement with Franchisee, the Guarantors executing this agreement hereby agree as follows: (a) to unconditionally guarantee to Family Fare the full and punctual performance by Franchisee of all terms, covenants, and conditions which are to be performed by Franchisee under this Agreement and any amendments or addenda to it; (b) to waive notice of any breach or default by Franchisee; (c) to promptly perform any term, covenant, or condition not performed by Franchisee; and (d) to pay all expenses, including, without limitation, reasonable attorneys' fees and costs, paid or incurred by Family Fare to enforce its rights under this Guaranty or against the Franchisee. This Guaranty shall be direct, unconditional, irrevocable and the primary obligation of the Guarantors, allowing Family Fare to proceed directly against Guarantor(s) without first proceeding against Franchisee. Additionally, all Guarantors shall execute the form of Personal Guaranty attached hereto as Exhibit 4 and incorporated by reference. The obligation of the Guarantor(s) shall not be released or diminished by any subsequent modification of this Agreement and shall survive the termination of this Agreement.

28. Time is of the Essence.

Time is of the essence of this Agreement.

29. Notice.

Any notice required herein to be given by any party shall be in writing and such notice may be made by (i) personal delivery, (ii) first-class or certified mail with return receipt requested, or (iii) a nationally recognized express carrier. If delivered, notice shall be delivered in person to the individual designated or left with an authorized representative. If mailed, notice shall be deemed to have been given two (2) days after the notice is duly posted in the U.S. mail. If notice is sent via nationally recognized express carrier, notice shall be deemed to have been given the day after it was sent. Any notice that gives the sender evidence of delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery. Notices to Family Fare shall be addressed to Family Fare at 4220 Neal Road, Durham, North Carolina 27705, ATTN: M. L. BARNES, JR. Notices to Franchisee shall be addressed at (1) the address set forth above during the period from the Effective Date of this Agreement until the Store opens for business, (2) the address of the Store Location from the date of the Store opening, or (3) to such other address as Franchisee by written notice forwards to Family Fare. At Family Fare's election, Family Fare may alternatively send notice to Franchisee via email to the email address on file with Family Fare, which notice shall be deemed received when sent by Family Fare. Notice given in accordance with this paragraph shall be deemed sufficient notice required by law.

30. Waiver.

The waiver by Family Fare of any default or breach by Franchisee hereunder, acceptance of payment during the continuance thereof, forbearance, or failure to insist upon strict performance of any of the terms and provisions of this Agreement or prior course of dealing on the part of Family Fare shall not be taken to be a waiver of any continuing or subsequent default or breach of the same or any other covenant, condition or provision hereof or affect the rights or remedies of Family Fare with respect thereto. Family Fare has the unrestricted right to elect to not enforce (or to selectively enforce) any provision of this Agreement or any other agreement,

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standard or policy, whether with respect to Franchisee, its Operating Principal and/or any other franchisee or other person, or any affiliate of Franchisee or Family Fare, without liability.

31. Attorneys' Fees.

Except as otherwise provided and limited by this section, no party shall be entitled to recover expenses reasonably incurred (including attorneys' fees) from the other party in any action at law or in equity. Family Fare shall be entitled to reimbursement from the Franchisee for all expenses reasonably incurred (including attorneys' fees) in which it prevails: (i) in any action brought by Family Fare to enforce the terms of this Agreement, an obligation owed to Family Fare by Franchisee and/or its owners, or an obligation owed to Franchisee by Family Fare; (ii) in the defense of any action brought by the Franchisee and/or its Owners; or (iii) as otherwise provided for in this Agreement.

32. Confidentiality.

(a) Franchisee understands and agrees that Family Fare has disclosed or will hereafter disclose to Franchisee certain confidential or proprietary information and trade secrets. Except as necessary in connection with the operation of the Store and as approved by Family Fare, Franchisee, Franchisee's Owners and guarantors shall not, during the Term or at any time after the expiration, termination, or non-renewal of this Agreement, regardless of the cause of termination, directly or indirectly, use for its own benefit or communicate or divulge to, or use for the benefit of any other person or entity, any trade secrets, Confidential Information, or methods of operation of the Store or the franchise system. Franchisee shall disclose to its employees only such Confidential Information, proprietary information, or trade secret information as is necessary to operate its business hereunder and then only while this Agreement is in effect. Franchisee, Owners, and all guarantors of this Agreement will divulge Confidential Information only to personnel, if any, who must have access to it in order to operate the Store. Franchisee shall not, without Family Fare's prior written approval, disclose to anyone other than Franchisee's auditors, accountants, lawyers, or bona fide prospective purchasers of the Store who have signed non-disclosure agreements, financial information of the Store, including, but not limited to, Franchisee's earnings, tax liabilities, revenues, Gross Sales, or costs. Franchisee's obligations to maintain the confidentiality of Confidential Information will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration, termination, or non-renewal for any reason.

(b) All ideas, concepts, inventions, techniques or materials concerning the operation of the Store, whether or not protectable intellectual property and whether created by or for Franchisee or its Owners or employees, must be promptly disclosed to Family Fare and will be deemed the exclusive property of Family Fare as works made-for-hire for Family Fare, and no compensation will be due to Franchisee or its owners or employees therefor. Family Fare may incorporate such items into the Family Fare System and neither Franchisee nor its owners or employees shall receive compensation therefor. To the extent any item does not qualify as a "work made-for-hire" for Family Fare, Franchisee and the Owners hereby assign ownership of any such item(s), and all related rights to such item(s), to Family Fare and shall sign any assignment or other document as Family Fare reasonably requests to assist Family Fare in obtaining or preserving intellectual property rights in the item(s). Family Fare shall disclose to Franchisee concepts and developments of other franchisees that are made part of the system. As Family Fare may reasonably request, Franchisee shall, at Family Fare's expense, take all actions reasonably necessary to assist Family Fare's efforts to obtain or maintain intellectual

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property rights in any item or process related to the Family Fare System, whether developed by Franchisee or not.

33. Dispute Resolution; Governing Law, Jurisdiction and Venue.

(a) Mediation. Except for claims brought by Family Fare related primarily to (i) the validity of any Marks owed by Family Fare, (ii) any monies owed to Family Fare or M. M. Fowler by Franchisee, (iii) a cross default under any other agreement between Franchisee and M. M. Fowler, (iv) Family Fare's rights to receive and enforce a temporary restraining order and/or (v) defaults under Sections 20(a), 20(b)(i), (vii), or (ix), preliminary injunction, permanent injunction, or other equitable relief, if a dispute or controversy arises among the parties, and if the dispute cannot be settled through informal negotiation, the parties agree to submit such controversy to non-binding mediation for resolution prior to pursuing litigation as provided for below. The mediation shall be conducted either through an individual mediator or a mediator appointed by a mediation service organization or body, experienced in the mediation of disputes between Family Fare and franchisees, agreed upon by the parties, and, failing such agreement within a reasonable period of time after either party has notified the other of its desire to seek mediation of any claim (not to exceed sixty (60) days), by the American Arbitration Association (or any successor organization) in accordance with the procedures and rules set forth under North Carolina law for court ordered mediated settlement conferences and the expenses of the appointed mediator shall be shared equally by each party. If the parties are unable to resolve the claim within sixty (60) days after delivery of written notice of the desire to seek mediation, then either party may bring an action in court having jurisdiction in accordance with Section 33(b) below. The venue for any mediation concerned with the enforcement and interpretation of this Agreement shall be Durham, North Carolina.

(b) Governing Law, Jurisdiction, and Venue. The parties each agree the State of North Carolina has a deep and well developed history of business decisional law. For this reason, the parties each agree that except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. ¶ 1050, et seq.) as amended, this Agreement will be construed in accordance with, and all disputes between the parties (whether in contract, tort, or otherwise) arising out of or relating to this Agreement, any breach of this Agreement, or the relationship between the parties, will be governed by, the law of the State of North Carolina without recourse to North Carolina (or any other) choice of law or conflicts of law principles. The parties agree that any action brought by a party against the other arising out of or related to this Agreement, any breach of this Agreement, or the relationship between the parties, and not resolved pursuant to Section 33(a) above, must be brought in a court of competent jurisdiction located in Durham, North Carolina. Franchisee consents to personal jurisdiction and venue in this jurisdiction and waives, and agrees not to assert, move or otherwise claim that the venue is for any reason improper, inconvenient, prejudicial, or otherwise inappropriate (including any claim under the judicial doctrine of *forum non conveniens*). Furthermore, Franchisee and Family Fare agree the finder of fact shall not have authority to declare any Mark owned by Family Fare or its affiliate or that is otherwise a part of the franchise system to be generic or invalid. Nothing in this subparagraph is intended, or shall be deemed, to make any North Carolina law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable. Any and all claims and actions arising out of or relating to this agreement, the relationship of franchisee and Family Fare, or Franchisee's operation of the franchised Store, brought by franchisee against Family Fare, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

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(c) JURY TRIAL AND CLASS ACTION WAIVER. FAMILY FARE AND FRANCHISEE (AND FRANCHISEE'S OWNERS AND GUARANTORS, IF APPLICABLE) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY FAMILY FARE AND FRANCHISEE. NOTHING IN THIS PARAGRAPH SHALL AFFECT THE APPLICATION OF SECTIONS 33(a) AND (b). NEITHER FRANCHISEE NOR FAMILY FARE SHALL SEEK TO LITIGATE AGAINST THE OTHER PARTY TO THIS AGREEMENT OR SUCH PARTY'S AFFILIATES, EITHER AS A REPRESENTATIVE OF, OR ON BEHALF OF, ANY OTHER PERSON, CLASS, OR ENTITY ANY DISPUTE, CONTROVERSY, OR CLAIM OF ANY KIND ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES, THE SALE OF THE FRANCHISE, OR OTHER CLAIMS OR CAUSES OF ACTION RELATING TO THE PERFORMANCE OF EITHER PARTY TO THIS AGREEMENT. NO LITIGATION OR OTHER ACTION OR PROCEEDING UNDER THIS AGREEMENT SHALL ADD AS A PARTY, BY CONSOLIDATION, JOINDER, OR IN ANY OTHER MANNER, ANY PERSON OR PARTY OTHER THAN FRANCHISEE AND FAMILY FARE AND ANY PERSON IN PRIVITY WITH, OR CLAIMING THROUGH, IN THE RIGHT OF, OR ON BEHALF OF, FRANCHISEE OR FAMILY FARE, UNLESS BOTH FRANCHISEE AND FAMILY FARE CONSENT IN WRITING. FAMILY FARE HAS THE ABSOLUTE RIGHT TO REFUSE SUCH CONSENT. FRANCHISEE AGREES AND ACKNOWLEDGES THAT ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN THE PARTIES, OR ANY AGREEMENT OR RELATIONSHIP BETWEEN FRANCHISEE AND ANY AFFILIATE OF FAMILY FARE WILL BE CONSIDERED UNIQUE ON ITS FACTS AND MAY NOT BE BROUGHT AS A CLASS OR GROUP ACTION.

(d) WAIVER OF CERTAIN DAMAGES. EXCEPT FOR FRANCHISEE'S OBLIGATIONS TO INDEMNIFY FAMILY FARE UNDER THIS AGREEMENT AND CLAIMS FAMILY FARE BRINGS AGAINST FRANCHISEE FOR FRANCHISEE'S UNAUTHORIZED USE OF THE MARKS, UNAUTHORIZED USE OR DISCLOSURE OF CONFIDENTIAL INFORMATION, OR BREACH OF FRANCHISEE'S OR ITS OWNERS NON-COMPETITION COVENANTS, FAMILY FARE AND FRANCHISEE (AND FRANCHISEE'S OWNERS AND GUARANTORS, IF APPLICABLE) WAIVE ANY RIGHT TO OR CLAIM FOR PUNITIVE, CONSEQUENTIAL, MULTIPLE, INCIDENTAL OR OTHER DAMAGES IN EXCESS OF THE ECONOMIC DAMAGES ACTUALLY SUSTAINED, WHETHER ASSERTED AS A RELATED OR INDEPENDENT TORT, AS A BREACH OF CONTRACT, OR AS ANY OTHER CLAIM OR CAUSE OF ACTION BASED ON STATUTORY OR COMMON LAW. EXCEPT FOR ANY SPECIFIC WRITTEN WARRANTIES EXPRESSLY PROVIDED IN CONNECTION WITH A SPECIFIC ITEM, FAMILY FARE SHALL NOT BE LIABLE TO ANY PERSON OR ENTITY IN RELATION TO ANY GOODS AND/OR SERVICES (INCLUDING ANY ASPECT OF THE LABOR OR INSTALLATION OF ANY EQUIPMENT, OR PRODUCTS) PROVIDED BY FAMILY FARE, FAMILY FARE'S AFFILIATES AND/OR ANY PERSON/COMPANY REFERRED/APPROVED BY FAMILY FARE OR THEM. SUCH ITEMS ARE PROVIDED WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE BEING EXPRESSLY DISCLAIMED.

(e) Remedies Cumulative. All rights and remedies conferred upon Franchisee and Family Fare by this Agreement and by law shall be cumulative of each other, and neither the exercise nor the failure to exercise any such right or remedy shall preclude the exercise of any other such right or remedy.

(f) Nonwaiver. No failure by Family Fare or Franchisee to take action on account of any default by the other, whether in a single instance or repeatedly, shall constitute a waiver of

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any such default or of the performance required of Franchisee. No express waiver by Franchisee or Family Fare of any provision or performance hereunder or of any default by the other shall be construed as a waiver of any other or future provision, performance, or default. Acceptance by Family Fare of any payment by Franchisee and the failure, refusal or neglect of Family Fare to exercise any right under this Agreement or to insist upon full compliance by Franchisee of its obligations hereunder including, without limitation, any mandatory specification, standard or operating procedure, will not constitute a waiver by Family Fare of any provision of this Agreement. Family Fare will have the right to waive obligations or restrictions for other franchisees under their franchise agreements without waiving those obligations or restrictions for Franchisee, and, except to the extent prohibited by law, Family Fare will have the right to negotiate terms and conditions, grant concessions, and waive obligations for other franchisees without granting those same rights to Franchisee and without incurring any liability to Franchisee whatsoever.

(g) BUSINESS JUDGMENT. FRANCHISEE, FRANCHISEE'S OPERATING PRINCIPAL AND GUARANTORS, AND FAMILY FARE ACKNOWLEDGE THAT VARIOUS PROVISIONS OF THIS AGREEMENT SPECIFY CERTAIN MATTERS THAT ARE WITHIN FAMILY FARE'S SOLE DISCRETION OR JUDGMENT OR ARE OTHERWISE TO BE DETERMINED UNILATERALLY BY FAMILY FARE. IF THE EXERCISE OF FAMILY FARE'S DISCRETION OR JUDGMENT AS TO ANY SUCH MATTERS IS SUBSEQUENTLY CHALLENGED, THE PARTIES TO THIS AGREEMENT EXPRESSLY DIRECT THE TRIER OF FACT THAT FAMILY FARE'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF FAMILY FARE'S DISCRETION OR JUDGMENT IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF ITS DISCRETION OR JUDGMENT, WITHOUT REGARD TO WHETHER OTHER REASONS FOR FAMILY FARE'S DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON. EXAMPLES OF ITEMS THAT WILL PROMOTE OR BENEFIT THE FAMILY FARE SYSTEM INCLUDE, WITHOUT LIMITATION, ENHANCING THE VALUE OF THE MARKS, IMPROVING CUSTOMER SERVICE AND SATISFACTION, IMPROVING PRODUCT QUALITY, IMPROVING UNIFORMITY, ENHANCING OR ENCOURAGING MODERNIZATION, AND IMPROVING THE COMPETITIVE POSITION OF THE FAMILY FARE SYSTEM.

(h) Consent. Whenever Family Fare's consent or approval is required under this Agreement, unless the provision specifically indicates otherwise, Family Fare shall have the right to withhold approval at Family Fare's option, taking into consideration Family Fare's assessment of the long-term interests of the system overall. Family Fare may withhold any and all consents or approvals required by this Agreement if Franchisee is in breach or default of this Agreement. Family Fare's consent and approvals are not effective unless given in writing and signed by a duly authorized representative. In no event may Franchisee make any claim for money damages based upon any claim that Family Fare unreasonably withheld or delayed any consent or approval to any proposed act by Franchisee under the terms of this Agreement. Franchisee also shall not claim damages by way of set-off, counterclaim, or defense for withholding of Family Fare's consent.

34. Risk Factor; Franchisee Representations.

(a) FRANCHISEE ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE PROPOSED FRANCHISE AND RECOGNIZES THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITY OF

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FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON OR BUSINESS. FAMILY FARE EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY WARRANTY, OR GUARANTEE, OR REPRESENTATION OTHER THAN AS SET FORTH IN THE DISCLOSURE DOCUMENT, EXPRESS OR IMPLIED, FROM ANY EMPLOYEE, OFFICER, DIRECTOR, MEMBER, OR AGENT OF FAMILY FARE AS TO THE POTENTIAL SALES VOLUMES, PROFITS, OR LEVEL OF SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT OR THE SUITABILITY OF THE STORE LOCATION OR FRANCHISEE'S ABILITY TO PROCURE ANY REQUIRED LICENSE OR PERMIT. FAMILY FARE HAS NOT REPRESENTED THAT (I) FRANCHISEE WILL EARN, CAN EARN, OR IS LIKELY TO EARN A GROSS OR NET PROFIT, (II) FAMILY FARE HAS KNOWLEDGE OF THE RELEVANT MARKET, OR (III) THE MARKET DEMAND WILL ENABLE FRANCHISEE TO EARN A PROFIT FROM THE STORE.

(b) FRANCHISEE ACKNOWLEDGES THAT IT RECEIVED A COPY OF THE COMPLETE FAMILY FARE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, THE ATTACHMENTS THERETO, AND THE AGREEMENTS RELATED THERETO, IF ANY, AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS SIGNED OR CONSIDERATION EXCHANGED.

(c) FRANCHISEE ACCEPTS THE TERMS, CONDITIONS AND COVENANTS CONTAINED IN THIS AGREEMENT AS BEING REASONABLE AND NECESSARY TO MAINTAIN FAMILY FARE'S STANDARDS OF QUALITY, SERVICE AND UNIFORMITY AND IN ORDER TO PROTECT AND PRESERVE THE GOODWILL OF THE MARKS. FRANCHISEE ACKNOWLEDGES THAT OTHER FRANCHISEES OF FAMILY FARE HAVE BEEN OR WILL BE GRANTED FRANCHISES AT DIFFERENT TIMES AND IN DIFFERENT SITUATIONS. FRANCHISEE FURTHER ACKNOWLEDGES THE PROVISION OF THE FRANCHISE AGREEMENTS PURSUANT TO WHICH SUCH FRANCHISES WERE GRANTED MAY VARY MATERIALLY FROM THOSE CONTAINED IN THIS AGREEMENT AND THAT FRANCHISEE'S OBLIGATION ARISING HEREUNDER MAY DIFFER SUBSTANTIALLY FROM OTHER FRANCHISEES'.

(d) FRANCHISEE RECOGNIZES THE FAMILY FARE SYSTEM MAY EVOLVE AND CHANGE OVER TIME AND THE LICENSE AND OPERATION OF THE STORE INVOLVE AN INVESTMENT OF SUBSTANTIAL RISK AND ITS SUCCESS IS DEPENDENT PRIMARILY UPON THE BUSINESS ACUMEN AND EFFORTS OF FRANCHISEE AND OTHER FACTORS BEYOND FAMILY FARE'S CONTROL. FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE FRANCHISE AND HAD AMPLE TIME AND OPPORTUNITY TO CONSULT WITH INDEPENDENT PROFESSIONAL ADVISORS, INCLUDING BUT NOT LIMITED TO LAWYERS AND ACCOUNTANTS, AND HAS NOT RELIED UPON ANY EXPRESS OR IMPLIED GUARANTEE AS TO POTENTIAL VOLUMES, REVENUES, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY FRANCHISEE. EVEN THOUGH THIS AGREEMENT CONTAINS PROVISIONS REQUIRING FRANCHISEE TO OPERATE THE STORE IN COMPLIANCE WITH FAMILY FARE'S SYSTEM: (1) FAMILY FARE OR FAMILY FARE AFFILIATES DO NOT HAVE ACTUAL OR APPARENT AUTHORITY TO CONTROL THE DAY-TO-DAY CONDUCT AND OPERATION OF FRANCHISEE'S STORE OR EMPLOYMENT DECISIONS; AND (2) FRANCHISEE AND FAMILY FARE DO NOT INTEND FOR FAMILY FARE OR FAMILY FARE'S AFFILIATES TO INCUR ANY LIABILITY IN CONNECTION WITH OR ARISING FROM ANY ASPECT OF FAMILY FARE'S SYSTEM OR FRANCHISEE'S USE OF THE FAMILY FARE SYSTEM OR THE OPERATION OF THE FRANCHISED STORE, WHETHER OR NOT IN ACCORDANCE WITH THE REQUIREMENTS OF THE BRAND STANDARDS MANUAL OR OTHERWISE PROVIDED BY FAMILY FARE.

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(e) FRANCHISEE AS A CORPORATION OR LIMITED LIABILITY COMPANY, AS APPLICABLE, MAKES THE FOLLOWING REPRESENTATIONS AND WARRANTIES: (1) FRANCHISEE IS DULY ORGANIZED AND VALIDLY EXISTING UNDER THE LAWS OF THE STATE OF ITS FORMATION; (2) FRANCHISEE IS QUALIFIED TO DO BUSINESS IN THE STATE OR STATES IN WHICH THE BUSINESS IS LOCATED; (3) EXECUTION OF THIS AGREEMENT AND THE DEVELOPMENT AND OPERATION OF THE BUSINESS IS PERMITTED BY ITS GOVERNING DOCUMENTS; AND (4) ITS GOVERNING DOCUMENTS RESTRICT CONTROL AND MANAGEMENT OF THE ENTITY AND OF THE FAMILY FARE FRANCHISE SOLELY TO THE OPERATING PRINCIPAL.

(f) FRANCHISEE HAS PROVIDED TO FAMILY FARE A CURRENT LIST OF ALL OWNERS IN THE OWNERS' STATEMENT, ATTACHED HERETO AS EXHIBIT 2, AND FRANCHISEE AGREES NOT TO MAKE ANY CHANGES IN OWNERSHIP WITHOUT FAMILY FARE'S WRITTEN CONSENT AS PROVIDED FOR HEREIN. FRANCHISEE REPRESENTS THAT ALL OWNERS HAVE EXECUTED THE PERSONAL GUARANTY. FRANCHISEE REPRESENTS AND WARRANTS THAT ITS SOLE OFFICER IS THE OPERATING PRINCIPAL.

(g) FRANCHISEE SHALL MAINTAIN STOP-TRANSFER INSTRUCTIONS AGAINST THE TRANSFER ON ITS RECORDS OF ANY VOTING SECURITIES, AND EACH STOCK CERTIFICATE OF THE CORPORATION SHALL HAVE CONSPICUOUSLY ENDORSED UPON ITS FACE THE FOLLOWING STATEMENT: "ANY ASSIGNMENT OR TRANSFER OF THIS STOCK IS SUBJECT TO THE RESTRICTION IMPOSED ON ASSIGNMENT BY FAMILY FARE FRANCHISE AGREEMENT(S) TO WHICH THE CORPORATION IS A PARTY." IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, EACH MEMBERSHIP OR MANAGEMENT CERTIFICATE OR OTHER EVIDENCE OF INTEREST IN FRANCHISEE SHALL HAVE CONSPICUOUSLY ENDORSED UPON ITS FACE THE FOLLOWING STATEMENT: "ANY ASSIGNMENT OR TRANSFER OF AN INTEREST IN THIS LIMITED LIABILITY COMPANY IS SUBJECT TO THE RESTRICTIONS IMPOSED ON ASSIGNMENT BY FAMILY FARE FRANCHISEE AGREEMENT(S) TO WHICH THE LIMITED LIABILITY COMPANY IS A PARTY."

(h) FRANCHISEE ACKNOWLEDGES THAT UNDER APPLICABLE U.S. LAW, INCLUDING, WITHOUT LIMITATION, EXECUTIVE ORDER 13224, SIGNED ON SEPTEMBER 23, 2001 (THE "ORDER"), FAMILY FARE IS PROHIBITED FROM ENGAGING IN ANY TRANSACTION WITH ANY SPECIALLY DESIGNATED NATIONAL OR BLOCKED PERSON. "SPECIALLY DESIGNATED NATIONAL" OR "BLOCKED PERSON" SHALL MEAN (1) THOSE PERSONS DESIGNATED BY THE U.S. DEPARTMENT OF TREASURY'S OFFICE OF FOREIGN ASSETS CONTROL FROM TIME TO TIME AS A "SPECIALLY DESIGNATED NATIONAL" OR "BLOCKED PERSON" OR SIMILAR STATUS, (2) A PERSON ENGAGED IN, OR AIDING ANY PERSON ENGAGED IN, ACTS OF TERRORISM, AS DEFINED IN THE ORDER, OR (3) A PERSON OTHERWISE IDENTIFIED BY GOVERNMENT OR LEGAL AUTHORITY AS A PERSON WITH WHOM FAMILY FARE IS PROHIBITED FROM TRANSACTING BUSINESS. CURRENTLY, A LISTING OF SUCH DESIGNATIONS AND THE TEXT OF THE ORDER ARE PUBLISHED AT THE INTERNET WEBSITE ADDRESS WWW.USTREAS.GOV/OFFICES/ENFORCEMENT/OFAC. ACCORDINGLY, FRANCHISEE REPRESENTS AND WARRANTS TO FAMILY FARE THAT AS OF THE DATE OF THIS AGREEMENT, NEITHER FRANCHISEE NOR ANY PERSON HOLDING ANY OWNERSHIP INTEREST IN FRANCHISEE, CONTROLLED BY FRANCHISEE, OR UNDER COMMON CONTROL WITH FRANCHISEE IS A SPECIALLY DESIGNATED NATIONAL OR BLOCKED PERSON, AND THAT FRANCHISEE (1) DOES NOT, AND HEREAFTER SHALL NOT, ENGAGE IN ANY TERRORIST ACTIVITY; (2) IS NOT AFFILIATED WITH AND DOES NOT SUPPORT

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ANY INDIVIDUAL OR ENTITY ENGAGED IN, CONTEMPLATING, OR SUPPORTING TERRORIST ACTIVITY; AND (3) IS NOT ACQUIRING THE RIGHTS GRANTED UNDER THIS AGREEMENT WITH THE INTENT TO GENERATE FUNDS TO CHANNEL TO ANY INDIVIDUAL OR ENTITY ENGAGED IN, CONTEMPLATING, OR SUPPORTING TERRORIST ACTIVITY, OR TO OTHERWISE SUPPORT OR FURTHER ANY TERRORIST ACTIVITY. FRANCHISEE AGREES THAT FRANCHISEE SHALL IMMEDIATELY PROVIDE WRITTEN NOTICE TO FAMILY FARE OF THE OCCURRENCE OF ANY EVENT WHICH RENDERS THE REPRESENTATIONS AND WARRANTIES IN THIS SECTION INCORRECT.

(i) Franchisee covenants that during the Term, it will at all times faithfully, honestly, and diligently perform its obligations under this Agreement, and that it will continuously exert its best efforts to promote and enhance the business of the Store and other franchised businesses established and operated by Franchisee under the system.

(j) Franchisee, Owners, and all guarantors hereof acknowledge and agree the obligations regarding the use of Confidential Information and trade secrets set forth in this Agreement will apply throughout the Term and after the expiration, termination, or non-renewal of this Agreement, without limitation as to time or geographic scope. Franchisee covenants that upon termination, expiration, or non-renewal, Franchisee will immediately and permanently cease to use, in any manner whatsoever, any Confidential Information, trade secrets, methods, procedures, and techniques associated with the system.

(k) Franchisee hereby acknowledges and agrees that the Store Location provided by Family Fare does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for the Store or for any other purpose, but indicates only that Family Fare believes the site complies with acceptable minimum criteria established by Family Fare. Both Franchisee and Family Fare acknowledge that application of criteria that may have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to Family Fare's choosing a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from Family Fare's criteria could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond Family Fare's control. Family Fare shall not be responsible for the failure of a Store Location to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Store at the site is based on its own independent investigation of the suitability of the site.

(l) Franchisee covenants that its Operating Principal resides within twenty-five (25) miles of the Store Location as driven on a roadway and will continue to reside within twenty-five (25) miles of the Store Location as driven on a roadway throughout the duration of the Term and any renewal term. Franchisee agrees to provide required documentation to validate the residence of the Operating Principal when requested by Family Fare.

(m) Franchisee represents and warrants to Family Fare that the entire ownership of Franchisee is set forth on the Owners' Statement, attached hereto as Exhibit 2. Franchisee shall notify Family Fare in writing within five (5) days of any change in the information set forth in the Owners' Statement. Franchisee shall obtain Family Fare's prior approval to change the Operating Principal. Franchisee shall promptly provide such additional information as Family Fare may from time to time request concerning all persons who may have any direct or indirect financial interest in Franchisee. Franchisee shall promptly provide true and correct copies of all documents and contracts governing the rights, obligations and powers of Franchisee's Owners upon Family Fare's request.

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(n) Franchisee acknowledges that in all of their dealings with Franchisee, Family Fare's officers, directors, employees, and agents act only in a representative, and not in an individual capacity.

35. Covenant of Good Faith.

No covenant of good faith and fair dealing shall be implied into this Agreement, except that if applicable law shall imply such a covenant in this Agreement, Family Fare and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply such a covenant, Franchisee acknowledges that (a) this Agreement grants Family Fare the sole discretion to make decisions, take actions, and refrain from taking actions not inconsistent with Family Fare's explicit rights and obligations hereunder that may favorably or adversely affect Franchisee's interests; (b) Family Fare will use its judgment in exercising such sole discretion based on Family Fare's assessment of its own interests and balancing those interests against the interests of Franchisee and other franchisees within the Family Fare System generally; and (c) Family Fare will have no liability to Franchisee for the exercise of its sole discretion, so long as such discretion is not exercised in bad faith toward Franchisee; and (d) in absence of such bad faith, no trier of fact in any legal action shall substitute its judgment for Family Fare's judgment so exercised.

36. Security Interest.

(a) Security Interest. By signing this Agreement, Franchisee does the following:

(i) grants to Family Fare, a first priority security interest in the Collateral. The security interest Franchisee grants to Family Fare in the Collateral secures Franchisee's payment and performance of all of Franchisee's obligations, claims, debts, duties, liabilities conditions and terms, expenses and future advances to Franchisee and those amounts which may be incurred by Family Fare in connection with the administration or collection of any of Franchisee's obligations under or in connection with the Agreement;

(ii) agrees to sign and deliver to Family Fare all other documents and take all other steps, acts and measures that may be necessary to ensure that Family Fare is able to fully perfect a first priority security interest in the Collateral; and

(iii) consents to any notices given by Family Fare or its affiliates to other creditors designed to perfect Family Fare's security interest and to grant Family Fare first priority. Franchisee agrees to authorize Family Fare to file, in jurisdictions where this authorization will be given effect, a UCC-1 Financing Statement signed only by Family Fare describing the Collateral in the same manner as described in this Agreement. Franchisee agrees to sign (if required by law) and deliver to Family Fare for filing additional financing statements and any other documents necessary or desired by Family Fare for Family Fare to establish or maintain a valid security interest in the Collateral (free and clear of all other liens and claims whatsoever), including deposit with Family Fare of any certificate of title issuable with respect to the Collateral and notation on that title of this security interest.

(b) Definition of Collateral. "Collateral" shall mean, to the extent they are owned by and not consigned to Franchisee, all assets, properties and rights, whether tangible or intangible,

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whether real, personal or mixed, used or usable in the operation of the Store, including but not limited to, the lease with M.M. Fowler, furniture, fixtures, equipment, supplies, accounts, personal property, raw materials, packaging materials, parts, computer systems, licenses, authorizations, permits, approvals, contracts, receivables, inventory, and records.

(c) Power of Attorney. Franchisee irrevocably appoints Family Fare as its true and lawful attorney-in-fact in Franchisee's name and stead and hereby authorize Family Fare, upon any default under Franchisee's lease, Conditional Assignment and Assumption of Lease, or this Agreement, with or without taking possession of the Store Location or any other Collateral under the lease, to rent, lease, manage and operate the Store, Store Location or any other Collateral under the lease to any person, firm or corporation upon such terms and conditions as, in Family Fare's discretion, Family Fare may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as Family Fare would have upon taking possession of the Store, Store Location, or any other Collateral under the lease pursuant to the provisions set forth in the lease. The power of attorney conferred upon Family Fare pursuant to this Agreement is a power coupled with an interest and cannot be revoked, modified or altered without Family Fare's prior written consent.

37. Miscellaneous.

(a) If any term or provision, or any portion thereof, of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances, other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

(b) This Agreement and any signed addenda by the parties contain the entire agreement of the parties hereto and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties. Franchisee expressly acknowledges that no oral promises or declarations were made to it and the obligations of Family Fare are confined exclusively to those set forth in this Agreement. Family Fare's agents or employees may not modify, add to, amend, rescind or waive this Agreement in any other manner, including by conduct manifesting agreement or by electronic signature, and Franchisee is hereby put on notice that any person purporting to amend or modify this Agreement other than by a written document signed by one of Family Fare's authorized officers, is not authorized to do so. Franchisee understands and assumes the business risks inherent in this enterprise. Notwithstanding the foregoing, Family Fare reserves the right to amend this Agreement if a Franchise Agreement change proposed by Family Fare is agreed to by seventy-five percent (75%) of the then-current Franchisees. Further, except for those permitted to be made unilaterally by Family Fare, no supplement, amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto. The Franchise Agreement and any amendments shall be deemed to have been drafted by both parties and in no event will any adverse construction of such agreements be attributed to Family Fare as the drafting party.

(c) The pronouns used in this Agreement shall be construed as masculine, feminine or neuter, as the context may require. Headings and captions are for reference only and in no way limit the terms of this Agreement. Invalidation of any one or more of the provisions of this

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Agreement shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

(d) All rights of Family Fare under this Agreement or under law or at equity are separate and cumulative and may be pursued separately, successively or concurrently or not pursued without affecting or limiting any other right of Family Fare and without affecting or impairing the liability of Franchisee.

(e) This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. One or more counterparts can be delivered by facsimile or .pdf file transmission. This Agreement may, but is not required to, be executed using electronic signatures. Each party agrees that any such electronic signature of the parties are intended to authenticate this writing and to have the same force and effect as manual signatures.

(f) Franchisee acknowledges that Family Fare has entered, and will continue to enter, into agreements with other Franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that Family Fare and franchisees other than Franchisee may have different rights and obligations does not affect the parties' duty to comply with this Agreement.

(g) If Family Fare's performance of any part of this Agreement is prevented, hindered, delayed or otherwise made impracticable by reason of any flood, riot, fire, judicial or governmental action, pandemic, labor disputes, act of God or any other causes beyond the control of Family Fare, Family Fare shall be excused from such to the extent that it is prevented, hindered or delayed by such causes.

(h) All of Franchisee's, Operating Principal's, and Owners' obligations which expressly or by their nature survive the expiration, non-renewal, or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration, non-renewal, or termination and until they are satisfied in full or by their nature expire. Examples include, but are not limited to, indemnification, payment, covenants not to compete, and confidentiality covenants.

(i) The last signature applied to this Agreement shall be the signature of Family Fare's officer at Family Fare's headquarters in North Carolina. The Agreement shall not be binding on Family Fare until signed by Family Fare.

(j) Family Fare shall have the right to delegate Family Fare's duties under this Agreement to any affiliated or non-affiliated entity, agent, or employee and Franchisee agrees to such assignment without any right to approve such actions.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, as of the date first above written.

FRANCHISOR:

FAMILY FARE, LLC

By: _____ _____

M. LEE BARNES, JR., President _____, Witness

FRANCHISEE:

_____ _____
[Print Name of Business Entity]

_____, Witness

By: _____

Print Name: _____
Title: President

GUARANTORS:

_____ _____

Print Name: _____ _____, Witness

_____ _____

Print Name: _____ _____, Witness

_____ _____

Print Name: _____ _____, Witness

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EXHIBIT 1

OPTIONAL FAMILY FARE FRANCHISE SYSTEM DRUG TESTING AGREEMENT

THIS OPTIONAL FAMILY FARE FRANCHISE SYSTEM DRUG TESTING AGREEMENT ("Agreement") is made by and between FAMILY FARE, LLC ("Franchisor") and _____ ("Franchisee") effective on the date set forth below.

RECITALS

A. Franchisor believes it is in the best interest of the brand and the franchise system that Franchisee has the option to participate in a cooperative drug testing program (the "Program") in which Franchisor provides Franchisee with the guidance and equipment necessary to implement an employee drug testing policy, and that the cost of drug testing equipment and use of physicians or testing laboratories (collectively the "Materials") will be reduced by bulk purchase made by Franchisor on behalf of participating franchisees.

B. Franchisee desires to participate in the Program and for employees of the franchised business to sign the then current Drug Testing Consent Agreement (the "Consent Form") subjecting them to periodic drug testing as deemed necessary from time to time by Franchisor or Franchisee.

AGREEMENT

FOR AND IN CONSIDERATION of the foregoing Recitals, which are incorporated herein, the covenants expressed herein and other valuable consideration, receipt and sufficiency of which are acknowledged, Franchisee agrees as follows:

1. Effective Date. The Effective Date will be the date on which Franchisee signs this Agreement acknowledging its desire to participate in the Program.

2. Optional Participation. Franchisee has chosen to participate in the Program and agrees to be bound by the provisions of the Agreement.

3. Employee Consent Form. All employees and managers employed by the Franchisee will be required to sign the Consent Form prior to employment.

4. Program Requirements. At intervals chosen at the discretion of the Franchisee or Franchisor, but not more than once during any calendar month, Franchisee will require employees of the franchised business to submit to drug testing in accordance with the provisions of the Consent Form, and agrees the results will be disclosed to the Franchisor by the Franchisee or any physician or testing laboratory.

5. Cost of Implementation. Franchisee will pay to Franchisor 50% of all costs associated with the Program for Franchisee's franchised business, including, but not limited to the costs of the Materials and implementation of a drug test. Franchisee will pay all amounts due by the end of any calendar month immediately preceding the month in which drug testing was given to the employee(s) of the franchised business.

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Franchisee elects to (initial election):

_____ Participate in the Program

_____ Decline participation in the Program

Franchisee acknowledges Franchisee can change the foregoing election at any time with thirty (30) days prior written notice to Franchisor.

Effective this _____ day of _____, 20____.

FRANCHISOR:

FAMILY FARE, LLC

By: _____ _____

M. LEE BARNES, JR., President _____, Witness

FRANCHISEE:

_____ _____
[Print Name of Business Entity]

_____, Witness

By: _____

Print Name: _____
Title: President

Print Store Name: _____

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Attachment A to Exhibit 1

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FAMILY FARE, LLC

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SUBSTANCE ABUSE POLICY
To Support Drug Testing at the Family Fare Sites and to Protect the Interests of the Family Fare Franchisees

EFFECTIVE: June 1, 2011
REVISED: February 6, 2014
REVISED: September 10, 2020

FAMILY FARE, LLC
2

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On behalf of its Independent Store FRANCHISEES

This policy was prepared by
Coe Management Group, LLC
and complies with all State and Federal laws
pertaining to Substance Abuse Management

April 8, 2011

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SUBSTANCE ABUSE POLICY
TABLE OF CONTENTS

I. PURPOSE

II. SCOPE AND APPLICATION

III. DEFINITION OF SUBSTANCE ABUSE

IV. APPLICANTS

A. SCOPE AND APPLICATION OF SECTION IV
B. APPLICANT DRUG TESTING
C. CONTINGENT EMPLOYMENT
D. POSTING
E. APPLICATION FORM
F. RELEASE
G. METHOD OF DRUG SCREENING TEST: URINE SAMPLE COLLECTION PROCEDURE
H. COMMUNICATION OF TEST RESULTS WHEN A MEDICAL REVIEW OFFICER IS AVAILABLE
I. COMMUNICATION OF TEST RESULTS WHEN A MEDICAL REVIEW OFFICER IS NOT AVAILABLE

V. FRANCHISEE'S EMPLOYEES ON THE FRANCHISEES CORPORATE PAYROLLS

A. SCOPE AND APPLICATION OF SECTION V
B. PROHIBITION FOR ALL OF FRANCHISEE'S EMPLOYEES
C. SEARCHES
D. DRUG SCREENING CRITERIA
E. ALCOHOL SCREENING CRITERIA
F. TESTING PROCEDURE
G. TRANSPORTATION OF IMPAIRED FRANCHISEE'S EMPLOYEES
H. COMMUNICATION OF TEST RESULTS WHEN A MEDICAL REVIEW OFFICER IS AVAILABLE
I. COMMUNICATION OF TEST RESULTS WHEN A MEDICAL REVIEW OFFICER IS NOT AVAILABLE
J. FAILURE OF A FRANCHISEE'S EMPLOYEE TO COOPERATE
K. EFFECT OF A POSITIVE TEST AFTER REFERRAL
L. NOTIFICATION OF CONVICTIONS FOR DRUG RELATED CRIMES AND FRANCHISEE'S EMPLOYEE SANCTIONS

VI. SEVERABILITY AND EFFECT

VII. RESERVATIONS

VIII. CONFIDENTIALITY

IX. NOTIFICATION TO FRANCHISEE'S EMPLOYEES OF POLICY

APPENDIX A: CONSENT FOR DRUG AND/OR ALCOHOL SCREENING
APPENDIX B: MEDICATION INFORMATION FORM
APPENDIX C: SUBSTANCE INVESTIGATIVE REPORT
APPENDIX D: ILLEGAL DRUGS AND THRESHOLD VALUES
SUMMARY OF SUBSTANCE ABUSE POLICY-STATEMENT OF POLICY/FRANCHISEES' EMPLOYEE ACKNOWLEDGEMENT FORM

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FAMILY FARE, LLC
For and On Behalf of the Independent FRANCHISEES of Family Fare Stores

SUBSTANCE ABUSE POLICY

I. PURPOSE

FAMILY FARE, LLC's Independent FRANCHISEES are concerned about the detrimental effects which illegal drugs and alcohol abuse have upon the productivity and safety of its employees. In addition, people with drug or alcohol problems have decreased productivity because of absenteeism and turnover and adversely affect Store FRANCHISEES' ability to compete effectively.

In light of these concerns, and in compliance with applicable state and federal laws and regulations, FAMILY FARE, LLC's FRANCHISEES intend to maintain a workplace free of the illegal use of drugs and the abuse of alcohol. However, no part of this Substance Abuse Policy (the "Policy"), nor any of its procedures, is intended to affect FAMILY FARE, LLC'S FRANCHISEES right to manage its workplace or to discipline its employees on the Franchisee's Corporate Payrolls. Nor is it a guarantee of employment, continued employment or, except as specifically provided in "the Policy", of terms or conditions of employment. The Policy is intended to help provide a better and safer work environment for all FRANCHISEES' employees of Independent FRANCHISEES on the various Independent FRANCHISEES' Corporate Payrolls.

Also, let it be known that for further purposes of this Substance Abuse Policy, FAMILY FARE LLC's Independent FRANCHISEES will be referred to as "THE COMPANIES".

II. SCOPE AND APPLICATION

This Policy covers all Independent FRANCHISEES' employees of THE COMPANIES and applies to all Companies' property, which for purposes of this Policy, includes grounds and parking lots, leased space, company vehicles, and personal vehicles used for Companies' purposes. The Policy applies to any FRANCHISEES' employee on Companies' time at any location. This Policy supersedes all previous policies with respect to substance abuse to the extent they are inconsistent.

For purposes of this policy, the Designated Companies' Official referred to herein shall be:
A DESIGNATED OFFICIAL AVAILABLE TO RECEIVE AND REVIEW, COORDINATE AND DISSEMINATE RESULTS AND TESTS

III. DEFINITION OF SUBSTANCE ABUSE

Substance abuse is defined as: (1) reporting to work or working with illegal drugs present in the body or while affected by alcohol, (2) chemical dependency on alcohol or other drugs where job performance or employee safety is adversely affected, or (3) the use of illegal drugs. The term "illegal drugs" as used in this Policy includes, but is not limited to, marijuana, cocaine, heroin, opiates, amphetamines and similar drugs whose possession and use are prohibited under state or federal law in this country, as well as prescription drugs unless validly prescribed by the FRANCHISEES' employee's physician and used in the prescribed manner. So-called "designer drugs", "look alikes", synthetic drugs and similar substances are also considered illegal drugs for purposes of this Policy, even if they are not specifically prohibited by state or federal law. This Policy is also designed to cover other substances which may be abused, whether available legally over-the-counter (such as cough syrup or drugs obtained with valid prescription), or substances which are not intended for human consumption (such as glue).

It should be noted that CBD oil can contain trace amounts of THC (the psychoactive compound in marijuana). Although the use of CBD should not show up in a drug test, these products are not regulated by the FDA, therefore labeling of the product may not be accurate. Use of CBD oil is at your own risk. A positive test for marijuana will not be considered negative due to CBD use.

IV. APPLICANTS

A. SCOPE AND APPLICATION OF SECTION IV

This Section IV of the Policy applies only to all Independent FRANCHISEES' applicants for employment with THE COMPANIES, unless otherwise stated. For purpose of this Policy an "applicant" is defined as any person seeking employment with THE COMPANIES to whom an offer of employment has been made. All offers of employment are subject to the terms and conditions of this Policy.

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B. APPLICANT DRUG TESTING

All applicants must undergo a pre-employment drug screening test. Failure to cooperate in such a test will be considered a withdrawal of THE COMPANIES' offer of employment.

C. CONTINGENT EMPLOYMENT

Any offer or acceptance of employment is contingent upon the applicant successfully completing his or her drug screening test. No applicant shall be required to submit to a drug test until after the applicant has been offered a job. Employment will be denied when the test results are positive for illegal drugs or for the presence of prescription drugs (such as barbiturates, amphetamines, opiates, etc.) unless the applicant has a current prescription, a valid medical reason for using such drugs, and is using such drugs in the prescribed manner. No one shall be permitted to begin work until the results of the test have been obtained.

D. POSTING

The following poster will be displayed where it may be easily seen by FRANSHISEES' employees and persons seeking employment:

APPLICANTS OFFERED EMPLOYMENT WILL BE REQUIRED TO UNDERGO A DRUG SCREENING TEST

E. APPLICATION FORM

The employment application form should include the following language: Employment with THE COMPANIES is contingent upon the successful completion of a drug screening test to be administered after an offer of employment is made. Successful completion of the test means that the person tested negative for illegal drugs or substance abuse.

F. RELEASE

Before taking the drug screening test, applicants must sign a CONSENT FOR DRUG AND/OR ALCOHOL SCREENING (APPENDIX A). Failure to sign the form or cooperate in the test procedure as requested will be deemed a withdrawal of the individual's offer of employment.

G. METHOD OF DRUG SCREENING TEST: URINE/ORAL FLUID SAMPLE COLLECTION PROCEDURE

The drug screening test shall consist of laboratory analysis of an applicant's urine/oral fluid. Procedures established by THE COMPANIES designated testing laboratory, Designated Company Official, and those procedures set forth in Section V below (as applicable) shall be followed for collecting the urine/oral fluid specimen. The collection of the urine/oral fluid specimen will be accomplished without observation unless the person supervising the collection process suspects that the sample may be tampered with or may not be genuine.

H. COMMUNICATION OF TEST RESULTS WHEN A MEDICAL REVIEW OFFICER IS AVAILABLE

(Note: If a Medical Review Officer is not used, skip to Section **I** below).

1. NEGATIVE TEST RESULTS: If the drug screening test result is negative, the laboratory will so advise the Designated Company Official. The applicant then is permitted to begin work. The laboratory will not refer negative test results to THE COMPANIES Medical Review Officer (MRO), unless otherwise requested to do so.
2. ADULTERATED OR UNREADABLE SAMPLES: If a drug screening test cannot be accurately performed because a urine/oral fluid sample is not authentic, or has been adulterated, contaminated or otherwise made impossible to analyze properly, the following procedures shall be used, unless otherwise dictated by applicable law:

    a. If a urine/oral fluid sample is obviously not authentic (such as when an applicant substitutes cold tap water for urine), the laboratory will so inform THE COMPANIES. THE COMPANIES shall inform the applicant that the sample is not acceptable and the offer of employment will be withdrawn.
    b. If the urine/oral fluid sample cannot be properly analyzed because of contamination or adulteration, or it has otherwise been made impossible to analyze properly, the laboratory will so inform THE COMPANIES. THE COMPANIES then shall inform the applicant that he or she cannot be determined to be qualified for work and is requested to discuss the test with the MRO. The MRO will ask the applicant to provide an explanation for the contaminated or adulterated sample.

        i. If the MRO advises THE COMPANIES that the applicant failed to provide a satisfactory

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explanation, THE COMPANIES shall advise the applicant that the offer of employment has been withdrawn.

ii. If the MRO advises THE COMPANIES that the applicant provided a satisfactory explanation, the applicant will be permitted to repeat the drug screening test, in which a new urine/oral fluid sample will be collected and analyzed.

3. POSITIVE TEST RESULTS: In the event a drug screening test is positive (positive drug test results must be confirmed by the laboratory using GCMS), the following procedures should be followed:

   a. The laboratory will inform THE COMPANIES' MRO that the drug screening test is positive and will convey such details of the test as the MRO deems necessary. The MRO will consult with the applicant to determine whether there is a satisfactory explanation for the positive test result.
   b. If a satisfactory explanation is provided, the MRO will advise THE COMPANIES that the applicant's test was negative, and the applicant will be permitted to begin employment.
   c. If a satisfactory explanation is not provided, the MRO will so advise THE COMPANIES.THE COMPANIES will advise the applicant that the offer of employment has been withdrawn.

   **NOTE: A FRANCHISEES' employee who has received a positive drug test shall have the right to request re-testing of the sample which produced the positive result at the same or a different testing facility from the one utilized by THE COMPANIES. The employee shall have ninety (90) days from the date of testing in which to submit a request for re-testing. The request must be in writing, and the employee shall solely bear all costs associated with re-testing.

4. CONFIDENTIALITY: Because of the sensitive nature of drug screening tests, extreme caution should be exercised to maintain the confidentiality of the results. No statement or any other information concerning an applicant's drug screening results should be made available to management or other employees, except those having a need to know, nor to friends and members of the applicant's family or to any other person(s).

I. COMMUNICATION OF TEST RESULTS WHERE A MEDICAL REVIEW OFFICER IS NOT AVAILABLE

(Note: If a medical Review Officer is used, follow the procedure set forth in Section H above.)

1. NEGATIVE TEST RESULTS: If the drug screening test result is negative, the laboratory will so advise the Designated Companies' Official. The applicant then is permitted to begin work.
2. ADULTERATED OR UNREADABLE SAMPLES: If a drug screening test cannot be accurately performed because a urine/oral fluid sample is not authentic, or has been adulterated, contaminated or otherwise made impossible to analyze properly, the following procedure shall be followed unless otherwise dictated by applicable law:

   a. If a urine/oral fluid sample is obviously not authentic (such as when an applicant substitutes cold tap water for urine), THE COMPANIES will so inform the applicant that the sample is not acceptable and that the offer of employment has been withdrawn.
   b. If the urine/oral fluid sample cannot be properly analyzed because of contamination or adulteration, or it has been otherwise made impossible to analyze properly, the laboratory will so inform the Designated Company Official. THE COMPANIES will then inform the applicant he or she cannot be determined to be qualified for work and is requested to meet with the Designated Company Official. In that meeting, the Designated Company Official will ask the applicant to provide an explanation for the contaminated or adulterated sample. This process will be repeated only one time.

      i. If the applicant fails to provide a satisfactory explanation, THE COMPANIES shall advise the applicant that the offer of employment has been withdrawn.
      ii. If the applicant provides a satisfactory explanation, the applicant may be permitted to repeat the drug screening test, in which a new sample will be collected and analyzed.

3. POSITIVE TEST RESULTS: If a drug screening test is positive (positive drug test results must be confirmed by the laboratory using (GCMS), the following procedures should be followed:

   a. The laboratory will inform the Designated Companies Official that the drug screening test is positive.
   b. The Designated Companies Official will contact the applicant and direct the applicant to meet with the

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Designated Companies Official within 24 hours. If the applicant fails to meet within the said 24 hours, the Companies will advise the applicant that the offer of employment has been withdrawn. If the applicant meets with the Designated Companies Official, the applicant shall be required to fill out the Medication Information Form (Appendix B) and to provide such proof of valid prescriptions as the Companies may deem necessary including, for example, copies of prescriptions or medication packages showing legitimate prescription. The Designated Companies Official then will contact the laboratory and ask the laboratory whether the medications disclosed and proven by the applicant could explain the positive test result.

i. If the laboratory advises the Designated Companies Official that the medications disclosed and proven satisfactorily explain the positive test result, the applicant then is permitted to begin work.
ii. If the laboratory advises the Designated Companies Official that the medications disclosed and proven do not satisfactorily explain the positive test result, the Companies shall advise the applicant that the offer of employment has been withdrawn.

c. The Companies will keep the Medication Information Form and test result in a separate medical file.

4. CONFIDENTIALITY: Because of the sensitive nature of drug screening tests, extreme caution should be exercised to maintain the confidentiality of the results. No statement or any other information concerning an applicant's drug screening results should be made available to management or other employees, except those having a need to know, nor to friends and members of the applicant's family, or to any other person(s).

V. FRANCHISEES' EMPLOYEES

A. SCOPE AND APPLICATION OF SECTION V

This Section V of this Policy applies only to actual FRANCHISEES' employees of THE COMPANIES. Its policies and procedures are effective immediately for all current FRANCHISEES' employees of the various FRANCHISEES' Corporations, and for all former applicants once they have successfully completed the drug screening test of Section IV and started employment with THE COMPANIES.

B. PROHIBITIONS FOR ALL FRANCHISEES' EMPLOYEES

1. Except as provided in paragraph 3 below, the possession, use, distribution, transfer, manufacture or sale of alcohol, illegal drugs, or legal drugs without a valid prescription on Companies' property, in a Companies' vehicle, or on Companies' time is specifically prohibited. A FRANCHISEES' employee who violates this prohibition is subject to disciplinary action up to and including termination of employment. Any circumstances that indicate the violation of state, federal or local laws may be reported to appropriate law enforcement officials, and THE COMPANIES will cooperate in any criminal prosecutions
2. Reporting for duty or working with drugs present in the body (a) or while affected by drugs or alcohol is prohibited and will be handled under disciplinary procedures as management determines. This prohibition includes prescription drugs, unless the FRANCHISEES' employee has a current legal prescription and a valid medical reason for using such prescription drug and is using such drug in the prescribed manner.

   a. Drugs present in the body means that the level of a drug found in an employee's blood, urine or other body fluid exceeds those levels determined by THE COMPANIES and its testing laboratory as a cut off level for a positive test. Affected is not limited to obvious impairment or physical or mental ability, such as slurred speech or difficulty in maintaining balance, but may be established by a professional opinion, a scientifically valid test or by management's observation.

3. FRANCHISEES' Employees are encouraged not to consume alcohol in business settings, such as business meals and functions attended by executives and sales personnel, especially when guests or customers of THE COMPANIES are present. Employees are strongly discouraged from operating motor vehicles after consuming even a moderate amount of alcohol. Employees who violate the provisions of this paragraph are subject to disciplinary action depending upon considerations such as the nature of the offense, their present job assignments, their records with THE COMPANIES and the possible adverse consequences upon THE COMPANIES from their violations.
4. In order to ensure that FRANCHISEES' employees can safely perform their jobs, THE COMPANIES are also concerned with prescription or over-the-counter drugs which might have an impact on job performance. FRANCHISEES' Employees using such drugs should notify their supervisors or department heads of such

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use immediately upon reporting to work. Failure to do so may be considered a violation of this Policy and is cause for disciplinary action. THE COMPANIES will not use this information in a manner that would violate the federal Americans with Disabilities Act.

C. SEARCHES

1. Normal industrial searches - Normal industrial search practices which are part of a general security program, such as locker inspections, gate inspections, etc., are not affected by this Policy and may be continued or implemented as provided by such policies.
2. Special drug searches - Where there is reason to believe that a FRANCHISEES' employee or group of FRANCHIEES' employees may possess substances which are prohibited by this Policy, the FRANCHISEES' employee or FRANCHISEES' employees may be required, as a condition of continued employment, to submit to a reasonable search of their clothing, personal lockers, purses, lunch boxes or other containers, desks or personal vehicles while on Companies property. Searches shall not be conducted unless approved by the Designated Company Official or designee.
3. Procedures for searches - The following guidelines shall be followed for all searches:

    a. Searches shall be conducted under the direct supervision of a member of management with a second member of management present as a witness. Persons conducting the search shall be a person of the same gender as the person being searched.
    b. The FRANCHISEES' employee shall be asked to consent to any search, asked to cooperate, given the opportunity to be present during the search, and informed that submission to the search is a condition of continued employment. Failure to cooperate shall result in immediate suspension without pay and is grounds for termination of employment.
    c. Any suspected contraband should be taken and sealed in a container with the name, date and general description thereof. Management shall not make any determination or statement that the substance is an illegal drug. A receipt should be given for any property seized. A proper chain of custody should be maintained.
    d. Seized property should be locked in a cabinet under the exclusive control of a designated member of management.
    e. Local law enforcement agencies may be asked to identify or analyze any seized property, or to investigate further.
    f. If seized property is found to not violate Company Policy, it shall be returned to the FRANCHISEES' employee.

D. DRUG SCREENING CRITERIA

THE COMPANIES will consider an employee for a drug screening test under the following circumstances:

1. ACCIDENT OR INCIDENT

    a. If a FRANCHISEES' employee is involved in an accident or incident which caused or reasonably could have caused personal injury or property damage, that employee will be considered for testing.
    b. The action or inaction of the FRANCHISEES' employee must have contributed to the incident or accident before the need for drug testing will be considered.

2. SAFETY SENSITIVE AREAS

    a. THE COMPANIES may, in its discretion, at any time administer drug testing to FRANCHISEES' employees who work in safety sensitive areas. Safety sensitive areas are those jobs and positions which involve a high degree of risk for injury to the employee or others, or property damage, if an accident occurs.
    b. Management shall determine which jobs, if any, are classified as safety sensitive. FRANCHISEES' Employees are encouraged to suggest to their supervisors those jobs which should be included in this category. THE COMPANIES shall notify employees in safety sensitive jobs of that determination in the following manner:
    c. Management has determined that due to the nature of our operation every FRANCHISEES' employee is determined to be in a safety sensitive job. Employment in those positions is contingent upon their agreeing to permit unscheduled drug screening tests when requested to do so. A FRANCHISEES' employee will not be required to sign a release of liability until requested to take a test.
    d. Drug tests of FRANCHISEES' employees in safety sensitive jobs may be conducted at any time by

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management, at its discretion. However, the method for selecting individual FRANCHISEES' employees for testing shall be based upon neutral criteria such as random selection.

3. EVIDENCE OF SUBSTANCE ABUSE
THE COMPANIES may also test employees on the basis of reasonable cause or suspicion that they are substance abusers or violating this Policy.

While it is impossible to list every factor which might lead to a decision to test a FRANCHISEES' employee, typical factors which may be considered include:
- excessive absenteeism or tardiness;
- unexplained significant deterioration in job performance;
- significant change in personality (repeated abusive behavior, insolence, insubordination, etc.);
- reliable reports from other employees;
- unexplained absences from normal worksites;
- unusual behavior which cannot be readily explained;
- changes in appearance and demeanor;
- excessive cravings for water or sweets;
- reddened eyes or dilated pupils;
- odor of alcohol or drugs;
- slurred speech; and
- difficulty in motor coordination.

4. RANDOM TESTING
At such time or times as THE COMPANIES may decide, THE COMPANIES may conduct a drug screening test of FRANCHISEES' employees selected at random. THE COMPANIES may or may not give advance notice of the date of any such test.

In selecting FRANCHISEES' employees for random testing, THE COMPANIES first will determine the number of FRANCHISEES' employees to be tested. THE COMPANIES or its designee will then draw names of FRANCHISEES' employees to be tested from a pool consisting of all FRANCHISEES' employees. The drawing of names shall be in a manner such that the identity of any FRANCHISEES' employee selected for testing is not known until the full number of FRANCHISEES' employees to be tested has been drawn

Any FRANCHISEES' employee who refuses to participate in a test, or who fails to participate in a test without an explanation satisfactory to management, is subject to disciplinary action including but not limited to termination. Any FRANCHISEES' employee who fails to participate in a test due to illness, vacation, excused absence, or some other reason satisfactory to management, shall be tested as soon thereafter as reasonably possible, and shall be subject to such further testing as THE COMPANIES may decide, in THE COMPANIES' sole discretion.

5. UNIVERSAL TESTING
At such time or times as THE COMPANIES may decide, THE COMPANIES may require all FRANCHISEES' employees to be drug tested. THE COMPANIES may or may not give advance notice of the date of any such test. Any FRANCHISEES' employee who refuses to participate in a test, or who fails to participate in a test without an explanation satisfactory to management, is subject to disciplinary action including but not limited to termination. Any FRANCHISEES' employee who fails to participate in a test due to illness, vacation, excused absence, or some other reason satisfactory to management, shall be tested as soon thereafter as reasonably possible, and shall be subject to such further testing as THE COMPANIES may decide, in THE COMPANIES' sole discretion.

E. ALCOHOL SCREENING CRITERIA
THE COMPANIES will consider a FRANCHISEES' employee for an alcohol screening test under the following circumstances and in the same manner as further described in Paragraph D above (Drug Screening Criteria):

1. Accident or Incident
2. Evidence of Substance Abuse

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3. Random Selection

F. TESTING PROCEDURE

1. Before FRANCHISEES' employees are asked to submit to a drug or alcohol screening test for post-accident or reasonable cause testing, the concurrence of the Designated Company Official or designee shall be obtained. The FRANCHISEES' employee should be confronted in private with at least two members of management present. The FRANCHISEES' employee shall be told that in accordance with THE COMPANIES' Substance Abuse Policy, he or she is being requested to submit to an alcohol and/or drug screening test. Care should be taken to ensure that management states no conclusions as to whether the employee is a substance abuser. In the event an employee is injured, unconscious, or otherwise unable to sign a release of liability, the Designated Companies Official or designee shall be consulted on the proper course of action. The person making the request shall complete the TESTING REQUEST FORM (APPENDIX C).
2. The CONSENT FOR DRUG AND/OR ALCOHOL SCREENING (APPENDIX A) shall be completed by each FRANCHISEES' employee to be tested pursuant to any provision of this Policy. The FRANCHISEES' employee shall then be referred to the Designated Companies Official or designee, who will ensure that the appropriate examination or test is conducted.
3. Procedures established by THE COMPANIES designated testing laboratory and the Designated Companies Official shall be followed for collecting sample body fluids. Where tests are governed by federal or state law, procedures specified therein shall be followed. Urine/Oral Fluid specimens for laboratory analysis will be collected without observation unless the person supervising the collection suspects that the sample may be tampered with or may not be genuine. The threshold values set forth in Appendix D are adopted as the threshold levels for a positive test.
4. The FRANCHISEES' employee may be permitted to continue to work pending the results of the drug or alcohol screening test if in THE COMPANIES' sole discretion, the FRANCHISEES' employee's return to work will not endanger the employee, fellow employees or members of the public, or cause any other problem relating to THE COMPANY's ability to manage its workplace.

   If a Franchisee determines that a FRANCHISEES' employee should not be permitted to return to work pending the results of the examination or test, s/he shall be suspended without pay until the results have been obtained.

5. If the Franchisee's employee refuses to cooperate or agree to the examination or drug or alcohol screening test, s/he shall be suspended pending final decision on termination of employment.

G. COMMUNICATION OF TEST RESULTS WHEN A MEDICAL REVIEW OFFICER IS AVAILABLE

(Note: If a Medical Review Officer is not used, skip to Section H below.)

1. NEGATIVE TEST RESULTS: If the drug screening test result is negative, the laboratory will so advise the Designated Company Official, who will notify the employee of the test result. The laboratory will not refer negative test results to THE COMPANIES' Medical Review Officer (MRO), unless otherwise requested to do so. If a FRANCHISEES' employee has been suspended pending the results of the drug screening test, the FRANCHISEES' employee may, in THE COMPANIES' sole discretion, be reinstated with back pay and benefits.
2. ADULTERATED OR UNREADABLE SAMPLES: A drug screening test which cannot be accurately performed because a urine sample is not authentic, or has been adulterated, contaminated or otherwise made impossible to analyze properly, shall be considered evidence of a FRANCHISEES' employee's failure to cooperate with THE COMPANIES in administering this Policy. (See Section IV H.2 for a description of such samples.) The Medical Review Officer will discuss the test with the employee and request an explanation. If the employee provides a satisfactory explanation, a new drug or alcohol screening test may be performed in THE COMPANIES' discretion. If the FRANCHISEES' employee does not provide a satisfactory explanation, he or she is subject to disciplinary action up to and including termination of employment.
3. POSITIVE TEST RESULTS: In the event a drug screening test is positive (positive results must be confirmed by the laboratory using GCMS), the following procedures should be followed:

   The laboratory will inform THE COMPANIES' MRO that the drug screening test is positive, and will convey such details of the test as the MRO deems necessary. The MRO will consult with the FRANCHISEES' employee to determine whether there is a satisfactory explanation for the positive test result.

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H. COMMUNICATION OF TEST RESULTS WHEN A MEDICAL REVIEW OFFICER IS NOT AVAILABLE

(Note: If a Medical Review Officer is used, follow the procedure set forth in Section G above.)

1. NEGATIVE TEST RESULTS: If the drug screening test result is negative, the laboratory will so advise the Designated Companies Official. The FRANCHISEES' employee then is permitted to return to work.
2. ADULTERATED OR UNREADABLE SAMPLES: A drug screening test which cannot be accurately performed because a urine/oral fluid sample is not authentic, or has been adulterated, contaminated or otherwise made impossible to analyze properly, shall be considered evidence of a FRANCHISEES' employee's failure to cooperate with THE COMPANIES in administering this Policy. (See Section IV H.2 for a description of such samples.). The FRANCHISEES' employee shall meet with the two members of management and shall be asked to provide an explanation. If the FRANCHISEES' employee provides a satisfactory explanation, a new drug or alcohol screening test may be performed in THE COMPANIES' discretion. If the FRANCHISEES' employee does not provide a satisfactory explanation, he or she is subject to disciplinary action up to and including termination of employment.
3. POSITIVE TEST RESULTS: If a drug screening test is positive (positive drug test results must be confirmed by the laboratory using GCMS), the following procedures should be followed:

   a. The laboratory will inform the Designated Companies Official that the drug screening test is positive.
   b. Designated Companies Official will contact the employee and direct the FRANCHISEES' employee to meet with the Designated Companies Official within 24 hours. If the FRANCHISEES' employee fails to meet within the said 24 hours, THE COMPANIES will advise the FRANCHISEES' employee that the test will be treated as a positive test, unless a longer period is necessary and agreed to by the Designated Companies Official. If the FRANCHISEES' employee meets with the Designated Companies Official, the FRANCHISEES' employee shall be required to fill out the Medication Information Form (Appendix B) and to provide proof of valid prescriptions as THE COMPANIES may deem necessary including, for example, copies of prescriptions or medication packages showing legitimate prescriptions. The Designated Companies Official then will contact the laboratory and ask the laboratory whether the medications disclosed and proven by the employee could explain the positive test result.

      - If the laboratory advises the Designated Companies official that the medications disclosed and proven do not satisfactorily explain the positive test result, THE COMPANIES shall advise the FRANCHISEES' employee that s/he tested positive.
      - THE COMPANIES will keep the Medication Information Form and test result in a separate medical file and shall not use the Medication Information Form in a manner that violates the federal Americans with Disabilities Act.

   c. A confidential written memorandum of the discussion with the FRANCHISEES' employee should be prepared and signed by the management representative(s) present.
   d. Upon request, a FRANCHISEES' employee shall be given access to and a copy of the results of his or her drug or alcohol test conducted pursuant to this Policy, when THE COMPANIES has possession of a copy of the same. Where drug test results are retained by the laboratory analyzing the specimen, the laboratory shall have sole discretion in deciding whether to release the results to the tested individual.

I. FAILURE OF A FRANCHISEES' EMPLOYEE TO COOPERATE

FRANCHISEES' employee compliance with THE COMPANIES Substance Abuse Policy is a condition of employment. Failure or refusal of any FRANCHISEES' employee to fully cooperate and participate in the program, sign any required document or submit to a drug or alcohol screening test will be grounds for termination of employment, unless a compelling, satisfactory reason is provided.

VI. SEVERABILITY AND EFFECT

If any part of this Policy is determined to be void or enforceable under state or federal law, the remainder of the Policy will remain in full force and effect to the extent possible.

VII. RESERVATIONS

No part of this Policy, nor any of its procedures, is intended to affect THE COMPANIES' right to manage its

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workplace or to discipline its FRANCHISEES' employees on the various Independent FRANCHISEES Corporate Payrolls. Nor is it a guarantee of employment, continued employment, or of any terms or conditions of employment except as specifically provided herein. This Policy does not create an express or implied contract between THE COMPANIES and any FRANCHISEES' employee. Because it is impossible to anticipate every situation which may arise under this Policy, the Designated Companies Official should be contacted to resolve any situation not addressed herein. This contract should be made before action is initiated, if at all practicable. The Designated Companies Official is responsible for the overall implementation of this Policy.

THE COMPANIES reserve the right to interpret, change, modify, amend, or rescind this Policy in whole or in part. Exceptions to this Policy may be granted in unusual or extenuating circumstances, but only with the concurrence of the Designated Companies Official.

VIII. CONFIDENTIALITY

All information involving medical examinations of an individual FRANCHISEES' employee or applicant shall be treated as confidential medical information. All such information will be accessible only to those Companies Officials and designated medical or professional persons as have been approved on a valid need to know basis. It will not be provided to any other party without the FRANCHISEES' employee's written consent, except pursuant to administrative or legal procedure or process. Any FRANCHISEES' employee who willfully discloses such information in violation of Companies policy will be subject to discipline.

IX. NOTIFICATION TO FRANCHISEES' EMPLOYEES OF POLICY

A summary of THE COMPANIES' Substance Abuse Policy shall be provided to all FRANCHISEES' employees by the Independent Franchisee.

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APPENDIX A

CONSENT FOR DRUG AND/OR ALCOHOL SCREENING

Name of Franchisee's Employee (Please Print)

_____

LAST NAME FIRST NAME MIDDLE INITIAL

I have reviewed the Summary of the Substance Abuse Policy of my Franchisee's Corporation and I understand their commitment to providing and maintaining a safe and healthful working environment for all Franchisee's Corporate employees. In that same spirit, I may be asked to submit to a drug or alcohol screen test, and I will submit to the same.

I hereby authorize the release of the results of the test to the management of the Companies and its designated medical or professional representatives.

Nothing in this consent form is to be construed as a contract between the parties.

I HAVE READ THE FOREGOING CONSENT AND KNOW THE CONTENTS THEREOF AND SIGN THE SAME OF MY OWN FREE WILL.

_____ _____

FRANCHISEES Employee/Applicant Signature Date

_____ _____

Witness Date

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MEDICATION INFORMATION FORM

Name of Franchisee's Employee/Applicant (Please Print)

LAST NAME FIRST NAME MIDDLE NAME

I understand that I have been provided the opportunity to list any medications, prescription or otherwise, which might affect the results of my drug or alcohol screening test. I have taken the following drugs or medications within the last 30 days:

	DRUG NAME	AMOUNT	DATE(s) USED
( ) Allergy Medicine			
( ) Anti-Malarial Drugs			
( ) Asthma or Wheezing Medicine			
( ) CBD Oil			
( ) Cold, Cough, Sinus Medicine			
( ) Depression Medicine			
( ) Diet Pills			
( ) Heart Medication			
( ) Mood Elevators			
( ) Muscle Relaxers			
( ) Nausea, Vomiting or Diarrhea Medicine			
( ) Pain Relief Medicine			
( ) Seizure Medicine			
( ) Sleeping Pills			
( ) Stomach, Colon, or Digestive Medicine			
( ) Tranquilizers (Nerve Medicine)			
( ) Local Anesthesia			
( ) Other Prescription Medicine			
( ) Other Non-Prescription Drugs or Medications			

Franchisee's Employee/Applicant Signature Date

Witness Date

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TESTING REQUEST FORM
SUBSTANCE INVESTIGATIVE REPORT

This form is to be used to document the reasons for requesting that a Franchisee's employee be asked to submit to a drug or alcohol screen test. Only those questions which apply need be answered. Additional pages, if necessary, should be attached along with any other relevant documents.

Independent FRANCHISEES' Employee's Name_____(Employee of Franchisee Corporation)

Facility_____Shift_____

A. WAS THERE AN INCIDENT? YES_____NO_____

1. Description of event_____

_____

2. Time and date_____

3. Extent of injury to persons or property_____

_____

4. Employee's actions_____

_____

B. IS THE EMPLOYEE IN A SAFETY SENSITIVE POSITIVE? YES_____NO_____

C. OBSERVATION OF EMPLOYEE: (date: _____time:_____)

1. WALKING: ( )Falling ( )Holding On ( )Staggering
( )Stumbling ( )Swaying ( )Unable to Walk ( )Unsteady

2. STANDING: ( )Feet wide apart ( )Rigid ( )Staggering
( )Sagging at knees ( )Swaying ( )Unable to stand

3. SPEECH: ( )Mute ( )Incoherent ( )Rambling ( )Shouting
( )Silent ( )Slobbering ( )Slow ( )Slurred
( )Whispering

4. DEMEANOR: ( )Calm ( )Cooperative ( )Crying ( )Excited
( )Fighting ( )Polite ( )Sarcastic ( )Silent ( )Sleepy ( )Talkative

5. ACTIONS: ( )Calm ( )Drowsy ( )Erratic ( )Fighting
( )Hostile ( )Hyperactive ( )Profanity ( )Threatening
( )Resisting Communications

6. EYES: ( )Bloodshot ( )Closed ( )Dilated ( )Droopy
( )Glassy ( )Watery

7. FACE: ( )Flushed ( )Pale ( )Sweaty

8. APPEARANCE/CLOTHING: ( )Dirty ( )Unruly ( )Messy

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( )Bodily excrement stains on clothing ( )Neat
( )Having Odor ( )Partially dressed

9. BREATH: ( )Alcohol odor ( )Marijuana odor
( )Faint Alcoholic odor ( )Faint Marijuana odor
( )No Alcoholic odor ( )No Marijuana odor

10. MOVEMENTS: ( )Fumbling ( )Hyperactive ( )Jerky
( )Nervous ( )Normal ( )Slow

11. EATING/CHEWING: ( )Candy ( )Gum ( )Mints ( )Nothing
( )Other_____

D. ATTENDANCE
1. Number of Mondays or Fridays missed in the last two months:_____
2. Times tardy in last two months:_____
3. Times employee left early in last two months_____

E. PERFORMANCE LEVEL
Has there been a recent change in the employee's level of performance? YES_____NO_____

If yes, describe_____

F. OTHER OBSERVATIONS: _____

_____

2. OTHER FACTORS: _____

_____

H. OTHER WITNESSES: _____

_____

I acknowledge discussion of the above referenced policy violation.

_____ _____
FRANCHISEES' Employee/Applicant Signature Date

_____
Printed Name

Approved:_____

Approved:_____

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FAMILY FARE, LLC
On behalf of its FRANCHISEES
ILLEGAL DRUGS AND THRESHOLD VALUES

Listed below are the illegal drugs for which the drug screening must test, and the threshold values to be used for the purpose of determining whether test results should be reported as positive.

The threshold values refer to how much of the drug must be present in the urine for the Drug Test to yield a positive result. Initial and Confirmatory refer to the initial drug screening and the automatic confirmatory test which will be performed should the initial test prove positive.

	DRUG	THRESHOLD INITIAL	THRESHOLD CONFIRMATORY
1.	Barbiturates	300	150
2.	Benzodiazepine	300	150
3.	Cannabinoids (Marijuana)	50	15
4.	Cocaine	300	150
5.	Methadone	300	150
6.	Phencyclidine (PCP)	25	25
7.	Opiates	300	300
8.	Amphetamines	1000	500
9.	Methamphetamine	1000	500
10.	Propoxyphene	300	300
11.	Alcohol		

ng/ml=nanograms per milliliter

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SUMMARY OF SUBSTANCE ABUSE POLICY
STATEMENT OF POLICY

As affiliated Independent Franchisee Companies, we are concerned about the adverse effects that drugs and alcohol can have upon our FRANCHISEES' employees' safety and productivity. Alcoholism and the illegal use of drugs lead to increased accidents and adversely affect his of her job performance.

It is the Companies policy to identify and help those employees with substance abuse problems and to encourage them to seek help on their own. Applicants identified as having substance abuse problems will be denied employment and encouraged to seek help. However, the possession, use, transfer, manufacture or sale of alcohol, illegal drugs, or legal drugs without a valid prescription on Companies property or on Companies time will result in disciplinary action, up to and including termination.

TESTING OF APPLICANTS: All applicants who have been offered employment with COMPANIES (Franchisee Corporations) will be required to undergo a drug screening test as part of the hiring process. COMPANIES (Franchisee Corporations) will withdraw an offer of employment made to any applicant whose drug screen test reveals the presence of illegal drugs or prescription drugs without a valid prescription.

TESTING OF FRANCHISEES EMPLOYEES: Reporting for duty or working with drugs present in the body or while affected by alcohol will be handled as a disciplinary matter as COMPANIES determine. Drug testing may be required under the following circumstances:

- When a FRANCHISEES' employee is involved in an accident or incident.
- For FRANCHISEES' employees who work in safety sensitive positions and are so notified, at such times as management determines.
- When COMPANIES (FRANCHISEES Corporations) have reasonable cause and suspicion.
- When a FRANCHISEES' employee requests a test (if approved by Independent Franchisee).
- When COMPANIES (FRANCHISEES Corporations) selects employees on a random basis for a drug screening test.
- At such time as COMPANIES (FRANCHISEES Corporations) may decide to require all employees to be drug tested.
  Alcohol testing will be required under the following circumstances:
- When a Franchisee's employee is involved in an accident or incident.
- When COMPANIES (FRANCHISEES Corporations) have reasonable cause and suspicion.

No FRANCHISEES' employee will be requested to submit to a drug or alcohol screening test unless specific authorization for such a test has been granted by a Companies Official. The COMPANIES (FRANCHISEES Corporations) intend to utilize the most accurate and reliable testing method available. Failure or refusal by a FRANCHISEES' employee to cooperate with the program or to submit to such a test when requested will be grounds for termination of employment.

CONFIDENTIALITY: All information concerning medical examinations, drug or alcohol testing results of an individual Franchisee's employee will be treated as confidential information.

OFFICIAL SUBSTANCE ABUSE POLICY: This document is only a summary of COMPANIES (FRANCHISEES Corporations) Official Substance Abuse Policy. The Official copy is available to all COMPANIES (Franchisee Corporations) employees for their review and should be consulted with respect to any specific questions. Neither this Summary, nor the official Policy is intended to affect The COMPANIES (FRANCHISEES Corporations) right to manage its workplace, discipline its employees, guarantee employment, or guarantee terms or conditions of employment. No contract for employment, either expressed or implied, is created by this summary.

FRANCHISEES' EMPLOYEE ACKNOWLEDGEMENT FORM

I,_____, hereby acknowledge that I have reviewed the Summary of the Substance Abuse Policy of COMPANIES (FRANCHISEES Corporations) , that the same has been explained to me, and that I have received a copy of the Summary of the Policy. I further understand that I am entitled to receive a copy of the Official Policy upon my request and that I should refer to the Official Policy for any specific questions I may have with regard to the Substance Abuse Policy of the COMPANIES (FRANCHISEES Corporations).
I further acknowledge the following:

- I have been notified that the unlawful manufacture, distribution, dispensation, possession or use of alcohol, drugs or other controlled substances is prohibited in COMPANIES ESTABLISHMENTS (FRANCHISEES Corporations). I understand that violations of these prohibitions will subject me to disciplinary action under the policy, up to and including termination.
- That as a condition of continued employment, I will abide by COMPANIES' (FRANCHISEES Corporations) substance abuse Policy.
- I understand and agree to the above terms and conditions of employment. I understand that the above in no way creates an obligation or contract of employment and that I, as well as COMPANIES (FRANCHISEES Corporations), have the right to end the employment relationship at any time.

FRANCHISEES' EMPLOYEE NAME: _____
(please print)

Social Security #: _____ Date: _____

FRANCHISEES' EMPLOYEE SIGNATURE: _____

Company Witness: _____

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EXHIBIT 2

OWNERS' STATEMENT

1. **Entity.** Franchisee certifies that Franchisee is a corporation or limited liability company formed on _____ under the laws of the state of _____.

2. **Shareholders/Members.** The name and address of each shareholder or member of Franchisee is set forth below:

NAME	ADDRESS	NUMBER OF OR PERCENTAGE OF SHARES OR INTERESTS

3. **Other Owners**. The name, address, and ownership interest of each person, other than the shareholders/members set forth above, who directly or indirectly owns an interest in Franchisee.

NAME	ADDRESS	Ownership Interest

4. **Operating Principal.** Set forth below is the name and address of the Operating Principal, who is the sole officer and person with management authority and control over the entity and franchise operations.

NAME	ADDRESS

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5. **Governing Documents**. Franchisee has attached copies of the Articles of Incorporation or Organization of Franchisee and certifies that they give control and management of the entity and Store solely to the Operating Principal.

This Owners' Statement is current and complete as of _____.

FRANCHISEE:

_____ _____
[Print Name of Business Entity]
_____, Witness

By: _____

Print Name: _____
Title: President

SHAREHOLDERS, MEMBERS, AND OWNERS:

_____ _____

Print Name: _____ _____, Witness

_____ _____

Print Name: _____ _____, Witness

_____ _____

Print Name: _____ _____, Witness

OPERATING PRINCIPAL:

_____ _____

Print Name: _____ _____, Witness

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EXHIBIT 3

CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE

THIS CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is made, entered into and effective as of the effective date of the Lease (as defined hereinbelow), by, between and among FAMILY FARE, LLC ("Family Fare"), and _____ (the "Franchisee").

RECITALS

Family Fare entered into that certain Franchise Agreement (the "Franchise Agreement") dated as of_____ with the Franchisee, pursuant to which the Franchisee plans to own and operate a Family Fare retail convenience store (the "Store") located at _____ (the "Store Location").

In addition, pursuant to that certain Lease Agreement (the "Lease"), the Franchisee has leased the Store premises from M.M. Fowler, Inc. (the "Lessor"). The Franchise Agreement requires the Franchisee to deliver this Assignment to Family Fare.

AGREEMENT

Family Fare and the Franchisee agree as follows:

1. **Recitals**: The recitals are true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the recitals.

2. **Incorporation of Terms**: Terms not otherwise defined in this Assignment have the meanings ascribed to such terms in the Lease.

3. **Indemnification of Franchisor**: Franchisee agrees to indemnify and hold Family Fare and its members, employees, officers, agents, representatives and affiliates harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, the Franchisee's breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.

4. **Conditional Assignment**: Franchisee hereby grants to Family Fare a security interest in and to the Lease, all of the furniture, fixtures, equipment, inventory and supplies located in the Store Location to the extent they are owned by and not consigned to Franchisee, and the franchise relating to the Store, and all of Franchisee's rights, title and interest in and to the Lease as collateral for the payment of any obligation, liability or other amount owed by Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by Franchisee under the terms of the Lease or the Franchise Agreement, or, in the event Family Fare makes any payment to the Lessor as a result of Franchisee's breach of the Lease, then such payment by Family Fare, or such breach or default under the Lease by Franchisee, shall at Family Fare's option be deemed

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to be an immediate default under the Franchise Agreement, and Family Fare shall be entitled to the possession of the Store Location and to all of the rights, title and interest of the Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of Family Fare under any other Agreements or under other applicable laws or equities. This Assignment shall constitute a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to Family Fare. In addition, the rights of Family Fare to assume all obligations under the Lease provided in this Assignment are totally optional on the part of Family Fare, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Family Fare to perfect or document the interests and assignments granted herein.

5. **No Subordination**: Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Family Fare's written consent, other than the lien created by this Assignment, the Franchise Agreement, or the Lessor's lien under the Lease or state law. Franchisee will not terminate, modify, or amend any of the provisions or terms of the Lease without the prior written consent of Family Fare. Any attempt at termination, modification, or amendment of any of the terms without such written consent is null and void.

6. **Exercise of Remedies**: In any case of default by Franchisee under the terms of the Lease or under the Franchise Agreement, Family Fare shall be entitled to exercise any one or more of the following remedies in its sole discretion:

(a) to take possession of the Store Location, or any part thereof, personally, or by its agents or attorneys;

(b) to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Store Location, together with all furniture, fixtures, inventory, books, records, papers and accounts of Franchisee;

(c) to exclude Franchisee, its agents or employees from the Store Location;

(d) as attorney-in-fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Store and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to Family Fare to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter; to cancel or terminate any unauthorized agreements or subleases entered into by Franchisee, for any cause or ground which would entitle Family Fare to cancel the same;

(e) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Store Location or the Store that may seem judicious, in the sole discretion of Family Fare; and

(f) to insure and reinsure the same for all risks incidental to Family Fare's possession, operation and management thereof; and/or

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(g) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of Franchisee's rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of Franchisee's default under the Lease.

7. **Power of Attorney**: Franchisee does hereby appoint irrevocably Family Fare as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Store Location, to rent, lease, manage and operate the Store Location to any party upon such terms and conditions in its discretion as it may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as Family Fare would have upon taking possession of the Store Location pursuant to the provisions set forth in the Lease. The power of attorney conferred upon Family Fare pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of Family Fare.

8. **Election of Remedies**: It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to Family Fare and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between Family Fare and Franchisee, but are deemed an additional remedy and shall be cumulative with the remedies therein and elsewhere granted to Family Fare, all of which remedies are enforceable concurrently or successively. No exercise by Family Fare or any of the rights hereunder will cure, waiver or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by Family Fare will be construed as a waiver of any of its rights and remedies and no waiver by Family Fare of any such rights and remedies shall be construed as a waiver by Family Fare of any future rights and remedies.

9. **Binding Agreements**: This Assignment and all provisions hereof shall be binding upon Family Fare and Franchisee, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the word "Franchisee" when used herein shall include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

10. **Assignment to Control**. This Assignment governs and controls over any conflicting provisions in the Lease.

11. **Severability**. If any of the provisions of this Assignment or any section or subsection of this Assignment shall be held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

12. **Notice**. Any notice required herein to be given by any party shall be in writing and such notice may be made by (i) personal delivery, (ii) first-class or certified mail with return receipt requested, or (iii) a nationally recognized express carrier. If delivered, notice shall be delivered in person to the individual designated or left with an authorized representative. If mailed, notice shall be deemed to have been given two (2) days after the notice is duly posted in the U.S. mail. If notice is sent via nationally recognized express carrier, notice shall be deemed to have been given the day after it was sent. Any notice that gives the sender evidence of delivery, rejected

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delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery. Notices to Family Fare shall be addressed to Family Fare at 4220 Neal Road, Durham, North Carolina 27705, ATTN: M. L. BARNES, JR. Notices to Franchisee shall be addressed at (1) the address set forth above during the period from the Effective Date of this Agreement until the Store opens for business, (2) the address of the Store Location from the date of the Store opening, or (3) to such other address as Franchisee by written notice forwards to Family Fare. At Family Fare's election, Family Fare may alternatively send notice to Franchisee via email to the email address on file with Family Fare, which notice shall be deemed received when sent by Family Fare. Notice given in accordance with this paragraph shall be deemed sufficient notice required by law.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties have caused this Assignment to be executed as of the day and year first above written.

FAMILY FARE:

FAMILY FARE, LLC

By: _____ _____

M. LEE BARNES, JR., President _____, Witness

Lessor hereby consents, agrees with, approves of and joins in with this CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE.

LESSOR:

M.M. FOWLER, INC.

_____

By: _____ _____, Witness

M. LEE BARNES, JR., President

FRANCHISEE:

_____ _____
[Print Name of Business Entity]

_____, Witness

By: _____

Print Name: _____
Title: President

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EXHIBIT 4

PERSONAL GUARANTY AND AGREEMENT TO BE BOUND PERSONALLY BY THE TERMS AND CONDITIONS OF THE FRANCHISE AGREEMENT, LEASE, AND OTHER AGREEMENTS

In consideration of the execution of the agreements listed below (collectively, the "Agreements"), the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Agreements, to be paid, kept and performed by _____ (the "Franchisee"), including without limitation the dispute resolution provisions of the Agreements.

The Agreements include the following:

- The Franchise Agreement between Franchisee and Family Fare, LLC;
- The Lease between Franchisee and M.M. Fowler, Inc.;
- The Family Fare Franchise Drug Testing Agreement, as applicable;
- The Conditional Assignment and Assumption of Lease between Franchisee and Family Fare, LLC;
- The Consignment Agreement and Commission Agreement between Franchisee and M.M. Fowler, Inc.;
- The Car Wash Addendum between Franchisee and M.M. Fowler, Inc., as applicable;
- The Games of Skill Addendum between Franchisee and M.M. Fowler, Inc., as applicable; and
- Any other agreement between Franchisee and Family Fare, LLC or M.M. Fowler, Inc.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreements, including but not limited to any confidentiality and non-compete provisions, and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed agreements containing the identical terms and conditions of the Agreements.

The undersigned'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 guarantors of Franchisee. The undersigned shall render any payment or performance required under the Agreements upon demand if Franchisee fails or refuses punctually to do so. Family Fare, LLC or M.M. Fowler, Inc., as applicable, may proceed against the undersigned and Franchisee jointly and severally, or Family Fare, LLC or M.M. Fowler, Inc., as applicable, may, at their option, proceed against the undersigned, without having commenced any action, or having obtained any judgment against Franchisee. The undersigned 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 the guarantors or Franchisee.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon Family Fare, LLC's or M.M. Fowler, Inc.'s pursuit of any

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remedies against the Franchisee or any other person; (2) such liability will not be diminished, relieved or otherwise affected by the Franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreements, or the amendment or extension of the Agreements with or without notice to the undersigned; (3) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Family Fare, LLC or M.M. Fowler, Inc., as applicable, 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 Personal Guaranty, which shall be continuing and irrevocable during the terms of the Agreements; and (4) this Personal Guaranty shall apply in all modifications to the Agreements of any nature agreed to by Franchisee with or without the undersigned receiving notice thereof.

The undersigned waive: (1) notice of demand for payment of any indebtedness or on performance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; (3) any right he/she may have to require that an action be brought against the Franchisee or any other person as a condition of liability; (4) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligations hereby guaranteed; and (5) notice of any changes permitted by the terms of the Agreements or agreed to by the Franchisee.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of Family Fare, LLC's and M.M. Fowler, Inc.'s successors and assigns.

[SIGNATURE PAGE FOLLOWS]

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PERSONAL GUARANTORS:

_____ _____

Print Name: _____ _____, Witness

Address: _____

_____

_____

_____ _____

Print Name: _____ _____, Witness

Address: _____

_____

_____

_____ _____

Print Name: _____ _____, Witness

Address: _____

_____

_____

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EXHIBIT 5

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This Nondisclosure and Noncompetition Agreement ("Agreement") is made and entered into as of _____ by and between FAMILY FARE, LLC, a North Carolina limited liability company ("Franchisor"), and _____ ("Associate"), who resides at _____. All initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Franchise Agreement.

RECITALS

A. The Franchisor is engaged in the business of franchising convenience stores which engage in the sale of food, Energy (as defined below), and other products to the public ("Franchised Business"). The Franchised Businesses are operated under the trademark "FAMILY FARE" and other service marks, trademarks, logo types, architectural designs, trade dress and other commercial symbols (collectively, the "Marks");

B. The Franchisor has developed methods for establishing, operating and promoting Franchised Businesses pursuant to the Franchisor's Confidential Information (defined below) and Trade Secrets (defined below) and such Confidential Information and Trade Secrets as may be further developed from time to time by the Franchisor ("System");

C. The Franchisor and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of products and customer service, which goodwill and reputation have been and will continue to be of major benefit to the Franchisor;

D. Associate desires to become involved with _____ ("Franchisee"), a franchisee of the Franchisor that operates a Franchised Business at _____, in the capacity of an owner, shareholder, member, guarantor, officer, partner, director, or agent of the Franchised Business, or is a spouse or domestic partner of an owner, shareholder, member, guarantor, officer, partner, director, or agent of the Franchised Business, and will become privileged as to certain Confidential Information and Trade Secrets.

E. Associate and the Franchisor have reached an understanding with regard to nondisclosure by Associate of Confidential Information and Trade Secrets and with respect to noncompetition by Associate with the Franchisor and other franchisees of the Franchisor. Associate agrees to the terms of this Agreement as partial consideration for the Franchisor's willingness to allow Associate to engage in a business relationship with Franchisor or Franchisee using the Franchisor's Confidential Information and Trade Secrets.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and the Franchisor, intending legally to be bound, agree as follows:

1. Definitions.

(a) "Associate" shall mean the individual described in the first paragraph of this Agreement.

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(b) "Competitive Business" as used in this Agreement means the following:

(i) a retail convenience store, whether or not selling petroleum or other Energy, that sells food, drinks, and other products typically sold in conveniences stores such as cigarettes, tobacco, vaping products, candy, soft drinks, beer, wine, lottery tickets, energy drinks, and sweet and salty immediate consumption snacks to consumers; or in the event the foregoing is considered too broad then,

(ii) a retail convenience store that sells petroleum or other Energy, food, drinks, and other products typically sold in conveniences stores such as cigarettes, tobacco, vaping products, candy, soft drinks, beer, wine, lottery tickets, energy drinks, and sweet and salty immediate consumption snacks to consumers.

(c) "Confidential Information" shall include, without limitation, means all knowledge, know-how, standards, methods and procedures related to the establishment and operation of the Store and not generally known to the public and includes all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, the Franchised Business, whether in print, electronic or other form, including, without limitation, all databases, price lists, recipes, all names, addresses, phone numbers, e-mail addresses, customer purchase records, merchandising, financial information, mail lists, manuals, promotional and marketing materials, marketing strategies and any other data and information that the Franchisor or its affiliates designates as confidential including all information contained in the Brand Standards Manual, which may be provided as one or more separate manuals, written instructional guides, CD Rom, electronic files, or other communications from the Franchisor or its affiliates, which may be changed or supplemented from time to time.

(d) "Franchise Agreement" shall mean the franchise agreement between Franchisor and Franchisee dated _____ as amended or renewed from time to time.

(e) "Energy" shall have the meaning defined in the Franchise Agreement.

(f) "Store Location" shall mean the approved location of Franchisee's Franchised Business.

(g) "Protected Territory" shall mean:

(i) An area which is within a 3-mile radius of the location of any Family Fare business owned by Franchisor or its affiliates or any Family Fare franchisees, including the Store Location, as of the first date of the Restrictive Period; or

(ii) only if the foregoing is determined by a court of law to be too broad, an area which is within a 3-mile radius of the Store Location; or

(iii) only if the foregoing is determined by a court of law to be too broad, at the location of any Family Fare business owned by Franchisor or its affiliates or franchisees, including the Store Location, as of the first date of the Restrictive Period; or

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(iv) only if the foregoing is determined by a court of law to be too broad, at the Store Location.

(h) "Restrictive Period" shall mean a period of two (2) years that begins the earlier of (i) the date of termination, expiration, or non-renewal of the Franchise Agreement, regardless of the reason for such termination, expiration, or non-renewal, or (ii) the date Associate's association with Franchisee or the Franchised Business ends for any reason, including but not limited to, divorce, separation, sale, termination, or transfer.

(i) "Term" shall have the meaning defined in the Franchise Agreement.

(j) "Trade Secret(s)" shall mean information, including a customer lists, pattern, compilation, program, device, method, technique or process related to the Franchised Business that both derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

2. Confidential Information and Trade Secrets. Associate and the Franchisor acknowledge that the Confidential Information and Trade Secrets that are developed and utilized in connection with the operation of the Franchised Business are unique and the exclusive property of the Franchisor or its affiliates. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information and Trade Secrets would be wrongful and would cause irreparable injury and harm to the Franchisor or its affiliates. Associate further acknowledges that the Franchisor or its affiliates have expended a great amount of effort and money in obtaining and developing the Confidential Information and Trade Secrets, that the Franchisor or its affiliates have taken numerous precautions to guard the secrecy of the Confidential Information and Trade Secrets, and that it would be very costly for competitors to acquire or duplicate the Confidential Information and Trade Secrets.

3. Nondisclosure of Confidential Information. During the Term and any renewal Term of the Franchise Agreement and for all periods after the Term and any renewal Term of the Franchise Agreement, Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Franchisor or the Franchised Business, any of the Confidential Information of the Franchisor or its affiliates.

4. Exceptions to Disclosing Confidential Information. Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to the following: (a) information that was in the public domain prior to being communicated to Associate through no fault of Associate; (b) information that entered the public domain after it was Communicated to Associate through no fault of Associate; (c) information that was in Associate's possession free of any obligation of confidence at the time it was communicated to Associate; or (d) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that Associate is legally compelled to disclose the information, if Associate has notified the Franchisor before disclosure and used Associate's best efforts, and afforded the Franchisor the opportunity, to obtain an appropriate protective order or other assurance satisfactory to the Franchisor of confidential treatment for the information required to be so disclosed.

5. Nondisclosure of Trade Secrets. During the Term and any renewal Term of the Franchise Agreement and for as long as such information constitutes a Trade Secret, Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person,

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firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Franchisor or the Franchised Business, any of the Trade Secrets of the Franchisor or its affiliates.

6. In-Term Covenant Against Unfair Competition. During the Term, Associate will not, without Franchisor's prior written consent for themselves, or through, on behalf of, or in conjunction with any other person or entity:

(i) Own, manage, engage in, be employed by, advise, make loans to, become or be a lessor or landowner to, or become lessee of, or have any other interest in, as a partner, owner, officer, executive, managerial employee, director, sales person or consultant for a Competitive Business; or

(ii) Offer or grant franchises or licenses for any Competitive Business; or

(iii) Perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System; or

(iv) Use any vendor relationship established through Franchisee's association with Franchisor for any purpose other than to supply the Franchised Business with supplies, products, equipment, merchandise, or services for use in or retail sale in the Franchised Business.

7. Post-Termination Covenant Against Unfair Competition. Associate covenants and agrees that for the Restrictive Period Associate shall not, within the Protected Territory, engage in any of the following:

(i) Engage in any Competitive Business as franchisee or licensee; or

(ii) Franchise or license any Competitive Business to any other person or third party; or

(iii) Own, manage, operate or have any operational or management authority in any Competitive Business; provided, that the purchase of a publicly traded security of a corporation engaged in such business or service shall not in itself be deemed violative of this section so long as Associate does not own themselves or through its spouse or partner more than one percent (1%) of the securities of such corporation; or

(iv) Engage in any Competitive Business as an employee, consultant, or independent contractor in any capacity in which Franchisee Associate would be in a position to use or disclose Confidential Information of Franchisor; or

(v) solicit, divert, or induce or attempt to solicit, divert, or induce for, or on behalf of, any Competitive Business any person or entity who was an employee of, independent contractor to, consultant to, or other service provider to the Franchised Business as of the first day of the Restrictive Period with whom Associate had a business relationship through Associate's association with Franchisee or who was an employee of, independent contractor to, consultant to, or other service provider to the Franchised Business within one (1) year prior to the Restrictive Period with whom Associate had a

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business relationship through Associate's association with Franchisee, to work for the Competitive Business; or

(vi) solicit, induce or attempt to solicit or induce any person or entity who is an employee of, independent contractor to, consultant to, or other service provider to the Franchised Business, Franchisee, Franchisor, Franchisor's affiliates, or Franchisor's other franchisees as of the first day of the Restrictive Period or within one (1) year of the Restrictive Period to terminate or alter in any way its, his, or her relationship with the Franchised Business, Franchisee, Franchisor, Franchisor's affiliates, or Franchisor's other franchisees as of the date of the Restrictive Period; or

(vii) solicit, divert, or induce or attempt to solicit, divert, or induce any persons who were employees of, independent contractors to, consultants to, or any other service provider to Franchisor, Franchisor's affiliates, or Franchisor's other franchisees as of the first day of the Restrictive Period or within one (1) year of the Restrictive Period for, or on behalf of, any Competitive Business to work for any Competitive Business.

8. Injunction. Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, the Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which the Franchisor may be entitled. Associate agrees that the Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling Five Hundred Dollars ($500) or more, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

9. Reasonableness of Restrictions. Associate acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of the Confidential Information and Trade Secrets and that any violation of this Agreement would cause substantial and irreparable injury to Franchisor, and that Franchisor would not have entered into a business relationship with Associate or Franchisee or enter into this Agreement or the Franchise Agreement without receiving Associate's unrestricted promise to preserve the confidentiality of the Confidential Information and Trade Secrets. In any litigation concerning the entry of any requested injunction against Associate, Associate, for value, voluntarily waives such defenses as Associate might otherwise have under the law of the jurisdiction in which the matter is being litigated relating to any claimed "prior breach" on the part of the Franchisor; it being specifically understood and agreed between the parties that no action or lack of action on the part of the Franchisor will entitle or permit Associate to disclose any such Confidential Information or Trade Secrets in any circumstances.

10. Effect of Waiver. The waiver by Franchisor of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

11. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Associate and the Franchisor and their respective heirs, executors, representatives, successors and assigns.

12. Entire Agreement. This instrument contains the entire agreement of Associate and the Franchisor relating to the matters set forth herein. It may not be changed verbally, but only

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by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

13. Governing Law; Jurisdiction and Venue. This Agreement will be construed in accordance with, and all disputes between the parties (whether in contract, tort, or otherwise) arising out of or relating to this Agreement, any breach of this Agreement, or the relationship between the parties, will be governed by, the laws of the State of North Carolina without recourse to North Carolina (or any other) choice of law or conflicts of laws principles. The parties agree that any action brought by a party against the other arising out of or related to this Agreement, any breach of this Agreement, or the relationship between the parties, must be brought in a court of competent jurisdiction located in Durham, North Carolina. Associate consents to personal jurisdiction and venue in this jurisdiction and waives, and agrees not to assert, move or otherwise claim that the venue is for any reason improper, inconvenient, prejudicial, or otherwise inappropriate (including any claim under the judicial doctrine of *forum non conveniens*).

14. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement that shall otherwise remain in full force and effect.

15. Attorneys' Fees. Franchisor shall be entitled to reimbursement from the Associate for all expenses reasonably incurred (including attorneys' fees) in which it prevails in any action brought by Franchisor to enforce the terms of this Agreement.

16. Miscellaneous. Due to the importance of this Agreement to Franchisor, any claim Associate has against Franchisor is a separate matter and does not entitle Associate to violate, or justify any violation of, this Agreement. Associate agrees that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, unless herein defined, and that such meaning has been explained to Associate.

[Signature Page Follows]

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IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

FRANCHISOR:

FAMILY FARE, LLC

By: _____ _____

M. LEE BARNES, JR., President _____, Witness

ASSOCIATE:

_____ _____

_____, Witness

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EXHIBIT B-1

STORE DIRECTORY/LISTING OF CURRENT FRANCHISEES
All locations are unit franchises

Entity Name	Operating Principal Name	Location	City	State	Zip	Phone #
Ron-Rohn Inc.	Ron Brewington	11960 NC Hwy 210	Benson	NC	27504	919-938-0784
Jojo & Sophia Inc.	Twalid Shonoda	2123 S. Church St.	Burlington	NC	27215	336-222-8100
Mandali Mai Inc	Hom Lamsal	2611 Maple Ave	Burlington	NC	27215	336-570-9510
Radha Management, Inc.	Allan Abel	2227 Maple St.	Burlington	NC	27215	336-227-4295
Kayra LLC	Dhaval Patel	110 Central Ave.	Butner	NC	27216	919-575-5832
Goodman of NC Corporation	Arindam Dasgupta	1201 Martin Luther King Jr. Blvd	Chapel Hill	NC	27514	919-932-1500
Shivin Inc.	Dharmesh Patel	6007 Farrington Rd.	Chapel Hill	NC	27514	919-490-6464
Angelous Inc	Joy Boles	628 Weaver Dairy Road	Chapel Hill	NC	27514	919-929-8368
Ohm Mahalaxmi 33, Inc.	Alex Matthew	1201 Raleigh Rd.	Chapel Hill	NC	27517	919-942-4000
Kiyan LLC	Hitesh Patel	101 Main Street & Lyon	Creedmoor	NC	27522	919-528-4469
Jay Matadi Inc.	Prakash Marasini	1923 W. Cumberland St.	Dunn	NC	28334	910-891-1733
Alfred Auto & Grocery Inc.	Altaf Hussain	921 North Miami Blvd	Durham	NC	27703	919-688-7060
Aniya and Samee Inc.	Azad Suruz	3101 Roxboro Rd.	Durham	NC	27704	919-220-1943
Andy's Handy Mart, Inc.	Andy Anderson	1815 Hillandale Rd.	Durham	NC	27705	919-309-4074
Aniya and Samee, Inc.	Azad Suruz	3921 Fayetteville St.	Durham	NC	27707	984-244-7854
Emmanuel Rajesh Nela, LLC	Raj Nela	3804 N. Duke St.	Durham	NC	27704	919-471-2730
Essvee Foods & Imports, Inc.	Sudheer Vuyyuru	308 S. Alston Ave.	Durham	NC	27701	919-680-8731
Essvee Foods & Imports, Inc.	Sudheer Vuyyuru	2724 Guess Rd.	Durham	NC	27705	919-477-1468
Essvee Foods & Imports, Inc.	Sudheer Vuyyuru	2502 Chapel Hill Blvd.	Durham	NC	27707	919-477-1468

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Entity Name	Operating Principal Name	Location	City	State	Zip	Phone #
H.M.T.Y. LLC	Hani Habash	3511 Hillsborough Rd.	Durham	NC	27705	919-309-4328
Hamilton H.C. LLC	Hamilton Camacho	2406 Holloway St.	Durham	NC	27703	919-596-0298
Hamilton H.C. LLC	Hamilton Camacho	412 Lasalle St.	Durham	NC	27705	919-309-1312
RK09 Corporation	Karuna Patel	1251 University Dr.	Durham	NC	27707	919-493-0104
Lailanoor Inc.	Shahadat Hossain	5292 Roxboro Road	Durham	NC	27704	919-471-4148
Kiran Tahim LLC	Kiran Tahim	1529 S. Miami Blvd.	Durham	NC	27703	919-598-6826
Karas & Jony LLC	Ramy Shenouda	4161 Old Chapel Hill	Durham	NC	27707	919-493-5805
OHM Mahalaxmi 33, Inc.	Alex Matthew	4525 Chapel Hill Blvd	Durham	NC	27707	919-489-5120
Ons Management LLC	Kiran Tahim	2219 Miami Blvd.	Durham	NC	27703	919-251-8543
Soham Venture, Inc.	Divyeshkumar Patel	4148 Old Chapel Hill Rd.	Durham	NC	27707	919-419-1488
Maisha & Abrar Inc.	Asm Khan	3101 University Dr.	Durham	NC	27707	919-973-2772
Make a Difference C-Stores Inc	Claudine Singh	2685 Chapel Hill Blvd.	Durham	NC	27707	919-493-4062
MJ Bangla LLC	Joy Chowdhury	2211 Roxboro Road	Durham	NC	27704	919-220-7332
Naveen Tahim LLC	Naveen Tahim	1016 W. Main St.	Durham	NC	27705	919-682-0195
PVPR Inc.	Ghaly Aziz	2918 Guess Rd.	Durham	NC	27705	919-471-5002
Rahman Inc,	Mohammed Rahman	2110 Roxboro Rd.	Durham	NC	27704	919-220-4017
Runa Enterprises LLC	Rehana Masuk	5109 Guess Rd.	Durham	NC	27712	919-471-0858
Star International Inc.	Raghu Tatineni	2432 Erwin Rd.	Durham	NC	27705	919-416-4483
Srisai Mart LLC	Venkata Kolli	106 W. Cornwallis Rd.	Durham	NC	27707	919-748-3608
Zee Express Inc.	Bobby Mughal	2317 E. NC 54	Durham	NC	27713	919-806-1645
Sharon G Enterprises Inc.	Sharon Gudibandla	1922 West Main Street	Durham	NC	27705	919-416-1069
AARYAA INC.	Hardik Patel	5202 South Miami Blvd	Durham	NC	27560	919-941-0609

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Entity Name	Operating Principal Name	Location	City	State	Zip	Phone #
Shree Jala Inc.	Nakita Patel	801 Broad Street	Durham	NC	27705	919-416-8853
Selina Ventures Inc.	Selina Hassan	4830 Hope Valley Road	Durham	NC	27707	984-888-0940
RTMO Enterprise Inc	Ruma Pervin	3705 N. Duke St	Durham	NC	27704	984-244-7170
Simbalion, Inc.	Reuben Chebutich	1008 US 17 South	Elizabeth City	NC	27909	252-335-0643
Matamanakamana Inc.	Saroj Sunar	128 N Main Street	Emporia	VA	23847	434-829-6356
ALF Enterprises Inc.	Alfonzo Hurtado	225 Rowan St.	Fayetteville	NC	28301	910-433-4320
VGT Magnum Enterprise LLC	Thierry Tuyishimire	902 Hay St.	Fayetteville	NC	28305	910-323-9223
Mehar Corp.	Harpreet Aasla	5616 Yadkin Rd.	Fayetteville	NC	28303	910-864-9384
VP Petroleum Inc.	Vipul Chavda	6891 Cliffdale Rd.	Fayetteville	NC	28314	910-487-1080
Union Enterprise, Inc.	Zubair Syed	3215 Raeford Rd.	Fayetteville	NC	28303	910-223-6004
Kusum Enterprises LLC	Jatin Mehta	100 S. Reilly Road	Fayetteville	NC	28301	910-339-9039
Ron-Rohn, Inc.	Ron Brewington	201 S Eastern Blvd.	Fayetteville	NC	28301	919-485-3656
Ron-Rohn, Inc.[1]	Ron Brewington	2036 Gillespie St.	Fayetteville	NC	28306	919-485-3656
Subedi Investment Inc.	Govinda Subedi	5460 NC 42 West	Garner	NC	27529	919-772-5647
NKNK, Inc.	Madhu Karki	1535 Hwy 70 West	Garner	NC	27529	919-779-4555
Khodiyar Inc.	Rachnaen Rbari	301 S. Main St	Graham	NC	27253	336-436-0302
Ansma Enterprise LLC	Emmanuel Ansah	3931 Battleground Ave.	Greensboro	NC	27410	336-288-8460
Awosthi Inc.	Chet Awosthi	3227 S. Holden Rd.	Greensboro	NC	27407	336-897-1261
B. B. Shuler, Inc.	Brandon Shuler	2712 Lawndale Dr.	Greensboro	NC	27408	336-540-0412
Biz-Biz Inc.	Bismark Gborsi	4200 High Point Rd.	Greensboro	NC	28459	336-292-4294
E Sarfo Enterprise, LLC	Eric Sarfo	628 Guilford College Rd.	Greensboro	NC	27409	336-632-9060

[1] This franchisee commenced operations of this location in 2022. The prior owner's information is available in Exhibit B-2.

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Entity Name	Operating Principal Name	Location	City	State	Zip	Phone #
Hamoud Enterprise LLC	Papis Hamoud	2814 Patterson St.	Greensboro	NC	27407	336-852-0937
Loza Gurung Corp.	Krishna Gurung	2750 N Church St.	Greensboro	NC	27405	336-375-3156
Lucky Distribution Agency LLC	Tina Williamson	2600 Randleman Rd.	Greensboro	NC	27406	336-271-6900
Lucky Distribution Agency LLC	Tina Williamson	2514 High Point Rd.	Greensboro	NC	27407	336-292-2249
J & K Namoo Buddha Inc	Sujeeta Gurung	3220 East Lee St.	Greensboro	NC	27406	336-272-8181
Shree Chhetry Inc.	Shree Chhetry	2300 Fleming Rd	Greensboro	NC	27410	336-664-8019
The Playwoods Company LLC	Yonghua Procter	4700 West Market St.	Greensboro	NC	27407	336-547-9272
Yubaraj Inc.	Kalyan Gautam	2300 E. Market St	Greensboro	NC	27401	336-274-2775
Rahman Traders Inc.	Moshiur Rahman	1531 SE Greenville Blvd	Greenville	NC	27858	252-214-7440
Velia Inc.	Arjan Velia	1101 E. Lexington	High Point	NC	27260	336-991-5423
Shree Investment Corporation	Anup Khanal	1901 Westchester Drive	High Point	NC	27262	336-781-0688
Krishna Management Inc.	Sandra Abel	1811 NC 86 South at I-85	Hillsborough	NC	27278	919-643-0925
J. Ayitiah Enterprise, LLC	Joseph Ayitiah	4839 W. Wendover Ave.	Jamestown	NC	27410	336-851-1735
Sappkota, Inc.	Raju Sapkota	801 NC Highway 66 S	Kernersville	NC	27284	336-497-5134
IJJ Inc.	Bassem Shehata	7601 Knightdale Blvd.	Knightdale	NC	27545	919-217-0479
Irfana Inc	Baharul Alam	1200 Glenburnie Rd	New Bern	NC	28562	252-633-1214
Auroma Inc	Shalik Akauliya	683 J Clyde Morris Blvd	Newport News	VA	23601	757-586-5310
Pathivaranabin Inc.	Nabin Pradhan	1420 Harnett-Dunn Hwy	Newton Grove	NC	28366	910-594-0321
Diamond Hira Inc.	Kalananda Sharma	1634 Glenwood Ave	Raleigh	NC	27608	919-834-0701
HB Shah Inc.	Sandhya Mehta	4000 New Bern Ave.	Raleigh	NC	27610	919-250-3300
I & J Stores Inc	Joseph Moongamakkil	5800 Duraleigh Rd.	Raleigh	NC	27612	919-881-7768

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Entity Name	Operating Principal Name	Location	City	State	Zip	Phone #
Xpresstar Inc.	Michael Maiyo	2570 S. Wilmington St.	Raleigh	NC	27603	919-832-7882
Murkos Inc.	Sheikh Hossain	2120 New Bern Ave	Raleigh	NC	27610	919-231-4112
YAAK Ventures LLC	Evans Amankwah	1025 S. Scales St	Reidsville	NC	27320	336-342-4341
SH USA Inc.	Sheikh Hasnain	1317 N Wesleyan Blvd	Rocky Mount	NC	27804	N/A
Vestal Investments Inc.	Lori Vestal	4585 Main St.	Shallotte	NC	28459	910-754-6783
Mae & Rae Inc.	Shirley Edwards	1151 Julian Allsbrook 1 Hwy	Weldon	NC	27890	252-536-2153
Shusa, Inc.	Sheikh Hasnain	1902 West Main St.	Williamston	NC	27892	252-792-4038
St Gabrael Inc.	Ashenafi Tilahun	502 N. Third St.	Wilmington	NC	28401	910-763-2802
Pashupatinath Inc.	Govinda Chhetri	6347 Carolina Beach Road	Wilmington	NC	28409	910-399-6419
Pashupatinath Inc.	Govinda Chhetri	1032 Market St.	Wilmington	NC	28401	910-399-2762
5S Enterprise	Gazi Ahmed	401 Ward Blvd	Wilson	NC	27893	N/A
Asmita Inc	Rabi Bista	7765 Northpoint Blvd	Winston-Salem	NC	27106	336-759-9216
Davis Enterprises Company Inc.	Sarah Davis	701 Jonestown Rd.	Winston-Salem	NC	27103	336-760-6678
Kalika Inc.	Pradip Panth	3836 Reynolda Rd.	Winston-Salem	NC	27106	336-924-3368
KParker 1234 LLC	Katie Parker	1427 W. 1st St.	Winston-Salem	NC	27101	336-761-0613
Sumits Incorporated	Sumit Shrestha	3501 Robinhood Rd.	Winston-Salem	NC	27106	336-768-0077
MN2K, INC.	Moshar Man Lama	3130 University Parkway	Winston-Salem	NC	27105	336-724-0030
Steve Owens Properties, LLC	Steve Owens	2700 Peters Creek Pkwy.	Winston-Salem	NC	27103	336-784-4244
Gur Kirpa Inc.	Amit Randhawa	690 E. Main Street	Wytheville	VA	24382	276-227-0554

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EXHIBIT B-2

LISTING OF CERTAIN PAST FRANCHISEES

In our last fiscal year, the following franchisees have 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 have not communicated with the Franchisor within 10 weeks of the issuance date of this disclosure document. All of these are former unit franchisees.

The below table shows the franchisees who departed in 2021.

Entity Name	Name of Operating Principal	City	State	Phone #
Montgomery's C-Store Inc.	Melody Montgomery	Burlington	NC	336-570-9510
FCA Enterprises LLC	Fernando Arumi Jr.	Butner	NC	919-575-5832
Awg1 Inc.	Ankur Gohil	Chapel Hill	NC	919-929-8368
Alpat LLC	Al Robinson	Creedmoor	NC	919-528-4469
Brothers Retail Inc	Paul Thomas	Durham	NC	919-748-3608
Shree Sainath Corporation	Sunny Patel	Durham	NC	919-416-1069
Dada Enterprises Inc.	Nate Patel	Durham	NC	919-941-0609
Emmanuel Rajesh Nela, LLC	Raj Nela	Durham	NC	919-471-2730
Krishna Management Inc.	Sandra Abel	Graham	NC	919-643-0925
RNN, Inc.	Ranjit Das	Greensboro	NC	336-272-8181
RNN, Inc.	Ranjit Das	Greensboro	NC	336-274-2775
Reeva Inc.	Raju Upadhyaya	High Point	NC	336-781-0688
Kalika, Inc.	Pardip Panth	Winston-Salem	NC	336-724-0030

The below table shows the franchisees who departed between January 1, 2022 and March 1, 2022

Entity Name	Name of Operating Principal	City	State	Phone #
Dabeso International Inc.	David Wogbedi*	Fayetteville	NC	910-678-9937

*With sadness, we note that this Operating Principal is deceased and is not available for discussions with prospective franchisees.

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EXHIBIT B-3
HISTORICAL INITIAL FRANCHISE FEES

For the Past Five Years (2017 to 2021)

Year	Range of Initial Franchise Fees Paid
2017	$10,000; $25,000; $32,000; $50,000; $50,000
2018	$15,000; $15,000; $25,000; $30,000; $45,000; $48,000; $60,000
2019*	$10,000; $10,000; $62,500; $100,000; $110,000
2020***	$10,000; $15,000; $20,000; $40,000; $100,000; $100,000; $140,000
2021	$100,000

* Three new franchise locations opened in 2019. There are two additional initial franchise fees listed in this table for 2019 because two franchisees departed the system in 2019 and did not sell their businesses to a transferee. Instead, a new franchisee took over the existing location and paid us an initial franchise fee. For purposes of Item 20, the change of ownership at these two locations in 2019 is described as two transfers.

*** Five new franchise locations opened in 2020. There are two additional initial franchise fees listed in this table for 2020 because two franchisees departed the system in 2020 and did not sell their businesses to a transferee. Instead, a new franchisee took over the existing location and paid us an initial franchise fee. For purposes of Item 20, the change of ownership at these two locations in 2020 is described as two transfers.

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EXHIBIT C

FINANCIAL STATEMENTS

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Family Fare, LLC

Audited Financial Statements

December 31, 2021, 2020 and 2019

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Family Fare, LLC

Contents

Page(s)

Independent Auditor's Report 3-4

Financial Statements

Balance Sheets 5

Statements of Operations and Members' Equity 6

Statements of Cash Flows 7

Notes to Financial Statements 8-11

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Mark S. Danes, CPA, PLLC

Certified Public Accountant and Consultant

Independent Auditor's Report

To the Members
Family Fare, LLC
Durham, North Carolina

Opinion

We have audited the accompanying financial statements of Family Fare, LLC (the Company), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations and members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that,

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individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Prior Period Financial Statements

The financial statements of the Company for the year ended December 31, 2019 were audited by other auditors whose report dated March 16, 2020 expressed unmodified opinions on those statements.

Mark S. Danes, CPA, PLLC

March 2, 2022

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Family Fare, LLC
Balance Sheets
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	$ 1,699,504	$ 977,980
Accounts receivable	1,790,078	1,402,093
Franchise notes receivable	36,233	56,991
Total current assets	3,525,815	2,437,064
Other Assets		
Learning Management System, net	40,651	58,719
Franchise notes receivable, long-term	80,405	158,125
Total other assets	121,056	216,844
Total assets	$ 3,646,871	$ 2,653,908
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	$ 1,736,815	$ 1,369,530
Deferred revenue	227,800	229,320
Agency obligations	55,202	60,202
Total current liabilities	2,019,817	1,659,052
Deferred revenue, long-term	394,050	531,850
Members' equity	1,233,004	463,006
Total liabilities and members' equity	$ 3,646,871	$ 2,653,908

See accompanying notes to financial statements.

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Family Fare, LLC
Statements of Operations and Members' Equity
For the years ended December 31, 2021, 2020 and 2019

	2021	2020	2019
Revenue			
Royalty income	$ 17,074,050	$ 14,700,338	$ 13,906,949
Transfer fees	127,100	94,450	284,550
Franchise fees	239,320	199,220	135,050
Other income	13,305	69,225	3,074
Total revenue	17,453,775	15,063,233	14,329,623
Expenses			
Management fees	16,561,829	14,259,328	13,489,741
Selling, general and administrative	121,948	211,522	126,695
Total expenses	16,683,777	14,470,850	13,616,436
Net income	769,998	592,383	713,187
Members' equity at beginning of year	463,006	1,070,623	357,436
Member distributions	-	(1,200,000)	-
Members' equity at end of year	$ 1,233,004	$ 463,006	$ 1,070,623

See accompanying notes to financial statements.

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Family Fare, LLC
Statements of Cash Flows
For the years ended December 31, 2021, 2020 and 2019

	2021	2020	2019
Cash Flows From Operating Activities			
Net income	$ 769,998	$ 592,383	$ 713,187
Adjustments to reconcile net income to net cash provided by operating activities			
Amortization	18,068	18,068	13,551
Changes in assets and liabilities:			
Accounts receivable	(387,985)	(48,662)	(75,963)
Franchise notes receivable	98,478	(72,334)	(138,006)
Accounts payable	367,285	56,702	1,162
Deferred revenue	(139,320)	225,780	157,450
Agency obligations	(5,000)	(33,960)	25,399
Net cash provided by operating activities	721,524	737,977	696,780
Cash Flows From Investing Activities			
Net cash provided by (used in) investing activities	-	-	-
Cash Flows From Financing Activities			
Capital distributions to members	-	(1,200,000)	-
Net cash provided by (used in) financing activities	-	(1,200,000)	-
Net increase (decrease)	721,524	(462,023)	696,780
Cash and cash equivalents at beginning of year	977,980	1,440,003	743,223
Cash and cash equivalents at end of year	$ 1,699,504	$ 977,980	$ 1,440,003
Supplemental Information			
Cash paid for interest	$ -	$ -	$ -
Cash paid for income taxes	$ -	$ -	$ -

See accompanying notes to financial statements.

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Family Fare, LLC
Notes to Financial Statements
December 31, 2021, 2020 and 2019

Note 1 - Nature of Business and Summary of Significant Accounting Policies

Nature of Business

Family Fare, LLC (the Company) is a limited liability company organized on June 14, 2013 in the state of North Carolina. The Company is engaged in the business of franchising Family Fare convenience stores and providing services to the franchisees. There were one hundred-three, one hundred-two, and ninety-seven franchisees in operation at the end of 2021, 2020 and 2019, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Income Taxes

The Company has elected to be treated as a partnership for federal and state income tax purposes. All income and deductions of the Company flow through to the members to be taxed at the individual level. Accordingly, the Company does not provide for income taxes in its financial statements.

As defined by Financial Accounting Standards Board Accounting Standards Codification 740, *Income Taxes*, no provision or liability for uncertain tax positions has been included in these financial statements because the Company does not believe there are any material uncertain tax positions. The Company's tax returns will remain open for examination by federal and state taxing authorities for three years after their due dates.

Accounts and Franchise Notes Receivable

Receivables are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its franchisees to make required payments. Management considers the following factors when determining the collectability of balances: credit-worthiness, past transaction history, current economic industry trends, economic conditions, and changes in payment terms. If the financial condition of the Company's franchisees' balances were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to administrative expenses and a credit to a valuation allowance. Balances that remain outstanding after the Company has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the receivable. No allowance for doubtful accounts or notes receivable was considered necessary at December 31, 2021 and 2020.

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Note 1 - Nature of Business and Summary of Significant Accounting Policies – (Continued)

Advertising Expense

The Company expenses the production costs of advertising the first time the advertising takes place. There was no advertising expense for the years ended December 31, 2021, 2020 and 2019.

Revenue Recognition

The Company's revenue consists primarily of (1) initial franchise fees from the sale of local franchise rights related to certain proprietary and property rights in and to the "Family Fare" name, trademarks and service marks; (2) sales-based royalties and revenue allocated to goods and services distinct from the franchise right; and (3) transfer fees on the sales of existing store franchises paid by former license-holders.

Revenue from the initial franchise agreements is recognized evenly over the original term of the agreement of five years. The sales-based royalty revenue is recognized monthly as the goods and services are delivered. The transfer fees revenue is generally recognized on the date of sale between the predecessor and successor franchisees, but may be limited to the amount that will not result in a significant reversal of revenue in future periods.

Deferred Revenue

Deferred revenue represents amounts from initial franchise agreements that have been received in advance of being earned. Actual cash collections were $100,000; $425,000; and $292,500 the years ended December 31, 2021, 2020 and 2019, respectively.

Note 2 - Franchise Notes Receivable

At December 31, 2021 and 2020, franchise notes receivable consists of three and four agreements, respectively, with franchisees with outstanding balances of $116,638 and $215,116, respectively. These promissory notes have stated interest rates of 5.0% and future maturities are as follows:

2022	$	31,162
2023		32,757
2024		28,723
2025		21,055
2026		2,941
	$	116,638

The promissory notes are secured by all goods, wares, equipment, inventory, fixtures and other personal property used by and belonging to the franchisee in the operation of the store.

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Note 3 - Other Assets

In October 2017, the Company entered into a master service agreement with the understanding that the vendor would provide for the design and development of interactive online content and training to the Company's franchisees. The Company incurred costs on this Learning Management System (LMS) beginning in 2017. The LMS became operational on April 1, 2019 at a total cost of $90,338, which is being amortized over five years. Accumulated amortization was $49,687 and $31,619 at December 31, 2021 and 2020, respectively.

Note 4 - Related Party Transactions

The Company is affiliated with M. M. Fowler, Inc. (M. M. Fowler) by virtue of having the same equity owners. M. M. Fowler is in the business of marketing and selling motor fuels and the ownership of investment properties, including convenience stores in North Carolina.

All of the Company's accounts receivable for the years presented were paid by M. M. Fowler for sales-based royalty revenue. The management fees and most of the accounts payable listed in the accompanying financial statements were paid to M. M. Fowler.

Note 5 - Concentration of Risk

The Company had time and demand deposits with one financial institution in excess of Federal Deposit Insurance Corporation limits at various times throughout the year ended December 31, 2021, and by $1,450,503 at December 31, 2021.

All but three of the Family Fare convenience stores are in the state of North Carolina, so the Company's viability is dependent on the strength of the overall economy in North Carolina, particularly in the area of central North Carolina.

The Company extends credit to its franchisees, who are mostly local residents.

Note 6 - Contingencies

The Company is subject to various claims and legal proceedings covering matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a materially adverse effect on the financial condition or results of operations of the Company.

Note 7 - Beginning Balances for Contract Assets and Liabilities

The timing of revenue recognition, billings and cash collections results in billed accounts receivables and deferred revenue on each balance sheet. These balances were as follows at December 31:

	2019	2018
Accounts receivable	$ 1,353,431	$ 1,277,468
Deferred revenue	$ 535,390	$ 377,940

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Note 8 - Subsequent Events

The Company has evaluated subsequent events through March 2, 2022, which is the date these financial statements were available to be issued, and has determined that there are no subsequent events that require disclosure.

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EXHIBIT D

FEDERAL AND STATE REGULATORS AND AGENTS FOR SERVICE OF PROCESS

FEDERAL TRADE COMMISSION

Franchise Rule Coordinator
Federal Trade Commission Division of Marketing Practices
Pennsylvania Avenue at Sixth Street, N.W., Room 238
Washington, D.C. 20580
Telephone: (202) 326-2970

STATE FRANCHISE REGULATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA:
Commissioner of Financial Protection & Innovation
Department of Financial Protection and Innovation
320 West 4th St., Ste. 750
Los Angeles, California 90013
Telephone: (213) 576-7500 or
Toll Free Telephone: (866) 275-2677

CONNECTICUT:
Eric Wilder, Director of Securities
Connecticut Department of Banking
Securities and Business Investment Division
260 Constitution Plaza
Hartford, CT 06103-1800
Telephone: (860) 240-8233

HAWAII:
Commissioner of Securities
of the State of Hawaii
Department of Commerce and
Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
Telephone: (808) 586-2722

ILLINOIS (Registered Agent):
Tanya Solov, Director of Securities
Office of the Secretary of State
Securities Department
69 West Washington Street, Suite 1220
Chicago, IL 60602
Telephone: (312) 793-3884

ILLINOIS (Regulatory Authority):
Lisa Madigan
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
Telephone: (217) 782-4465

INDIANA:
Chris Naylor, Securities Commissioner
Franchise Section
Indiana Securities Division
Secretary of State
Room E-111
302 West Washington Street
Indianapolis, IN 46204
Telephone: (317) 232-6681

IOWA:
Jim Mumford, Securities Administrator
Director of Regulated Industries Unit
Iowa Securities Bureau
330 Maple Street
Des Moines, IA 50319-0066
Telephone: (515) 281-5705

MARYLAND (Registered Agent):
Maryland Securities Commissioner
200 St. Paul Place,
Baltimore, Maryland 21202-2020
Telephone: (410) 576-6360

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MARYLAND (Regulatory Authority):
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020
Telephone: (410) 576-6360

MICHIGAN (Regulatory Authority):
Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
525 W. Ottawa Street
Lansing, MI 48909
Telephone: (517) 373-1152

MICHIGAN (Registered Agent):
Linda Cena, Securities Director
Office of Financial & Insurance Regulation
525 West Allegan
1st Floor Constitution Hall
Lansing, MI 48909
Telephone: (517) 241-6345

MINNESOTA:
Minnesota Dept. of Commerce
Securities-Franchise Registration
85 7th Place East, Suite 280
Saint Paul, MN 55101-2198
Telephone: (651) 539-1500

NEW YORK (Administrator/Regulatory Authority)
New York State Department of Law
Investor Protection Bureau
28 Liberty St., 21st Floor
New York, NY 10005
Telephone: (212) 416-8222

NEW YORK (Agent for Service of Process)
Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA:
North Dakota Securities Department
Fifth Floor State Capitol, Dept. 414
600 East Boulevard
Bismarck, ND 58505-0510
Telephone: (701) 328-2910

OKLAHOMA:
Oklahoma Securities Dept.
First National Center
120 N. Robinson Suite 860
Oklahoma City, OK 73102
Telephone: (405) 280-7700

RHODE ISLAND:
Division of Securities
1511 Pontiac Ave
John O. Pastore Complex, Bld 69-1
Cranston, RI 02920
Telephone: (401) 462-9500

SOUTH DAKOTA:
Division of Insurance
Securities Regulation
124 S. Euclid, Ste. 104
Pierre, SD 57501
Telephone: (605) 773-3563

TEXAS:
Hope Andrade
Secretary of State
P.O. Box 12697
Austin, TX 78711-2697
Telephone: (512) 463-5701

UTAH:
Division of Consumer Protection
Utah Department of Commerce
160 East 300 South
SM Box 146704
Salt Lake City, UT 84114-6704
Telephone: (801) 530-6601

VIRGINIA (Registered Agent):
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
Telephone: (804) 371-9733

VIRGINIA (Regulatory Authority)
State Corporation Commission,
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
Telephone: (804) 371-9051

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WASHINGTON:
Address for Service of Process:
Department of Financial Institutions
Securities Division
150 Israel Road, SW
Tumwater, WA 98501
Telephone: (360) 902-8760

Mailing Address:
Department of Financial Institutions
Securities Division
PO Box 9033
Olympia, WA 98507

WISCONSIN:
Franchise Office
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701
Telephone: (608) 266-3364

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EXHIBIT E

REQUIRED COMPUTER AND POS SOFTWARE AND HARDWARE

We will provide you with a back office computer with a laser printer. The PC will need to be loaded with StoreTrak or PDI software which will be installed by Family Fare or its affiliates. The minimum recommended requirements are as listed below.

HARDWARE DESCRIPTION	EXISTING PC MINIMUM	NEW PC ACQUISITION MINIMUM
Operating System	Windows 7 Professional – 32 bit	Windows 10 Professional
Processor/Speed	Intel Core i3	Intel Core i3
Memory	4 GB RAM	8 GB RAM
Hard Disk Drive	250 GB	250 GB
CD Rom Drive	16X DVD+/-RW SATA	None.
Serial Ports	2	1
Graphics	Integrated w/Single HDMI/VGA	Integrated w/Single HDMI/VGA/Display Port
Ethernet Adapter	10/100/1000 Gigabit Networking Card	10/100/1000 Gigabit Networking Card
Keyboard	USB KB – English	USB KB – English
Mouse	USB Optical	USB Optical
Monitor	15” SVGA Color	15” SVGA Color

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EXHIBIT F

STATE SPECIFIC ADDENDUM TO
FRANCHISE AGREEMENT AND FRANCHISE DISCLOSURE DOCUMENT

RIDERS TO FRANCHISE AGREEMENT FOR SPECIFIC STATES

If any one of the following riders to the Franchise Agreement for Specific States ("Riders") is checked as an "Applicable Rider" below, then that Rider shall be incorporated into the Franchise Agreement entered into by FAMILY FARE, LLC and the undersigned Franchisee. To the extent any terms of an Applicable Rider conflict with the terms of the Franchise Agreement, the terms of the Applicable Rider shall supersede the terms of the Franchise Agreement.

Applicable Rider

- ☐ California
- ☐ Illinois
- ☐ Maryland
- ☐ Michigan
- ☐ Minnesota
- ☐ New York
- ☐ North Dakota
- ☐ Ohio
- ☐ Rhode Island
- ☐ Virginia
- ☐ Washington

FRANCHISOR:

FAMILY FARE, LLC

By: _____
M. LEE BARNES, JR., President

FRANCHISEE:

_____
[Print Name of Business Entity]

By: _____
Print Name: _____
Title: President

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VIRGINIA

Disclosure Document.

The agreement is revised to include the following:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

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EXHIBIT G

LEASE

THIS LEASE, made and entered into as of _____, ("Effective Date") by and between M. M. FOWLER, INC., 4220 Neal Road, Durham, North Carolina 27705, party of the first part (hereinafter called "Landlord"); and _____, a _____ having a registered office address at _____, party of the second part (hereinafter called "Tenant") and the undersigned guarantors ("Guarantors");

W I T N E S S E T H:

1. Premises. The Landlord, for and in consideration of the rents, covenants, agreements, and stipulations hereinafter mentioned, reserved and contained, to be paid, kept and performed by the Tenant, has leased and rented, by these presents does lease and rent, to the said Tenant, and said Tenant hereby agrees to lease and take upon the terms and conditions which hereinafter appear, the following described property, to-wit:

Being that certain store building designated as _____ (the "Store") and the fixtures and equipment located therein (the "M.M. Fowler Equipment"), subject to the terms and conditions of this lease.

2. Term. The term of this lease shall be for five (5) years beginning on _____, and ending on _____, unless sooner terminated as hereafter provided. Additionally, Tenant can terminate this Agreement without cause upon delivery of sixty (60) days prior written notice to Landlord ("Early Termination Notice"). If Tenant does not provide at least ninety (90) days written notice prior to abandoning, vacating, or ceasing to operate the Store, the rent for the last ninety (90) days of the lease shall be equal to the greater of Three Thousand Dollars ($3,000) or double the rent specified in paragraph 3 below.

3. Rent. The Tenant agrees to pay to the Landlord rental in monthly installments, in advance, without notice or invoice from Landlord, and without offset, the sum of $_____ per month commencing on the first day of the term of this lease and a like amount on such day each and every month thereafter. Additionally, should Tenant's gross sales exceed $_____ in any month, then Tenant will pay in additional rent an amount equal to _____% of Tenant's Gross Sales for the applicable month. Gross Sales is defined for purposes of calculating the additional rent as Gross Sales as defined in Tenant's franchise agreement ("Franchise Agreement") plus the gross shortage amount in retail dollar inventory. On each anniversary of the Effective Date, Landlord shall have the right to increase the rent by an amount up to or equal to the percentage increase in the Consumer Price Index (hereafter defined) from the Effective Date to the adjustment date multiplied by the rent. Any unused adjustment shall be deferred and applied at Landlord's option to the rent in future adjustment periods. "Consumer Price Index" means the "Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items (1982-84 = 100)" published by the United States Department of Labor, Bureau of Labor Statistics. If publication of the Consumer Price Index is discontinued, a comparable index or statistics on the purchasing power of the consumer prepared or published by a responsible financial periodical shall be selected by Landlord in substitution therefor. Additionally and without regards to the Consumer Price Index adjustment in the rent, if during the term of the lease Tenant and/or Tenant's franchisor require capital improvements to be made to the Premises, Landlord shall have the right to immediately increase the rent with thirty (30) days

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written notice by an amount determined by Landlord not exceeding the amortized value of the improvements over their useful life as determined by Landlord's depreciation schedule.

Any other sums of money or charges to be paid by the Tenant pursuant to the provisions of any other sections of this lease shall be designated as additional rent. If Tenant shall fail to pay any rent within ten (10) days after the same is due, Tenant shall be obligated to pay a late payment charge equal to five percent (5%) for any monthly rent payment not paid when due.

4. Use of Store and M.M. Fowler Equipment. The Store and M.M. Fowler Equipment shall be used solely for the operation of a franchised Family Fare convenience store and related services and for no other purpose. Tenant will only use (and will cause the Tenant Related Parties (defined in Section 40) to only use) the M.M. Fowler Equipment and signs as provided by Landlord and will not change or alter the locations of the M.M. Fowler Equipment and signs or use other signs, equipment or fixtures without the express written approval of Landlord. The Tenant agrees to comply (and will cause the Tenant Related Parties to comply) with all local, state and federal laws, statutes, regulations, ordinances and rules of any applicable governmental entity with respect to the operation, use and possession of the Store and the M.M. Fowler Equipment.

5. Utilities. Landlord shall pay for all utilities required for the use and operation of the Store, including telephone (excluding directory advertising) water, electricity and other utility charges. Landlord shall also be responsible for all wiring or other connections necessary for use of any utility service within the Store including, but not limited to, any type of security alarm system, computer outlets, cable connections and telephone systems. Landlord shall not be liable to Tenant or the Tenant Related Parties for any interruption of utility services to the Store and shall not be required to install, maintain or replace additional utility lines, conduits, pipes or wires to provide utilities to the Store.

6. Repairs to Store. Prior to execution of this lease, Tenant has inspected the Store and Tenant accepts the Store "as is". If the need for repair results from the negligence or willful act of the Tenant, or any of the Tenant Related Parties, then such repairs shall be charged to and be paid for by Tenant. Tenant acknowledges and agrees that Landlord has no obligations to maintain the Store and Store Location in any condition or state of repair.

7. M.M. Fowler Equipment. Prior to execution of this lease, Tenant has inspected the M.M. Fowler Equipment and accepts the same "as is". Landlord may, at its option, remove or replace any of the M.M. Fowler Equipment or add new M.M. Fowler Equipment, including Computer Systems and equipment used to sell Energy (as defined below), and M.M. Fowler Equipment of a type and category other than as currently exists. "Computer Systems" shall mean any computer systems, hardware (including cash registers, mobile devices and tablets), software, communications equipment, electronics, point of sale systems, self-checkout systems, transaction systems, automated systems, applications, and technologies. Tenant agrees to use (and cause the Tenant Related Parties to use) at all times, as Landlord requires, all M.M. Fowler Equipment currently in the Store or that Landlord adds to the Store. If the need for repair or replacement of equipment results from the negligence or willful act of the Tenant, or any of the Tenant Related Parties, then such repairs shall be charged to and be paid for by Tenant. Tenant and the Tenant Related Parties shall have no right to damages, compensation of any kind, or offset of rent during any time the M.M. Fowler Equipment is malfunctioning or non-operational regardless of the length of time involved or whether Landlord ultimately decides in Landlord's absolute discretion to repair or replace the impacted M.M. Fowler Equipment at all. Tenant may not modify, alter, add to or discontinue use of the M.M. Fowler Equipment without first obtaining the Landlord's written consent. Tenant acknowledges and agrees that Landlord has no obligations to maintain the M.M. Fowler Equipment in any condition or state of repair.

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8. Common Facilities. The sidewalks, parking areas, planted areas, driveways, pathways, entrances and exits surrounding the Store are herein together referred to as the "Common Facilities". Tenant, the Tenant Related Parties, and Tenant's customers are hereby granted the right to use in common with others entitled to similar use, the Common Facilities for their intended purposes, subject to the fact that Landlord shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to the Common Facilities. The Landlord reserves the right to use, or grant others the rights to use, any portions of the Common Facilities for the offering or selling any other goods and services that it, in its sole discretion desires to offer or sell, including Energy, or any other use Landlord deems appropriate. Landlord reserves the right to take any actions necessary for these uses, including, but not limited to, the installation of car washes, air service, vacuum service, banking services, signs or billboards, telecommunications, electric charging stations or any other equipment needed to sell or provide Energy. Landlord further reserves the right to change the area, level, location and arrangement of the Common Facilities. "Energy" shall mean gasoline, kerosene, diesel, liquid propane, electricity, or any other chemical, material, energy, or substance that is now or in the future used to provide the heat or power for transporting people and objects along a roadway.

9. Maintenance of Common Facilities. Tenant shall (a) promptly remove and maintain the Common Facilities free from garbage and other refuse; (b) provide for general maintenance and upkeep of the grass and landscaping; and (c) promptly remove all snow, dirt and debris.

10. Improvements. During the term of this lease, Landlord may from time to time make such changes, improvements, additions or alterations to the fixtures, signage, décor, interior and exterior of the Store and the Common Facilities as it, in its sole discretion, may deem appropriate. Tenant agrees the remodel can involve any capital expenditure and there is no limit on the frequency or magnitude of the remodel. Tenant acknowledges that Landlord improvements may result in temporary closure of the Store during the remodel. Tenant and the Tenant Related Parties agree that neither Landlord nor Family Fare will be liable for any loss or damage arising under or related to closure of the Store resulting from Landlord improvements. For any time period of closure resulting from Landlord's improvements, Tenant will not pay rent to Landlord. Except for the foregoing exceptions, closures resulting from Landlord improvements will not modify, alter, reduce, or terminate this Agreement or Tenant's lease or relieve Tenant or the Tenant Related Parties of any of their obligations contained therein.

11. Signs. Tenant and the Tenant Related Parties shall not paint or place (nor permit to be painted or placed) any sign or other advertising device, bill or billboard upon, in or about the Store (or the exterior of the building), the Common Facilities or any part thereof, without the prior written permission of Landlord.

12. Insects and Rodents. Tenant and the Tenant Related Parties covenant to do and pay for those things reasonably necessary or required by law to keep the Store free of roaches, rodents, insects and other pests.

13. Rubbish Removal. The Tenant shall keep the Store clean, both inside and outside, at its own expense, and will remove all garbage and other refuse. Tenant agrees to keep all accumulated garbage and rubbish in covered containers to facilitate removal from said Store and to have the same removed regularly for deposit in the dumpster container within the Common Facilities.

14. Taxes. The Landlord shall pay all ad valorem property taxes on the Store, Common Facilities and M.M. Fowler Equipment. Tenant shall be responsible for ad valorem taxes on its personal property.

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15. Reservation. The Landlord reserves from the lease of the Store the right to install within the Store, or within the Common Facilities, any type of equipment that it deems appropriate, including but not limited to Computer Systems, ATM banking equipment, vending machines, electric charging stations or other such equipment that may today or in the future be used to offer, sell, and provide Energy. Tenant consents to provide Landlord, its employees and contractors, the unobstructed right to enter and exit the Store for the installation, repair, or service of any such equipment.

16. Right of Entry and Access. Tenant agrees that Landlord, its agents, employees or any person authorized by Landlord, may enter the Store at all times, without notice, in person or remotely via communications technology, for the purposes of (i) obtaining an inventory of Store merchandise and Energy; (ii) inspection of Tenant's books, records and supporting documents; (iii) checking accuracy of cash deposits; (iv) inspection of and making necessary repairs to the Store and M.M. Fowler Equipment or (v) for any other reasonably necessary purpose.

17. Fire and Casualty Insurance. Landlord may maintain, at its sole cost and expense, fire and extended coverage insurance on improvements on the Store and Common Facilities.

18. Liability Insurance. Tenant shall, during the entire term hereof, keep in full force and effect general liability, including products liability, and property damage insurance with respect to the Store and the business operated by Tenant in the Store in which the combined single limit of such public liability and property damage shall be not less than $1,000,000.00. The policy shall name Landlord, any person, firms or corporations designated by Landlord, and Tenant as insured and shall contain a clause that insurance carried by the Tenant is primary to any liability insurance carried by the Landlord. The insurance shall be in an insurance company approved by Landlord and a copy of the policy or a certificate of insurance shall be delivered to Landlord.

19. Waiver of Subrogation. Tenant's policies of casualty insurance with extended coverage and liability insurance carried by Tenant shall provide that the insurer waives any right of subrogation against the Landlord in connection with or arising out of any claim or other risks covered by the insurance required to be carried under this lease. Tenant and the Tenant Related Parties hereby waive any rights they may have against the Landlord or its agents and employees on account of any loss or damage which arises from any risk ordinarily covered by such insurance and neither the Landlord nor its agents or employees shall be liable to the Tenant or the Tenant Related Parties for any loss or damage caused by any risk covered by the insurance.

20. Indemnity. Tenant and the Tenant Related Parties will indemnify Landlord and save it harmless from and against any and all claims, actions, damages, liability and expenses in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Store, or the occupancy or use by Tenant and or the Tenant Related Parties of the Store or any part thereof, or occasioned wholly or in part by any act or omission of Tenant and the Tenant Related Parties; provided, however, such indemnification shall not apply to any claim, action, damage, liability and expense that arises by reason of the negligence or willful act of Landlord. In case Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant or the Tenant Related Parties, then Tenant and the Tenant Related Parties shall protect and hold Landlord harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Landlord in connection with such litigation.

21. Damage by Fire. If the Store or any portion thereof shall be damaged by fire or other casualty so as to render the Store or any portion thereof, in the opinion of the Landlord, untenable, Landlord may repair the Store or if Landlord shall decline to make repairs Landlord

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may cancel and terminate this lease and Tenant and the Tenant Related Parties shall have no further claims or interest under this lease.

22. Condemnation. If any portion of the Store or Common Facilities shall be taken by the exercise of the power of eminent domain (or sold to the holder of such power pursuant to a threatened taking) Tenant and the Tenant Related Parties shall not be entitled to any part of the condemnation award or purchase price and Tenant and the Tenant Related Parties expressly waive any and all rights thereto; provided, however, nothing contained herein shall be construed to preclude the Tenant or the Tenant Related Parties from prosecuting any claim directly against the condemning authority in a separate proceeding for loss of business, or depreciation to, damage to, or costs of removal of or for the value of personal property belonging to Tenant, the Tenant Related Parties, or Tenant's leasehold interest.

23. Assignment and Subletting. Without Landlord's prior written consent, the Tenant shall not assign this lease or sublet any part of the Store. Any dissolution, merger, consolidation, or other reorganization of the Tenant or any pledge of or any sale or other transfer of a controlling percentage of the corporate stock or membership interests of Tenant (whether in a single transaction or cumulatively) shall constitute an assignment of this lease for all purposes of this section and shall require written consent of the Landlord. In the event Landlord shall consent to any assignment, the same shall be subject to all covenants, provisions, and conditions contained in this lease, all of which shall be assumed by any such assignee and/or successor by a written statement executed by Tenant and its assignee or successor, satisfactory to Landlord, and such assignment shall not relieve Tenant and the Tenant Related Parties of or from any of their obligations hereunder. Tenant and the Tenant Related Parties shall not enter into a management agreement with any third party in connection with the Store without providing Landlord with the relevant agreements and related documents and obtaining Landlord’s prior approval, which may be withheld or conditioned in Landlord’s sole discretion. Landlord reserves the rights, in its sole discretion, to require that Tenant and the Tenant Related Parties delete, revise, or insert provisions into such agreements as Landlord deems necessary to protect Landlord’s rights under this lease.

24. Governmental Regulations. Tenant shall, at Tenant's sole cost and expense, comply with (and shall cause all Tenant Related Parties to comply with) all of the requirements of all county, municipal, state, federal and other applicable governmental authorities, now in force or which may hereafter be in force, pertaining to its use of the Store.

25. Hazardous Substances. Except as may be required in the normal course of Tenant's business and then only in strict compliance with the Regulations, Tenant and the Tenant Related Parties shall not generate, store, treat, dispose of, install, or otherwise use any Hazardous Substances on, in, or under, or in any way related to the Store and Common Facilities or cause or permit any such generation, storage, treatment, disposal, installation or other use with respect thereto. Tenant and the Tenant Related Parties shall fully indemnify and hold Landlord harmless for any liability, damage, cost or expense that Landlord might suffer from Tenant's or the Tenant Related Parties’ failure to fully comply with the provisions of this Section and the Regulations. "Hazardous Substances" means and includes any of the substances, materials, elements or compounds that are contained in the list of hazardous substances adopted by the United States Congress or the EPA or any substances, materials, elements or compounds affected by any other federal or state or local statute, law, ordinance, code, rule, regulation, order, or decree now or at any time hereafter in effect regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic, dangerous, restrictive or otherwise regulated waste, substance or material (the "Regulations"). Without limiting the generality of the foregoing, the indemnification provided herein shall specifically cover costs incurred as a result of any claims, judgments, damages, penalties, fines, costs, liabilities (including sums paid and

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settlements of claims) or loss, including attorneys' fees, consultant fees and expert fees as well as costs incurred in connection with any investigation of site conditions or any cleanup or removal or restoration work required by any federal, state or local governmental agency or political subdivision because of the presence or suspected presence of Hazardous Substances on or under the Store. The provisions of this Section 25 shall survive the expiration, termination, or non-renewal of this lease.

26. Cross Default, Forfeiture, and Remedies for Default.

(a) Any default by Tenant under this lease shall be a default under any other agreement between (i) Landlord and Tenant, (ii) Family Fare, LLC and Tenant, and (iii) any affiliate of Landlord and Tenant. Any default by Tenant under any other agreement between (i) Landlord and Tenant, (ii) Family Fare, LLC and Tenant, and (iii) any affiliate of Landlord and Tenant shall be a default under this lease. A default by Tenant under any agreement, loan, or security interest related to the Store is a default under this lease. By way of example only and not as an exhaustive list, such other agreements may include, but are not limited to, the (1) Franchise Agreement, (2) Consignment Agreement, (3) Car Wash Addendum, (4) Game of Skill Addendum, (5) Family Fare Franchise Drug Testing Agreement, and (6) Initial Franchise Fee Promissory Note and Security Agreement. Upon occurrence of any default under this Section 26(a), Landlord shall have, in addition to all other rights and remedies provided by law, the right, without notice to Tenant to immediately cancel and terminate this lease and take possession of the Store, M.M. Fowler Equipment and the Common Facilities, peaceably or by force, and eject the Tenant therefrom.

(b) Tenant covenants that if either (i) the Store at any time is deserted, abandoned or closed for more than twenty-four (24) consecutive hours; (ii) Tenant fails to continuously and uninterruptedly operate and conduct within the Store the business it is permitted to operate and conduct as a Family Fare franchisee; or (iii) Tenant shall neglect to make any payment of rent when due, Landlord shall have, in addition to all other rights and remedies provided by law, the right, without notice to Tenant to immediately cancel and terminate this lease and take possession of the Store, M.M. Fowler Equipment and the Common Facilities, peaceably or by force, and eject the Tenant therefrom.

(c) Tenant acknowledges and agrees that if the (i) Franchise Agreement between Tenant and Family Fare, LLC or (ii) Consignment Agreement between Tenant and Landlord are terminated, expire, or are not renewed, for any reason, Landlord shall have, in addition to all other rights and remedies provided by law, the right, without notice to Tenant to immediately cancel and terminate this lease and take possession of the Store, M.M. Fowler Equipment and the Common Facilities, peaceably or by force, and eject the Tenant therefrom.

(d) In the event that the Tenant shall neglect to do and perform any other matter or thing agreed to be done and performed by it, other than those matters specified in Section 26 (a)–(c) above, and shall remain in default thereof for a period of ten (10) days after written notice from Landlord calling attention to such default, Landlord shall have, in addition to all other rights and remedies provided by law, the right, without notice to Tenant, to immediately cancel this lease and take possession of the Store, M.M. Fowler Equipment and the Common Facilities peaceably or by force and eject the Tenant therefrom.

(e) Included within the rights of Landlord, in addition to the rights in this Section 26 (a)–(d), is the right of Landlord to "lock up" the fuel and Energy dispensing equipment and "lock out" the Tenant from the Store. Tenant acknowledges that in the event of a "lock up" or "lock out", or if Landlord takes possession of the Store, there may be personal property belonging to the Tenant located in the Store. Landlord may take possession of such personal property without

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liability of trespass or conversion and hold the same for release to Tenant. Tenant hereby waives any and all rights to notice and every other formality.

(f) Landlord may relet the Store, for the unexpired portion of the term, or any part thereof, and receive the rent therefor and apply it on the rent and other charges due hereunder, the rate and terms of such reletting to be such as Landlord deems expedient, and Landlord's action shall be final and binding upon Tenant, and Tenant agrees to pay promptly to Landlord on demand, at one time or from time to time, any difference between the rent and other charges payable hereunder and any smaller amounts collected by Landlord from the Tenant or tenants to whom the Store may be relet as aforesaid.

(g) Landlord, in addition to any other remedies it may have, may recover from Tenant all damages it may incur by reason of such breach, including the costs of recovering the Store, reasonable attorneys' fees, and all indebtedness due it by Tenant, including the worth at the time of payment of the excess, if any, of the amount of all rent and other payments reserved in this lease for the remainder of the stated term over the then reasonable rental value of the Store for the remainder of the stated term, all of which amounts shall be immediately due and payable from Tenant to Landlord. In determining the reasonable rental value of the Store for the remainder of the stated term, the value of the actual rental obligations of the tenant, if any, to whom the Landlord has relet the Store shall be considered the then reasonable rental value.

27. Right of Offset. Tenant hereby authorizes Landlord to offset any amount due under this lease during the term thereof or upon termination and cancellation against any amount due by Landlord to Tenant. Tenant consents to the right of offset by the Landlord and waives any right to notice prior to Landlord's exercise of such right.

28. Surrender. Upon expiration or any termination of this lease, Tenant will (and cause the Tenant Related Parties to) peaceably surrender and deliver immediate possession of the Store, M.M. Fowler Equipment and Common Facilities to Landlord. Tenant agrees to surrender the Store, Common Facilities and M.M. Fowler Equipment located thereon in the same condition as they were at the time this lease was entered into, normal wear and tear excepted. If Tenant fails to surrender the Store in the required condition, Landlord may charge a fee up to the greater of (i) Seven Hundred Fifty Dollars ($750) or (ii) the value of the costs and expenses Landlord incurs to have the premises restored to the required condition. Upon any expiration, termination, or non-renewal, Tenant shall promptly remove any property belonging to Tenant and the Tenant Related Parties. In the event Tenant or the Tenant Related Parties do not remove their personal property, Landlord shall be entitled to remove such property to storage and shall not be liable to Tenant or the Tenant Related Parties for either the value of the property or the costs of storage. Termination of this lease shall not relieve Tenant or Tenant Related Parties of any liability for prior obligations, nor bar Landlord from pursuing any one or more legal or equitable remedies it may have against Tenant or Tenant Related Parties for damages or otherwise.

29. Security Interest and Lien. Landlord shall have, and Tenant hereby grants, a security interest in any goods, wares, equipment, inventory, furniture, fixtures and other personal property located in the Store and belonging to Tenant. The security interest is granted for the purpose of securing the debts, obligations and liabilities due by Tenant to Landlord, however created, whether now or hereafter existing, whether due or not due, and of any source or nature. Upon Tenant's breach of this lease or failure to pay any indebtedness due Landlord, Landlord may, in addition to the remedies available under law, enter the Store and take possession of the above-mentioned personal property, without liability for trespass or conversion, and sell the same with or without notice at public or private sale and apply the proceeds therefrom, less any and all expenses, as a credit against any sums due by Tenant to Landlord, whether arising hereunder or

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otherwise. Tenant hereby agrees to the recording from time to time of financing statements (UCC-1) for the purpose of serving notice to third parties of the security interest herein granted.

30. Subordination. Tenant agrees to subordinate this lease to any institutional first mortgage, or underlying lease now or hereafter placed upon the land of which the Store are a part, and to all advances made or hereafter to be made upon the security thereto. Tenant will, on demand, at any time or times, execute and deliver to Landlord any and all instruments that may be necessary or proper to evidence the subordination. The word "mortgage" as used herein includes mortgages, deeds of trust or similar instruments and the words mortgage, or underlying lease shall include such modifications, consolidations, extensions, renewals, replacements or substitutes thereof. Provided, however, that if Tenant is not in default of this lease, its tenancy will not be disturbed but shall continue in full force and effect.

31. Exculpation. Anything contained in this lease to the contrary notwithstanding, Tenant and the Tenant Related Parties agree that they shall look solely to the building comprising the Store and the rentals therefrom for the collection of any judgment requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any terms and provisions of this lease to be observed and/or performed by Landlord; subject, however, to the prior rights of any holder of any mortgage covering the Store, and no other assets of the Landlord shall be subject to levy, execution, or other judicial process for the satisfaction of Tenant's or the Tenant Related Parties' claims.

32. No Estate in Land. This contract shall create the relationship of landlord and tenant; no estate shall pass out of Landlord; and Tenant's interest is not assignable, except as provided under Section 23.

33. Attorney's Fees. In the event that at any time during the term of this lease Landlord shall institute any action or proceeding against any default hereunder, then and in that event, if Landlord shall be successful, Tenant agrees to pay reasonable attorneys' fees.

34. Sale of Store by Landlord. Upon (i) the date which Landlord sells, exchanges, or transfers to a non-affiliate the leased or owned real estate where the Store is located, (ii) the date that is, in Landlord's discretion, up to sixty (60) days prior to the expiration of Landlord's lease for the real estate in the event Landlord is subleasing the real estate to Tenant, (iii) the date upon which Landlord sells its non-real estate holdings defined as disposing of the majority of its operating tangible personal property and business goodwill, or the stockholders of Landlord elect to sell and transfer all of their capital stock to a non-affiliate, or (iv) the date that Landlord and its affiliates' merchandising, promotions, or pricing standards established by the Franchise Agreement are deemed illegal or invalid at any time, Landlord shall have the right to either (y) assign this lease or (z) immediately terminate this lease. Landlord shall not be obligated to give prior notice to Tenant of its election of either option. Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this lease arising out of any act, occurrence or omission relating to the Store or this lease occurring after such assignment or termination. Tenant and the Tenant Related Parties waive all claims for liability or damages of any type (whether direct, indirect, incidental, or consequential) on account of the assignment or termination of this lease pursuant to this Section 34.

35. Holding Over. If Tenant remains in possession of the Store after expiration of the term hereof with Landlord's acquiescence and without any express agreement of the parties, Tenant shall be a tenant at the rental rate that is the greater of Three Thousand Dollars ($3,000) per month or double rental rate in effect at the end of this lease, and there shall be no renewal of this lease by operation of law.

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36. Rights Cumulative. All rights, powers and privileges conferred hereunder upon parties hereto shall be cumulative but not restrictive on those given by law.

37. Notices. Any notice required herein to be given by any party shall be in writing and such notice may be made by (i) personal delivery, (ii) first-class or certified mail with return receipt requested, or (iii) a nationally recognized express carrier. If delivered, notice shall be delivered in person to the individual designated or left with an authorized representative. If mailed, notice shall be deemed to have been given two (2) days after the notice is duly posted in the U.S. mail. If notice is sent via nationally recognized express carrier, notice shall be deemed to have been given the day after it was sent. Any notice that gives the sender evidence of delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery. Notices to Landlord shall be addressed to Landlord at 4220 Neal Road, Durham, North Carolina 27705, ATTN: M. L. BARNES, JR. Notices to Tenant shall be addressed at (1) the address for the Store or (2) to such other address as Tenant by written notice forwards to Landlord. At Landlord's election, Landlord may alternatively send notice to Tenant via email to the email address on file with Landlord, which notice shall be deemed received when sent by Landlord. Notice given in accordance with this paragraph shall be deemed sufficient notice required by law.

38. Waiver of Rights. Neither failure of Landlord to exercise any power given Landlord hereunder, nor failure to insist upon strict compliance by Tenant of its obligations hereunder, nor any custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's right to demand exact compliance with the terms hereof.

39. Time of Essence. Time is of the essence of this lease.

40. Definitions. "Tenant Related Parties" shall mean Tenant, any affiliate of Tenant, any permitted assignee of Tenant, and each of their respective direct or indirect partners, officers, shareholders, directors, members, trustees, beneficiaries, servants, employees, principals, contractors, licensees, agents, invitees, concessionaires, or representatives. The terms "Landlord" and "Tenant" shall include male, female, and neuter gender, singular and plural, corporation, partnership or individual, as may fit the particular parties.

41. Guaranty. As additional consideration to induce Landlord to enter into this lease with Tenant, the Guarantors hereby agree as follows: (a) to unconditionally guarantee to Landlord the full and punctual performance by Tenant of all terms, covenants and conditions which are to be performed by Tenant under this lease; (b) to waive notice of any breach or default by Tenant; (c) to promptly perform any term, covenant or condition not performed by Tenant; and (d) to pay all expenses, including, without limitation, reasonable attorney's fees and costs, paid or incurred by Landlord to enforce its rights under this Guaranty or against Tenant. This Guaranty shall be direct, unconditional, irrevocable and the primary obligation of the Guarantor(s), allowing Landlord to proceed directly against Guarantor(s) without first proceeding against Tenant, and the Guarantor(s) specifically waive any and all rights or defenses given at law or in equity. Additionally, all Guarantors shall execute a Personal Guaranty in a form acceptable to Landlord. The obligation of the Guarantor(s) shall not be released or diminished by any subsequent modifications of this lease and shall survive the termination of this lease.

42. Sublease. If Landlord's interest in the Store and Common Facilities is by reason of an underlying lease, then this lease shall be construed as a sublease and if Landlord's lease terminates for any reason prior to the stated termination of this lease, then this lease shall terminate thirty (30) days prior to the expiration of the Landlord's lease.

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43. Entire Agreement. This lease and any signed addenda by the parties contain the entire agreement of the parties hereto and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties. Tenant expressly acknowledges that no oral promises or declarations were made to it and that the obligations of the Landlord are confined exclusively to those set forth in this Agreement. Tenant understands and assumes the business risks inherent in this enterprise.

44. Recordation. The parties hereto agree not to record this lease and upon request by either party the other party will execute a "short form" lease in proper recordable form to be recorded in the office of the Register of Deeds within the County the Store is located.

45. Governing Law. This lease will be construed in accordance with, and all disputes between the parties (whether in contract, tort, or otherwise) arising out of or relating to this lease, any breach of this lease, or the relationship between the parties, will be governed by, the laws of the State of North Carolina without recourse to North Carolina (or any other) choice of law or conflicts of laws principles. The parties agree that any action brought by a party against the other arising out of or related to this lease, any breach of this lease, or the relationship between the parties, must be brought in a court of competent jurisdiction located in Durham, North Carolina. Tenant consents to personal jurisdiction and venue in this jurisdiction and waives, and agrees not to assert, move or otherwise claim that the venue is for any reason improper, inconvenient, prejudicial, or otherwise inappropriate (including any claim under the judicial doctrine of forum non conveniens).

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, Landlord and Tenant have caused this lease to be executed in their respective names by their officers duly authorized, the day and year first above written.

LANDLORD:

M.M. FOWLER, INC.

By: _____ _____

M. LEE BARNES, JR., President _____, Witness

TENANT:

_____ _____
[Print Name of Business Entity]

_____, Witness

By: _____

Print Name: _____
Title: President

GUARANTORS:

_____ _____

Print Name: _____ _____, Witness

_____ _____

Print Name: _____ _____, Witness

_____ _____

Print Name: _____ _____, Witness

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EXHIBIT H

CONSIGNMENT AND COMMISSION AGREEMENT

This Consignment and Commission Agreement ("Agreement"), made as of _____,("Effective Date") by and between M. M. FOWLER, INC., a North Carolina corporation ("Consignor"), having a principal office at 4220 Neal Road, Durham, North Carolina 27705; and _____, a _____ _____ ("Consignee"), having a business mailing address at _____, and the undersigned guarantors ("Guarantors").

RECITALS:

1. Family Fare, LLC ("Family Fare"), and Consignee, as of even date herewith, entered into a Franchise Agreement for the Consignee to be licensed as a "Family Fare" convenience store engaged in the sale of food, fuels and energies, and other products and services to the public (the "Franchise Agreement") for that certain store ("Store") located at _____ ("Store Location").

2. In accord with the Franchise Agreement, either Family Fare or Consignor shall deliver to the Store Location prior to opening and upon consignment an initial inventory adequate to provide customers with a type, quantity, quality and variety consistent with the Family Fare merchandising program and thereafter replenish such inventory as required from time to time at the discretion and direction of the Consignor.

NOW, THEREFORE, the parties do hereby agree as follows:

1. Consignment Inventory.

Consignor shall deliver to the Store Location prior to Consignee opening for business an initial store inventory of merchandise, food, products (including Core Products (defined below)), lottery tickets, Energy (as defined in Section 3(a)(ii)) adequate to provide customers with a type, quantity, quality and variety consistent with the Family Fare merchandising program and thereafter replenish such inventory as required from time to time at the sole discretion and direction of the Consignor (the "Consignment Inventory"). The Consignment Inventory shall remain Consignor's property until sold to Consignee's customers, and title to the proceeds of the sales of the Consignment Inventory shall vest in and belong to Consignor until accounted for and remitted by Consignee to Consignor. "Core Products" shall mean the food, beverage, and non-food merchandise and inventory that Family Fare designates as a Core Product and are identified by Franchisor from time to time as Core Products. Franchisor may add, delete, and/or otherwise modify the list of Core Products at any time in Franchisor's absolute discretion.

2. Proceeds of Sale of the Consignment Inventory.

All proceeds, including applicable collected sales or excise taxes, from the sale of the Consignment Inventory, games of skill (if applicable), and car wash services (if applicable) (collectively, the "Proceeds"), shall be deposited by Consignee on a daily basis within the next business day in a bank account designated by Consignor. In the event that Consignee fails to account, make settlement, remit or otherwise observe the procedures established for the deposit of Proceeds, Consignor shall have the right to immediately cancel and terminate this Agreement. Legal title of the proceeds in possession and control of Consignee shall at all times be vested in

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Consignor. Consignee shall in no event be entitled to borrow or use the Proceeds in any manner whatsoever and shall promptly remit the same to Consignor as provided herein.

3. Energy and Lottery Commission.

(a) For purposes of this Agreement, the following definitions will apply:

(i) "Alternate Energy" shall mean electricity, or any other chemical, material, energy, or substance, other than Traditional Fuels, that is used now or in the future to provide the heat or power for transporting people and objects along a roadway, that Consignor provides to be sold at the premises of the Store Location.

(ii) "Energy" shall mean both Alternate Energy and Traditional Fuels.

(ii) "Traditional Fuels" shall mean gasoline, and, if applicable, diesel, liquid propane, and/or kerosene, that Consignor provides to be sold at the premises of the Store Location.

(b) Energy Equipment. Consignor, at its expense, has installed within the premises encompassing the Store Location fuel storage tanks, dispensers, lights, equipment, and other devices for the retail sale of Traditional Fuels (the "Traditional Fuel Equipment"). Consignor reserves the right to install, at and within the premises encompassing the Store Location, at its expense, any equipment necessary for the sale of Alternate Energy ("Alternate Energy Equipment"). Traditional Fuel Equipment and Alternate Energy Equipment are together the "Energy Equipment." Consignee has no leasehold or ownership interest in the Energy Equipment or the premises thereunder but has certain responsibilities related to the Energy Equipment, as outlined below, which responsibilities Consignee shall fulfill in consideration for the commission set forth below. Consignor may add, remove, or modify any and all Energy Equipment without incurring any liability to Consignee.

(c) Operation of Energy Equipment. Consignee must operate the Energy Equipment in compliance with all procedures that Consignor establishes as part of Consignee's operation of the Store. The Traditional Fuel Equipment shall be used solely for the sale, at retail, of Traditional Fuels. The Alternate Energy Equipment shall be used solely for the sale, at retail, of Alternate Energy. Consignee must use its best efforts to promote the retail sales of the Energy to customers during all hours the Store Location is open for business. Consignee must at all times use the trade names, trademarks and service marks that Consignor designates when Consignee sells the Energy.

(d) Consignee's Responsibilities. Consignee acknowledges that it has been educated and instructed on the operations and safety of the Energy Equipment, including the shutting off and closing down of the fuel and Energy dispensers in the event of an emergency. All of Consignee's employees shall be educated and instructed on the operations and safety of the Energy Equipment. The services to be performed by Consignee shall include, but are not limited to, (i) the service of customers purchasing Energy from the Energy Equipment; (ii) collecting proceeds from the sale of Consignor's Energy and promptly remitting such Proceeds in accordance with the terms of the Franchise Agreement and this Agreement; (iii) the taking and recording of meter readings for the fuel and Energy dispensers and measuring the fuel and Energy in the tanks as required and to submit reports to the Consignor and to third party(s) as required by Consignor; (iv) the changing of the posted prices of Energy in a timely manner following notification from Consignor and from the established protocols set forth by Consignor since Consignor regulates and sets the price of the Energy; and (v) cleaning, caring for, and servicing the Energy sales area.

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(e) Consignor's Responsibilities. Consignor will be responsible for all fuel and energy taxes, permits necessary to install or operate the Energy Equipment, and all labor and materials necessary to maintain and repair the Energy Equipment (unless occasioned by the negligence or willful misconduct of Consignee or Consignee's agents, representatives or employees). Consignor will have no liability for any failure to provide Energy to the customers of Consignee's Store, regardless of the reason for the failure, and Consignor may change, in its sole discretion, the brand and/or type of Energy offered for sale and sold at the Store Location.

(f) Recording of Energy Sales. Consignee must account to Consignor for the Energy and must record and report to Consignor all sales of the Energy and the receipt of all Proceeds of those sales. Sales by authorized credit and debit cards shall be processed through the authorized network engaged by Consignor. If the Proceeds from Consignee's sales of the Energy, as Consignee reports and deposits, are less than the recorded sales of Energy, the difference will be Consignee's sole responsibility.

4. Compensation and Commission.

For its services in connection with the sale of the Consignment Inventory, Consignee shall receive the following:

(a) Sale of Consignment Inventory. For the sale of the Consignment Inventory, excluding Energy and lottery tickets, Consignee shall receive the Gross Profit from the sale of such merchandise, as defined and provided for in the Franchise Agreement, less the Continuing Royalty due Family Fare.

(b) Sale of Traditional Fuel Inventory. Consignor will pay Consignee a commission in an amount equal to the number of gallons of Traditional Fuels Consignee sells during each accounting period as follows:

_____¢ for each gallon of gasoline

_____¢ for each gallon of kerosene

_____¢ for each gallon of diesel fuel

_____¢ for each gallon of liquid propane

For the avoidance of doubt, Consignor is only obligated to pay the amounts set forth above. Any revenue sharing with or commission paid to Consignee for the sale of Alternate Energy shall be done at Consignor's sole option and discretion and will be subject to Consignor's then-current policies, which Consignor may change at any time for any reason. Consignor reserves the right to end all revenue sharing or commissions paid for Alternate Energy at any time for any reason.

(c) Sale of Lottery Tickets. Consignee shall pay Fifty Percent (50%) of any rental fee charged by the state or servicing entity required to operate the lottery, and Consignor will pay the remaining Fifty Percent (50%). Consignee shall accept only cash in the sale of lottery tickets. Any transaction utilizing any other payment method is subject to a fee to Family Fare of One Hundred Dollars ($100) and revocation by Consignor of any commission that would have been due to Consignee had the payment not been improper. Consignee shall receive a commission of fifty percent (50%) of Consignor's gross profit on the sale of lottery tickets. Notwithstanding the

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foregoing, if Consignor receives an award for selling a winning ticket, Consignor is not obligated to share the proceeds with Consignee.

The compensation and commission provided for herein shall be paid on a monthly accounting period as provided in the Franchise Agreement and Consignee authorizes Consignor to offset against any such amounts owed to Consignee the amounts owed to Family Fare under the Franchise Agreement or otherwise and any amounts owed to Consignor.

5. Inventory and Losses.

(a) Inventory and Inspections. Consignee authorizes, consents, and grants to Consignor, or its representatives, the right to enter Consignee's Store Location and business premises, with or without notice, in person or remotely via communications technology, during reasonable business hours for the purposes of counting, inspecting or removing the Consignment Inventory, inspecting Consignee's books, records and supporting documents, checking accuracy of cash deposits and for any other reasonably necessary purpose.

(b) Accounting. Consignor shall retain title to the Consignment Inventory and the Proceeds from the sales of the Consignment Inventory until accounted for and remitted by Consignee to Consignor. The accounting for the sales of the Consignment Inventory shall be determined monthly contemporaneous with the determination of the compensation and commission due Consignee.

(c) Losses. Consignee shall be accountable and responsible to Consignor for the difference between the reported sales of the consigned Energy and lottery tickets and the Proceeds delivered to Consignor from such sales. For all other items of Consignment Inventory, any inventory shortages during an accounting period exceeding two percent (2%) of the retail sales shall constitute the "Inventory True-Up Percentage." Consignee will be required to pay to Consignor the amount of the inventory shortage that exceeds the Inventory True-Up Percentage.

For any inventory overages for an accounting period exceeding the Inventory True-Up Percentage, Consignor will pay Consignee this overage up to the inventory shortage Consignee paid over the Inventory True-Up Percentage for the prior accounting period or such amount may be used to offset a shortage greater than the Inventory True-Up Percentage the following accounting period. The determination and responsibility for inventory shortages shall be calculated on the basis of the booked-in or inventory retail price charged to the Store during the period when the loss or shortage occurred.

6. Term.

The term of this Agreement shall commence on the date first above written and terminate the earlier of:

(a) On the date that either (i) Consignee shall default in the performance of Consignee's obligations under this Agreement, (ii) the termination, expiration or non-renewal of the Franchise Agreement, or (iii) the termination, expiration or non-renewal of the Lease Agreement between Consignee and Consignor, or

(b) Upon sixty (60) days' prior written notice by Consignee to Consignor of Consignee's election to terminate this Agreement, or

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(c) Immediately, if (i) the Franchise Agreement is terminated, expires, or not renewed or (ii) in the decision of the Consignor, in its sole discretion, that its rights in the Consignment Inventory are, or may become, impaired or in jeopardy, to whatever degree.

Upon termination of this Agreement, Consignor shall no longer deliver Consignment Inventory to the Store Location or pay Consignee commissions under this Agreement, but the remaining provisions of this Agreement shall remain enforceable in accordance with their terms, and Consignee shall still be liable to Consignor for all amounts owed to Consignor under the terms of this Agreement. Consignor's ownership interest in the Consignment Inventory and any Proceeds therefrom shall not be changed or affected by the termination of this Agreement and Consignor shall retain all rights and remedies in order to repossess the Consignment Inventory. Consignor shall have the right to enter the Store Location and business premises of Consignee and to remove the Consignment Inventory.

7. Indemnification.

Consignee agrees to defend Consignor and indemnify and hold the Consignor harmless from and against any and all claims, demands, causes of action, losses, costs, damages or expenses (including reasonable attorneys' fees and expenses) incurred by the Consignor which are attributable, directly or indirectly, in whole or in part, to Consignee's actions or failures to act under this Agreement or the breach of this Agreement by Consignee.

8. Guaranty.

As additional consideration to induce Consignor to enter into this Agreement with Consignee, the Guarantor(s) executing this Agreement hereby agrees as follows: (a) to unconditionally guarantee to Consignor the full and punctual performance by Consignee of all terms, covenants and conditions which are to be performed by Consignee under this Agreement and any amendments or addenda to it; (b) to waive notice of any breach or default by Consignee; (c) to promptly perform any term, covenant or condition not performed by Consignee; and (d) to pay all expenses, including, without limitation, reasonable attorney's fees and costs, paid or incurred by Consignor to enforce its rights under this Guaranty or against the Consignee. This guaranty shall be direct, unconditional, irrevocable and the primary obligation of the Guarantor(s), allowing Consignor to proceed directly against Guarantor(s) without first proceeding against Consignee, and the Guarantor(s) specifically waive any and all rights or defenses given at law or in equity. Additionally, all Guarantors shall execute a Personal Guaranty in a form acceptable to Consignor. The obligations of the Guarantor(s) shall not be released or diminished by any subsequent modification of this Agreement and shall survive the termination of this Agreement.

9. Notices.

Any notice required herein to be given by any party shall be in writing and such notice may be made by (i) personal delivery, (ii) first-class or certified mail with return receipt requested, or (iii) a nationally recognized express carrier. If delivered, notice shall be delivered in person to the individual designated or left with an authorized representative. If mailed, notice shall be deemed to have been given two (2) days after the notice is duly posted in the U.S. mail. If notice is sent via nationally recognized express carrier, notice shall be deemed to have been given the day after it was sent. Any notice that gives the sender evidence of delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery. Notices to Consignor shall be addressed to Consignor at 4220 Neal Road, Durham, North Carolina 27705, ATTN: M. L. BARNES, JR. Notices to Consignee shall be addressed at (1) the address of the Store Location from the date of the Store opening, or (2) to such other address as Consignee by

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written notice forwards to Consignor. At Consignor's election, Consignor may alternatively send notice to Consignee via email to the email address on file with Consignor, which notice shall be deemed received when sent by Consignor. Notice given in accordance with this paragraph shall be deemed sufficient notice required by law.

10. Miscellaneous.

This Agreement may not be assigned by Consignee without the written consent of Consignor; it may not be changed, amended, modified or discharged except in writing signed by all parties hereto; may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument; and invalidation of any one or more of the provisions of this Agreement shall in no way affect any of the other provisions hereof, which shall remain in full force and effect. Consignee authorizes Consignor to prepare and file any UCC-1 financing and continuation statements without any separate or additional consent of Consignee. If Consignor's performance of any part of this Agreement is prevented, hindered, delayed or otherwise made impracticable by reason of any flood, riot, fire, judicial or governmental action, pandemic, labor disputes, act of God or any other causes beyond the control of Consignor, Consignor shall be excused from such to the extent that it is prevented, hindered or delayed by such causes.

11. Governing Law.

This Agreement will be construed in accordance with, and all disputes between the parties (whether in contract, tort, or otherwise) arising out of or relating to this Agreement, any breach of this Agreement, or the relationship between the parties, will be governed by, the laws of the State of North Carolina without recourse to North Carolina (or any other) choice of law or conflicts of laws principles. The parties agree that any action brought by a party against the other arising out of or related to this Agreement, any breach of this Agreement, or the relationship between the parties, must be brought in a court of competent jurisdiction located in Durham, North Carolina. Consignee consents to personal jurisdiction and venue in this jurisdiction and waives, and agrees not to assert, move or otherwise claim that the venue is for any reason improper, inconvenient, prejudicial, or otherwise inappropriate (including any claim under the judicial doctrine of *forum non conveniens*).

[Signature Page Follows]

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IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

CONSIGNOR:

M.M. FOWLER, INC.

By: _____ _____

M. LEE BARNES, JR., President _____, Witness

CONSIGNEE:

_____ _____
[Print Name of Business Entity]

_____, Witness

By: _____

Print Name: _____
Title: President

GUARANTORS:

_____ _____

Print Name: _____ _____, Witness

_____ _____

Print Name: _____ _____, Witness

_____ _____

Print Name: _____ _____, Witness

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EXHIBIT I

CAR WASH ADDENDUM

THIS CAR WASH ADDENDUM ("Addendum"), made as of _____, ("Effective Date") by and between M. M. FOWLER, INC., a North Carolina corporation ("M. M. Fowler"), having a principal office at 4220 Neal Road, Durham, North Carolina 27705; and _____, a _____ _____ ("Franchisee"), having a business mailing address at _____.

RECITALS:

1. Family Fare, LLC ("Family Fare"), and Franchisee, as of even date herewith, entered into a Franchise Agreement for the Franchisee to be licensed as a "Family Fare" convenience store engaged in the sale of food, petroleum and other products to the public (the "Franchise Agreement") for that certain store ("Store") located at _____ ("Store Location").

2. The Store premises contain a car wash facility and equipment (the "Car Wash") owned by M. M. Fowler or a third-party.

3. M. M. Fowler desires that Franchisee promotes the Car Wash and perform certain services related to the Car Wash, and Franchisee desires to perform such services in exchange for the consideration set forth in this Addendum.

NOW, THEREFORE, the parties do hereby agree as follows:

1. Franchisee agrees to supervise the operation of the Car Wash in compliance will all procedures established from time to time by M. M. Fowler as a service incidental to the Store and to use its best efforts to promote the use of the Car Wash during all hours the Store is open for business.

2. Car Wash services shall be made available to customers at retail prices established by M. M. Fowler, in its sole discretion, which retail prices may be adjusted from time to time. Title to the proceeds of the Car Wash sales shall at all times be vested in and belong to M. M. Fowler and the use and control thereof by Franchisee shall be as trustee for the use and benefit of M. M. Fowler and not otherwise. The sales of the Car Wash services shall not be included in the "Gross Sales" of the Store, as that term is defined in the Franchise Agreement but shall instead be included in "M. M. Fowler Revenue," as that term is defined in the Franchise Agreement. Franchisee shall account to M. M. Fowler for the Car Wash services and record, report the receipt and sale of, and deposit all proceeds from all sales of the Car Wash services as instructed by M. M. Fowler. Franchisee shall be accountable and responsible to M. M. Fowler for the difference between the reported sales of the Car Wash and the proceeds delivered to M. M. Fowler from such sales.

3. Franchisee will not be responsible for the costs of maintenance and repair of the Car Wash and for the cost of all detergent, wax and other products necessary for the operation of the Car Wash; provided, Franchisee will be responsible for maintaining appropriate levels of chemicals necessary for the Car Wash, changing the posted prices of the Car Wash services, selling Car Wash services to customers, providing Car Wash authorization codes to customers, changing money for customers to allow them to use the Car Wash, reporting to M. M. Fowler any

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malfunctions with the Car Wash, and conducting other functions M. M. Fowler requires in the promotion and use of the Car Wash.

4. M. M. Fowler shall be responsible for all utilities used in connection with the Car Wash, all taxes relating to the Car Wash, and all labor materials necessary for the maintenance and repair of the Car Wash, unless occasioned by the negligence or willful conduct of Franchisee or its agents, representatives, or employees.

5. As compensation for the services performed and the promotion and supervision of the Car Wash by Franchisee, M. M. Fowler shall pay Franchisee a monthly commission payment, which commission payment shall be calculated as twelve percent (12%) of monthly gross Car Wash sales in dollars (minus any customer refunds). The commission provided for herein shall be paid on a monthly accounting period as provided in the Franchise Agreement and Franchisee authorizes M. M. Fowler to offset against any such amounts owed to Franchisee any amounts owed to Family Fare under the Franchise Agreement or otherwise and any amounts owed to M. M. Fowler.

6. M. M. Fowler shall have no liability for failure for any reason to make the Car Wash available to customers of the Store. M. M. Fowler, in its sole discretion, and at any time and for any reason, may discontinue the Car Wash or remove the Car Wash. M. M. Fowler shall not pay Franchisee, or be liable to Franchisee for, any commissions or other payments for such time as the Car Wash is discontinued or removed.

7. The term of this Addendum shall commence on the date first above written and terminate:

(a) On the date that either (i) Franchisee shall default in the performance of Franchisee's obligations under this Agreement, (ii) the termination, expiration or non-renewal of the Franchise Agreement, or (iii) the termination, expiration or non-renewal of the Lease Agreement between M. M. Fowler and Franchisee, or

(b) Upon sixty (60) days' prior written notice by Franchisee to M. M. Fowler of Consignee's election to terminate this Agreement, or

(c) Immediately, if in the decision of the M. M. Fowler, in its sole discretion, that its rights in the Car Wash are, or may become, impaired or in jeopardy, to whatever degree.

8. This Addendum may not be assigned by Franchisee without the written consent of M. M. Fowler; it may not be changed, amended, modified or discharged except in writing signed by all parties hereto; may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument; and invalidation of any one or more of the provisions of this Addendum shall in no way affect any of the other provisions hereof, which shall remain in full force and effect. Franchisee authorizes M. M. Fowler to prepare and file any UCC-1 financing and continuation statements without any separate or additional consent of Franchisee.

9. This Addendum will be construed in accordance with, and all disputes between the parties (whether in contract, tort, or otherwise) arising out of or relating to this Addendum, any breach of this Addendum, or the relationship between the parties, will be governed by, the laws of the State of North Carolina without recourse to North Carolina (or any other) choice of law or conflicts of laws principles. The parties agree that any action brought by a party against the other arising out of or related to this Addendum, any breach of this Addendum, or the relationship between the parties, must be brought in a court of competent jurisdiction located in Durham, North

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Carolina. Franchisee consents to personal jurisdiction and venue in this jurisdiction and waives, and agrees not to assert, move or otherwise claim that the venue is for any reason improper, inconvenient, prejudicial, or otherwise inappropriate (including any claim under the judicial doctrine of *forum non conveniens*).

IN WITNESS WHEREOF, the parties have executed this Addendum on the day and year first above written.

M.M. FOWLER:

M.M. FOWLER, INC.

By: _____ _____

M. LEE BARNES, JR., President _____, Witness

FRANCHISEE:

_____ _____
[Print Name of Business Entity]

_____, Witness

By: _____

Print Name: _____
Title: President

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EXHIBIT J

GAMES OF SKILL ADDENDUM

THIS GAMES OF SKILL ADDENDUM ("Addendum"), made as of _____, ("Effective Date") by and between M. M. FOWLER, INC., a North Carolina corporation ("M. M. Fowler"), having a principal office at 4220 Neal Road, Durham, North Carolina 27705; Family Fare, LLC, a North Carolina limited liability company ("Franchisor") having a principal office at 4220 Neal Road, Durham, North Carolina 27705, and _____, a _____ _____ ("Franchisee"), having a business mailing address at _____.

RECITALS:

1. Family Fare, LLC ("Family Fare"), and Franchisee, as of even date herewith, entered into a Franchise Agreement for the Franchisee to be licensed as a "Family Fare" convenience store engaged in the sale of food, petroleum and other products to the public (the "Franchise Agreement") for that certain store ("Store") located at _____ ("Store Location").

2. Franchisee desires to offer games of skill machines ("Games") at the Store and M. M. Fowler is willing to allow Franchisee to offer Games in exchange for the consideration set forth in this Addendum.

NOW, THEREFORE, the parties do hereby agree as follows:

1. M.M. Fowler will contract with one or more approved suppliers ("Supplier") who shall provide Games to the Store Location, which Games will be installed by Supplier. Franchisee shall at all times maintain the Games in the manner installed by Supplier as approved by Franchisor. Supplier will be responsible for the costs of maintenance and repair of the Games. Franchisee shall permit Supplier to enter the Store Location to fulfill Supplier's maintenance and operational obligations. Franchisee shall not move or attempt to move the Games from the Store Location.

2. Franchisee agrees to supervise the operation of the Games in compliance with (a) all laws, rules, and regulations applying to Games and (b) all procedures and requirements established from time to time by M. M. Fowler or Supplier. Franchisee agrees to maintain records as M.M. Fowler or Supplier requires for the use of, winnings paid out from, and proceeds of the Games.

3. Title to the Net Proceeds (defined below) of the Games shall at all times be vested in and belong to M. M. Fowler and the use and control thereof by Franchisee shall be as trustee for the use and benefit of M. M. Fowler and not otherwise. Franchisee shall receive a commission for supervising the operation of the Games equal to fifty percent (50%) of Net Proceeds (defined below). "Net Proceeds" means the proceeds that M.M. Fowler receives after all payouts to game winners and all additional expenses for the Games have been paid including payment of all taxes or duties due from the operation of the Games.

4. The proceeds of the Games shall not be included in the "Gross Sales" of the Store, as that term is defined in the Franchise Agreement but shall instead be included in "M. M. Fowler's

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Revenue," as that term is defined in the Franchise Agreement. Franchisee shall account to M. M. Fowler for the Games proceeds and payouts to winning customers. Franchisee shall record, report the receipt and sale of, and deposit all proceeds from the Games as instructed by M. M. Fowler. Franchisee shall be accountable and responsible to M. M. Fowler for the difference between the reported sales of the Games and the proceeds delivered to M. M. Fowler from such sales.

5. Franchisee shall be solely responsible for paying out the winnings from the Games to the winning customers in cash. Any transaction utilizing any other payment method is subject to a fee to M.M. Fowler of One Hundred Dollars ($100) and revocation by M.M. Fowler of any commission that would have been due to Franchisee had the payment not been improper. Any risk of loss associated with paying out the winnings from the Games at the Store is solely borne by the Franchisee. M. M. Fowler shall have no liability for failure for any reason to make the Games or winning payout amount available to customers of the Store.

6. Franchisee agrees to indemnify and hold harmless M.M. Fowler of all fines and penalties for violations of any federal, state or local laws, ordinances or regulations relating to any alleged impermissible activity, including, but not limited to, unauthorized or illegal sale of games of skill. Franchisee shall orally report to M.M. Fowler within twenty-four (24) hours the receipt of any notice of violation.

7. The Franchise Agreement is hereby amended to add the following:

Franchisee shall be in default and Family Fare may, at its option, terminate this Agreement and all rights granted herein, without affording Franchisee any opportunity to cure the default, effective upon the earlier of Franchisee's receipt of notice of termination from Franchisor, same day if hand delivered, or two (2) days after mailing of such notice by Family Fare, upon the occurrence of any of the following events:

(a) Franchisee knowingly or intentionally maintains false books or records or submits any false records, statement, or report to Family Fare relating to the Games.

(b) Franchisee knowingly or intentionally distributes winnings payouts or the proceeds from the Games in a manner contrary to M.M. Fowler's or Supplier's instructions, procedures, or communications.

(c) Franchisee intentionally misuses or damages the Games.

(d) Without prior written approval from Franchisor, Franchisee advertises the Games outside of the Store Location.

8. The term of this Addendum shall commence on the date first above written and terminate:

(a) On the date that either (i) Franchisee shall default in the performance of Franchisee's obligations under this Addendum, (ii) the termination, expiration or non-renewal of the Franchise Agreement, or (iii) the termination, expiration or non-renewal of the Lease Agreement between M. M. Fowler and Franchisee, or

(b) Immediately, if M. M. Fowler, in its sole discretion, decides for any reason to discontinue the Games at the Store.

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9. Upon termination of this Addendum or upon any notice from M.M. Fowler, Franchisee shall cease to operate the Games and shall prevent any customers from using the Games. M. M. Fowler shall not pay Franchisee, or be liable to Franchisee for, any payments for such time as the Games are discontinued or removed.

10. This Addendum may not be assigned by Franchisee without the written consent of M. M. Fowler; it may not be changed, amended, modified or discharged except in writing signed by all parties hereto; may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument; and invalidation of any one or more of the provisions of this Addendum shall in no way affect any of the other provisions hereof, which shall remain in full force and effect. Franchisee authorizes M. M. Fowler to prepare and file any UCC-1 financing and continuation statements without any separate or additional consent of Franchisee.

11. This Addendum will be construed in accordance with, and all disputes between the parties (whether in contract, tort, or otherwise) arising out of or relating to this Addendum, any breach of this Addendum, or the relationship between the parties, will be governed by, the laws of the State of North Carolina without recourse to North Carolina (or any other) choice of law or conflicts of laws principles. The parties agree that any action brought by a party against the other arising out of or related to this Addendum, any breach of this Addendum, or the relationship between the parties, must be brought in a court of competent jurisdiction located in Durham, North Carolina. Franchisee consents to personal jurisdiction and venue in this jurisdiction and waives, and agrees not to assert, move or otherwise claim that the venue is for any reason improper, inconvenient, prejudicial, or otherwise inappropriate (including any claim under the judicial doctrine of *forum non conveniens*).

12. All defined terms not otherwise herein defined shall have the meaning assigned to them in the Franchise Agreement.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties have executed this Addendum on the day and year first above written.

FRANCHISOR:

FAMILY FARE, LLC

By: _____ _____

M. LEE BARNES, JR., President _____, Witness

M.M. FOWLER:

M.M. FOWLER, INC.

_____

By: _____

_____, Witness

M. LEE BARNES, JR., President

FRANCHISEE:

_____ _____

[Print Name of Business Entity]

_____, Witness

By: _____

Print Name: _____
Title: President

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EXHIBIT K

INITIAL FRANCHISE FEE PROMISSORY NOTE AND SECURITY AGREEMENT

$_____ _____
(Date)

FOR VALUE RECEIVED, the undersigned, _____ _____, a _____ _____ (hereinafter called "Franchisee"), promises to pay to the order of FAMILY FARE, LLC, (the "Franchisor") whose address is 4220 Neal Road, Durham NC 27705, the principal sum of _____ DOLLARS ($_____.00), together with interest thereon from date at the rate of _____ percent (_____%) per annum and the principal and interest shall be due and payable as follows:

> In twenty-four (24) equal monthly installments of $_____ commencing on a day thirty (30) days from the date hereof and a like amount on such day each and every successive month thereafter until all unpaid principal and accrued interest are paid in full.

1. Application of Payments.

Each payment made by the Franchisee hereunder shall, unless otherwise provided, be applied first to the payment of interest then accrued and due on the unpaid principal balance, with the remainder applied to the unpaid principal.

2. Prepayment.

This Note may be prepaid in full or in part, without penalty or premium. In the event of prepayment in part, the Franchisee shall apply such prepayment first to the payment of accrued interest, then to the unpaid principal balance.

3. Default.

Upon the occurrence of one or more defaults as defined below, the Franchisor shall have the option of declaring immediately due and payable the entire principal balance outstanding hereunder, together with all accrued but unpaid interest thereon. Any one of the following shall be a default:

(a) The Franchisee shall default in any payment of principal or interest and such default shall continue for a period of ten (10) days;

(b) The Franchisee shall default under the terms of the Family Fare Franchise Agreement entered into by and between Franchisor, and the Franchisee; or

(c) The Franchisee shall default in the payment of any other obligation due Franchisor.

The holder of this Note may exercise this option to accelerate at any time during any such default, regardless of any prior forbearance, and the acceptance of one or more installments from any person thereafter shall not constitute a waiver of this option.

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4. Default Rate.

Subsequent to the occurrence of a default hereunder and if the Franchisor has accelerated the due date of the principal hereof because of such default until the total principal and accrued interest shall have been fully paid, interest on the unpaid principal balance hereof shall accrue at the default rate of eight percent (8%) per annum.

5. Security Interest and Lien.

The Franchisee hereby grants to the Franchisor a lien on and security interest in any goods, wares, equipment, inventory, fixtures and other personal property used by and belonging to the Franchisee in the operation of a Family Fare convenience store. The security interest is granted for the purpose of securing the obligations due hereunder and any other debt, obligation and liability due by Franchisee to Franchisor, however created, wherever now or hereafter existing, whether due or not due and of any source or nature. Upon Franchisee's failure to pay this Note or failure to pay any indebtedness due Franchisor, Franchisor may, in addition to the remedies available under law, take possession of the above-mentioned property without liability for trespass or conversion and may sell the same with or without notice at public or private sale and apply the proceeds therefrom less any and all expenses, as a credit against any sums due by Franchisee to Franchisor whether arising hereunder or otherwise. Franchisee agrees to the recording from time to time of financing statements (UCC-1) for the purpose of serving notice to third parties of the security interest herein granted.

6. Right of Offset.

In the event of default, Franchisor may offset the amount due hereunder against any amount due by Franchisor to Franchisee. Franchisee authorizes Franchisor and waives any right to prior notices of Franchisor's exercise of such right of offset and Franchisor's right to apply all funds due Franchisee by Franchisor to pay what Franchisee owes under the terms of this Note.

7. Guaranty.

To induce Franchisor to accept this Note and because of the direct benefit to the Guarantor(s), the Guarantor(s) executing this Note hereby agree as follows: (a) to unconditionally guarantee to Franchisor the full and punctual performance by Franchisee of all terms, covenants and conditions which are to be performed by Franchisee under this Note; (b) to waive notice of any breach or default by Franchisee; (c) to promptly perform any term, covenant or condition not performed by Franchisee; and (d) to pay all expenses, including, without limitation, reasonable attorney's fees and costs, paid or incurred by Franchisor to enforce its rights under this Guaranty or against the Franchisee. This Guaranty shall be direct, unconditional, irrevocable and the primary obligation of the Guarantor(s), allowing Franchisor to proceed directly against Guarantor(s) without first proceeding against Franchisee, and the Guarantor(s) specifically waive any and all rights or defenses given at law or in equity. The obligation of the Guarantor(s) shall not be released or diminished by any subsequent modification of this Note.

8. Costs and Expenses.

The Franchisee agrees to pay immediately upon Franchisor's demand therefor all reasonable costs and expenses incurred at any time by Franchisor, including, without limitation, reasonable attorneys' fees, in connection with collecting the indebtedness due hereunder. Without limiting other situations in which Franchisor may properly incur such reimbursable costs

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and expenses, the Franchisor's reasonable costs and expenses incurred in each of the following circumstances shall be included within this obligation: (a) if after any default described in paragraph 3 hereof, Franchisor employs an attorney to collect the indebtedness due hereunder or to enforce any of its rights or remedies under this Note; or (b) if Franchisor finds it necessary or desirable upon any such default to obtain the services or advice of his attorneys with regard to the collection of the indebtedness due hereunder or the enforcement of his rights or remedies regardless of whether an actual collection action is filed or the indebtedness accelerated. The term "reasonable attorneys' fees" shall include attorney's fees incurred by Franchisor, whether or not suit is brought, and if suit is brought, shall include attorney's fees at trial and on appeal. The amount of such reasonable attorneys' fees shall be determined on the basis of actual time expended and services actually performed by such attorneys at their customary hourly billing rates and shall not exceed the amount established by the statutory presumption contained in N.C.G.S. § 6-21.2.

9. Release.

In consideration for the value received, Franchisee, for itself, and its respective heirs, successors, assigns, agents and representatives, hereby fully and forever unconditionally releases and discharges the Franchisor, and its predecessors, affiliates, successors, assigns, agents, representatives, employees, owners, officers, and directors (collectively referred to as "Franchisor Affiliates") from any and all claims, demands, obligations, actions, liabilities, defenses or damages of every kind and nature whatsoever, in law or in equity, whether known or unknown, which may hereafter be discovered, in connection with, as a result of, or in any way arising from, any relationship or transaction with the Franchisor or the Franchisor Affiliates, however characterized or described, from the beginning of time until the date of this Note.

10. Waiver.

All parties liable for payment of the indebtedness due hereunder, whether accommodation makers, sureties, endorsers, guarantors, or other parties, hereby waive presentment, demand, protest, notice of protest, nonpayment, dishonor and acceleration of maturity and agree the time for payment of this Note may be extended from time to time, that this Note may be renewed from time to time, and that any collateral that secures the payment of this Note may be released, all without notice to them and without affecting, in any manner, their liability for payment of this Note.

11. Rights Cumulative.

The rights and remedies of the Franchisor as provided in this Note shall be cumulative and may be pursued singly, successively, or together, in the sole discretion of the Franchisor. The failure to exercise any such right or remedy shall not be a waiver or release of such rights or remedies or the right to exercise any of them at another time.

12. Severability.

In the event any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal, or unenforceable, in whole or in part, or in any respect, or in the event any one or more of the provisions of this Note operate or would prospectively operate to invalidate this Note, then and in any of those events, such provision or provisions only shall be deemed null and void and shall not affect any other provision of this Note, and the remaining provisions of this Note shall remain operative and in full force and effect and shall in no way be affected, prejudiced or disturbed thereby.

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13. Governing Law.

This Note will be construed in accordance with, and all disputes between the parties (whether in contract, tort, or otherwise) arising out of or relating to this Note, any breach of this Note, or the relationship between the parties, will be governed by, the laws of the State of North Carolina without recourse to North Carolina (or any other) choice of law or conflicts of laws principles. The parties agree that any action brought by a party against the other arising out of or related to this Note, any breach of this Note, or the relationship between the parties, must be brought in a court of competent jurisdiction located in Durham, North Carolina. Franchisee consents to personal jurisdiction and venue in this jurisdiction and waives, and agrees not to assert, move or otherwise claim that the venue is for any reason improper, in-convenient, prejudicial, or otherwise inappropriate (including any claim under the judicial doctrine of forum non conveniens).

14. Captions and References.

The captions of the paragraphs in this Note are for the purposes of convenience only and are not intended to be part of this Note and shall not be deemed to modify, explain, enlarge or restrict any of the provisions hereof.

[Signature Page Follows]

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IN WITNESS WHEREOF, the Franchisee and Guarantor(s) have caused this Promissory Note to be executed under seal, this the day and year first above written.

FRANCHISEE:

_____ _____
[Print Name of Business Entity]
_____, Witness

By: _____

Print Name: _____
Title: President

GUARANTORS:

_____ _____

Print Name: _____ _____, Witness

_____ _____

Print Name: _____ _____, Witness

_____ _____

Print Name: _____ _____, Witness

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EXHIBIT L

SAMPLE FULL AND FINAL GENERAL RELEASE*

*CURRENT FORM; SUBJECT TO CHANGE

This GENERAL RELEASE (this "Release") is made and executed by _____ a _____, ("Franchisee") and the undersigned Guarantors, in their individual capacities as Guarantors of Franchisee, as of _____ ("Effective Date").

WHEREAS, Franchisee entered into a franchise agreement dated _____ with Family Fare, LLC ("Franchise Agreement") and Family Fare, LLC is now permitting Franchisee to [RENEW OR TRANSFER] the Franchise Agreement;

WHEREAS, Franchisee entered into a lease agreement dated _____ ("Lease") with M.M. Fowler, Inc. and M.M. Fowler, Inc. is now permitting Franchisee to [RENEW OR TERMINATE] the Lease;

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which are acknowledged, Franchisee and Guarantors agree as follows:

Franchisee and Guarantors, for themselves and each of their past and present heirs, executors, administrators, representatives, affiliates, directors, officers, owners, successors and assigns and on behalf of any other party claiming an interest through them, in their corporate and individual capacities (collectively "Releasor"), hereby release and forever discharge Family Fare, LLC and M. M. Fowler, Inc., and each of their predecessors, successors, affiliates, subsidiaries, assigns, past and present officers, directors, shareholders, agents and employees, and their respective heirs, executors, administrators, representatives, successors and assigns, in their corporate and individual capacities (collectively "Releasees"), from, in respect of and in relation to any and all claims, actions, causes of action, suits, debts, obligations, liabilities, sums of money, costs and expenses, acts, omissions or refusals to act, damages, judgments and demands, of any kind whatsoever, joint or several, known or unknown, vested or contingent, which the Releasor ever had, now has or which Releasor hereinafter can, will or may have, against Releasees related to, arising from, for, upon or by reason of any matter, cause or thing whatsoever, from the beginning of time through the Effective Date (collectively, the "Claims"), for known or unknown damages or other losses, including but not limited to any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of any agreement between the Releasor and Releasees or the relationship between Releasor and Releasees through and including the Effective Date.

The release of the Claims as set forth above is intended by the Releasor to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the Releasees regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Releasor acknowledges that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Releasor's intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. The Releasor acknowledges that Releasor has had adequate opportunity to gather all information necessary to

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enter into this Release and to grant the releases contained herein, and needs no further information or knowledge of any kind that would otherwise influence the decision to enter into this Release.

If the store is located in Maryland or if Franchisee or Guarantors are residents of Maryland, the following shall apply: Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

This Release is and shall be and remain a full, complete and unconditional general release.

FRANCHISEE:

_____ _____
[Print Name of Business Entity]
_____, Witness

By: _____

Print Name: _____
Title: President

GUARANTORS:

_____ _____

Print Name: _____ _____, Witness

_____ _____

Print Name: _____ _____, Witness

_____ _____

Print Name: _____ _____, Witness

[Signatures Continue on Following Page]

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Acknowledged by:

FAMILY FARE, LLC

By: _____ _____

M. LEE BARNES, JR., President _____, Witness

M.M. FOWLER, INC.

By: _____ _____

M. LEE BARNES, JR., President _____, Witness

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EXHIBIT M

ACH/EFT AGREEMENT

I (we) hereby authorize M. M. Fowler, Inc. (The Company) to initiate the entries to my (our) business checking account at the financial institution listed below (The Financial Institution), and, if necessary, initiate adjustments for any transaction credited/debited in error. This authority will remain in effect until The Company is notified by me (us) in writing to cancel it in such time as to afford The Company and The Financial Institution a reasonable opportunity to act on it.

_____

Print Business Checking Account Name

_____

Print Name of Financial Institution

_____

Print Address of Financial Institution - Branch, City, State & Zip

_____ _____

Authorized Signature Date

_____

Title

Financial Institution Routing Number: _____

Business Checking Account Number: _____

These numbers are located on the bottom of your check as follows:

|: 123456789 |: 1234567890123 “
Routing Number Account Number

Please attach a copy of a voided check to this ACH Authorization Form.

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EXHIBIT N

REFERRAL PROGRAM PARTICIPATION AGREEMENT

Current Form (Subject to Change)

IN CONSIDERATION for participation in the Family Fare Referral Program ("Program"), I hereby agree ("Agreement") as follows effective as of _____:

Any prospective franchisee for whom I want to receive credit for participating in the Program must be identified to Family Fare in writing no less than thirty (30) days prior to the prospective franchisee being approved for participation in the Program. Credit will only be awarded for referred prospective franchisees who are ultimately awarded a franchised location where Family Fare did not previously have a franchisee operating the location.

While participating in the Program, any prospective franchisee referred by me must be employed by me and pre-identified to Family Fare, approved by Family Fare as a Program participant, and trained by me to a level satisfactory to Family Fare.

Additionally, I agree to provide such other additional training as deemed necessary by Family Fare to effectively prepare the prospective franchisee to be awarded a franchise.

If prospective franchisee is not awarded a franchise within _____ months after being identified as a Program participant, no compensation shall be due to me.

If deemed eligible under the Agreement, I will receive compensation of Five Thousand Dollars ($5,000) paid in Five Hundred Dollar ($500) intervals per month over a 10-month period upon execution of the prospective franchisee's franchise agreement or such other compensation as designated by Franchisor with thirty (30) days prior written notice to me. In the event the prospective Franchisee terminates the Franchise Agreement for any reason during the 10-month period, the payments will cease.

Family Fare has the right to cancel my participation in the Program with thirty (30) days prior written notice. Family Fare has the right to modify or cancel the Referral Program at any time.

FRANCHISEE:

_____
[Print Name of Business Entity]

By:_____
Print Name: _____
Title: President

Print Store Name: _____

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EXHIBIT O

SAMPLE AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER

Current Form (Subject to Change)

THIS AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER ("Agreement") is made among FAMILY FARE, LLC ("Franchisor"), _____ ("Seller"), and _____ ("Buyer"), and, if any, the undersigned Seller Guarantors, effective as of the Effective Date as defined on the signature pages hereto.

RECITALS

A. Seller is the franchisee pursuant to that certain franchise agreement between Franchisor and Seller, as franchisee, dated _____ (the "Seller Franchise Agreement"), governing the operation of the _____ business located at _____ ("Franchised Location");

B. Buyer is the franchisee under that certain franchise agreement between Franchisor and Buyer, as franchisee, dated _____**,** (as amended, the "Buyer Franchise Agreement");

C. Seller has notified Franchisor that it has agreed to sell and Buyer has agreed to purchase all of the rights, obligations and assets relating to the Franchised Location (the "Interests") and, further, that Buyer has agreed to assume the obligations of the Seller Franchise Agreement with regard to the Franchised Location (collectively, the "Transfer") and that $_____ (the "Purchase Price") will be paid to Seller by Buyer subject to the conditions for Franchisor's approval of transfer set forth in the Seller Franchise Agreement, which Purchase Price constitutes any and all consideration paid to Seller by Buyer whether by cash, credit, check, electronic funds transfer, script, or barter.

D. Seller agrees to pay _____ % of Purchase Price to Franchisor pursuant to transfer provisions set forth in the Seller Franchise Agreement (the "Transfer Fee"), which will be deemed earned and payable to Franchisor upon execution of this Agreement.

E. Seller agrees to pay _____ as a transfer cleaning fee ("Transfer Cleaning Fee"). Franchisor shall return the transfer cleaning fee to Seller within one (1) year of the date of the transfer, less any amounts that are used by Franchisor to clean the Franchised Location.

F. Seller and Buyer agree that no payment or exchange outside of the Purchase Price set forth herein will take place to effectuate the transfer, and that the entire Purchase Price will be deemed earned and payable to Seller upon execution of this Agreement.

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G. Seller and the guarantors of the obligations of Seller (the "Seller Guarantors") have requested that Franchisor consent to the Transfer and release Seller and the Seller Guarantors from all obligations under the Franchise Agreement and guaranty, respectively; and

H. The parties desire to set forth the terms and conditions under which Franchisor will consent to the Transfer and release.

AGREEMENT

FOR AND IN CONSIDERATION of the foregoing Recitals, which are incorporated herein, the mutual covenants expressed herein and other valuable consideration, receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Effective Date. The Effective Date will be the date on which Franchisor signs this Agreement acknowledging its consent to the proposed Transfer.

2. Proposed Transfer. Buyer is purchasing the Interests from Seller in accordance with the terms and conditions of the Seller Franchise Agreement, a copy of which has been provided to Buyer.

3. Conditional Consent; Release of Guaranty. The Seller Franchise Agreement provides that the Transfer cannot take place without the consent of Franchisor. Franchisor will consent to the Transfer, as provided in the Seller Franchise Agreement, and will release (a) Seller from any obligations arising under the Seller Franchise Agreement and (b) Seller Guarantors under any guaranty agreement (in each case except as described below) from and after the Effective Date. Notwithstanding the foregoing, the provisions of the Seller Franchise Agreement that, either expressly or by their nature, survive termination of the Seller Franchise Agreement, including without limitation the post-termination restrictive covenants, audit rights, dispute resolution and notice, and confidentiality provisions of the Seller Franchise Agreement (collectively, the "Surviving Provisions"), shall survive this Agreement and the termination of the Seller Franchise Agreement, and the Seller and the Seller Guarantors shall remain bound by the Surviving Provisions. Furthermore, Seller's and Seller Guarantors' right to the consent and release described in this Section are expressly contingent upon compliance with the following terms and conditions on or before the date of the closing of the Transfer ("Closing"):

a. Franchise Agreement. The Seller Franchise Agreement will terminate as of the Closing, and the operation of the Franchised Location will thereafter be governed by the Buyer Franchise Agreement;

b. Payment of Amounts Due. Seller will pay all amounts due and owing to Franchisor through the date of Closing;

c. Transfer Fee. Seller shall pay Transfer Fee of $_____ as provided in the Seller Franchise Agreement, which

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Seller and Buyer warrant equals (i) Fifty Percent of the Purchase Price if sold within the first twelve (12) months following the Effective Date of the Seller Franchise Agreement or (ii) Ten Percent (10%) of the Purchase Price if sold following the first twelve (12) months following the Effective Date of the Seller Franchise Agreement. Seller shall pay a Transfer Cleaning Fee as well;

d. **Training.** Buyer shareholders shall satisfactorily completed the initial training program as described in the Buyer Franchise Agreement prior to the Closing;

e. **Store Possession.** Prior to Closing and changing possession of the Store, Seller and Buyer shall obtain the written consent of Franchisor to change possession;

f. **Buyer Loans.** Buyer shall provide Franchisor with copies of all loan documents or loan commitments evidencing all debt taken on by Buyer in connection with the purchase of the Franchised Location; and

g. **Franchised Location Possession.** Prior to Closing and changing possession of the Franchised Location, Seller and Buyer shall obtain the written consent of Franchisor to change possession.

4. **Waiver of Right of First Refusal.** Franchisor hereby waives any right of first refusal to purchase the Interests as it may have pursuant to the Seller Franchise Agreement.

5. **Release of Franchisor.** Seller, the Seller Guarantors and Buyer ("Releasing Parties"), and each of them, for themselves and their affiliates, employees, officers, directors, successors, assigns, and other representatives, hereby fully and forever unconditionally release and discharge Franchisor, and its affiliates, parents, subsidiaries, area directors and agents and their respective employees, shareholders, members, officers, directors, successors, assigns, guarantors and other representatives (the "Released Parties"), from any and all claims, demands, obligations, actions, liabilities and damages of every kind or nature whatsoever, in law or in equity, whether known or unknown to them, which they may have against the Released Parties from the beginning of time through the date of Closing, or which may thereafter be discovered, accrued, or sustained, in connection with, as a result of, or in any way arising from, any relations or transactions with the Released Parties, however characterized or described, including but not limited to, any claims arising from the Seller Franchise Agreement, the Buyer Franchise Agreement or the Purchase Agreement or the transactions described herein. Further, the Releasing Parties covenant not to sue any of the Released Parties on any of the claims released by the preceding sentence and represent they have not assigned any such claims released by the preceding sentence to any individual or entity who is not bound by this Release. It is understood and agreed that this Release is not to be construed as an admission of liability with respect to the Released Parties.

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6. Termination of Seller Franchise Agreement and Guaranties. Franchisor and Seller acknowledge and agree that, as of the date of Closing, upon the Transfer and upon compliance with the conditions set forth in Section 3 above, the Seller Franchise Agreement and the guaranties (if any) will automatically terminate and neither Seller nor Seller Guarantors shall have any further rights or obligations thereunder except that neither Seller nor any Seller Guarantor shall be released from:

a. any obligations to pay money to Franchisor owed under either the Seller Franchise Agreement or the guaranty prior to Closing; or

b. the provisions of the Seller Franchise Agreement that, either expressly or by their nature, survive termination of the Seller Franchise Agreement (including without limitation the post-termination restrictive covenants, audit rights, dispute resolution and notice, and confidentiality provisions of the Seller Franchise Agreement).

7. Acknowledgment. Buyer and Seller acknowledge that although Franchisor or its affiliates, employees, officers, directors, successors, assigns, and other representatives may have been involved in Buyer's purchase of the Interests from Seller, Buyer and Seller have assumed sole and full responsibility for making the final decision to purchase and sell the Interests and each has consulted, or has had the opportunity to consult but, of its own accord, elected not to consult, with its own legal and financial advisors. Buyer further understands that as part of analyzing the purchase of the Interests from Seller, it is Buyer's responsibility to meet with or otherwise gather necessary information from the appropriate parties which may or may not affect Buyer's purchase of the Interests from Seller.

8. Additional Documents. Buyer and Seller agree to execute such additional documents as may be necessary to complete the Transfer as contemplated by the Purchase Agreement, the Seller Franchise Agreement and the Buyer Franchise Agreement.

9. Miscellaneous Provisions. This Agreement will be construed in accordance with, and all disputes between the parties (whether in contract, tort, or otherwise) arising out of or relating to this Agreement, any breach of this Agreement, or the relationship between the parties, will be governed by, the laws of the State of North Carolina without recourse to North Carolina (or any other) choice of law or conflicts of laws principles. The parties agree that any action brought by a party against the other arising out of or related to this Agreement, any breach of this Agreement, or the relationship between the parties, must be brought in a court of competent jurisdiction located in Durham, North Carolina. Buyer and Seller consent to personal jurisdiction and venue in this jurisdiction and waives, and agrees not to assert, move or otherwise claim that the venue is for any reason improper, inconvenient, prejudicial, or otherwise inappropriate (including any claim under the judicial doctrine of forum non conveniens). This Agreement may not be modified or amended or any term hereof waived or discharged except in writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced. The headings of this

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Agreement are for convenience and reference only and will not limit or otherwise affect the meaning hereof. This Agreement may be executed in any number of counterparts and sent via facsimile, each of which will be deemed an original but all of which taken together will constitute one and the same instrument. All capitalized terms used, but not defined, herein shall have the meanings ascribed to them in the applicable franchise agreement.

10. Non-Disparagement. In consideration of the accommodations provided to Seller, the Seller Guarantors and Buyer and concessions made by Franchisor and its affiliates under this Agreement, Seller, the Seller Guarantors and Buyer agree not to, and to use their best efforts to cause their current and former shareholders, officers, directors principals, agents, partners, employees, representatives, attorneys, spouses, and successors and assigns not to, disparage or otherwise speak or write negatively, directly or indirectly, of Franchisor or the Released Parties or their respective current and former agents, principals, officers, directors, shareholders, members, employees, franchisees, representatives, area directors, attorneys, parents, predecessors, affiliates, subsidiaries divisions, and successors and assigns, any brands owned by or related to Franchisor, the system set forth in the then current Franchise Agreement, or any other service-marked or trademarked concept of Franchisor, or which would subject the brand of the Franchisor or affiliates to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of Franchisor or its brand.

[SIGNATURE PAGE FOLLOWS]

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THUS signed by the parties shown below and made effective as of the Effective Date.

SELLER:

_____ _____
[Print Name of Business Entity]
_____, Witness

By: _____

Print Name: _____
Title: President

SELLER GUARANTORS:

_____ _____

Print Name: _____ _____, Witness

_____ _____

Print Name: _____ _____, Witness

_____ _____

Print Name: _____ _____, Witness

BUYER:

_____ _____
[Print Name of Business Entity]
_____, Witness

By: _____

Print Name: _____
Title: President

[Signatures Continue on the Following Page]

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ACCEPTED BY FRANCHISOR:

FAMILY FARE, LLC

By: _____ _____

M. LEE BARNES, JR., President _____, Witness

Date*: _____
* This date is the Effective Date

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EXHIBIT P

SAMPLE DISCLOSURE LETTER TO PROSPECTIVE TRANSFEREE

Current Form (Subject to Change)

SUBJECT: Purchase of Interest in Franchise for Family Fare, LLC ("we," "us," or "our") _____ Store (Store No. _____) (the "Store") from _____, ("Present Franchisee").

Dear _____: Prospective Transferee(s) ("you" or "your").

We understand that you are considering purchasing the interest of Present Franchisee in the franchise for the Store, and that you plan to pay the Present Franchisee, as a premium or "goodwill," an amount in addition to the costs of the assets used in the business and the amounts owing directly to Family Fare. In addition to the information concerning the Family Fare system, which we have presented or will present to you, Family Fare wants to be sure that, before you sign a Family Fare Franchise Agreement (the "Agreement") for the Store and before you agree to purchase the Present Franchisee's interest in the franchise, you understand and have carefully considered the following:

(1) You will be required to execute a new Agreement and lease in the form currently being offered by Family Fare to prospective franchisees at the time of the transfer or, at Family Fare's sole option, you will be assigned and assume the existing Agreement executed by Present Franchisee, but containing the current franchise fee, initial investments, Family Fare Charge, lease terms and all other financial terms. The term of your franchise agreement will equal the following unless otherwise agreed in writing by Family Fare: (i) If Present Franchisee is in the initial term of the Agreement, the remainder of the Initial Term as defined in the Present Franchisee's Agreement and the right to exercise the renewal term as provided for in the Agreement, or (ii) if the Present Franchisee is in their renewal term, the remainder of the Present Franchisee's renewal term. Under no circumstances will your Agreement grant you additional term beyond the applicable Initial Term or renewal term, as the case may be, enjoyed by Present Franchisee.

(2) The Present Franchisee is not an agent or representative of Family Fare in connection with the transaction with you, and any information, statistics or representations concerning the Store, the Agreement or operations there under made to you by the Present Franchisee are not to be considered as being made by, or imputed to, Family Fare.

(3) No statements or representations made to you by the Present Franchisee as to the operations of the franchise business, including, but not limited to, expected sales volume, profitability or income, have been authorized by Family Fare, and your relationship with Family Fare will be governed solely by the terms of your Agreement.

(4) The amount you pay the Present Franchisee for the premium or "goodwill" will not be considered by Family Fare as part of your investment in the franchise or an asset or operating expense of the franchise business. In this respect, the business will be considered the same as though the franchise were obtained directly from Family Fare, in which case you would not have been charged anything for the premium or "goodwill."

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(5) In addition to meeting Family Fare's general qualifications, to qualify for a franchise, you must satisfactorily complete training as set out in the Agreement.

(6) Arrangements satisfactory to Family Fare must be made by the Present Franchisee for the payment to Family Fare of any amount due or to become due from the Present Franchisee, which may include the payment of the "goodwill" by you directly to Family Fare to be credited to the Open Account for the Present Franchisee.

(7) Your premium or goodwill payment will have no effect on the right of Family Fare to terminate your Agreement pursuant to its terms or renew your Agreement. Upon termination, we will have no obligation to compensate you for the purchase price you paid to the present Franchisee.

(8) Your Agreement with Family Fare will not become effective until the Present Franchisee voluntarily relinquishes possession of the Store to Family Fare and executes, at Family Fare's option, a mutual termination and release of his or her Agreement, or an assignment and a release, and an indemnity for any claim by you.

(9) Once your Agreement with Family Fare becomes effective, the Present Franchisee will have no further interest or claim in or to the Store, the franchise, or any assets used or acquired in conjunction therewith.

(10) Economic conditions of the trade area, store conditions, location and other circumstances at such time as you or Family Fare terminates your Agreement, or it expires, will determine the amount, if any, you may realize as a premium or goodwill should you decide to sell your interest in the franchise to another person, subject to the assignment conditions in your Agreement.

(11) Under the terms of the Agreement, if you initiate legal action against Family Fare and do not prevail on the claim, you will pay the legal fees Family Fare incurs to defend against the action.

In consideration of Family Fare processing your application for a franchise for the captioned location, you have agreed to and hereby waive, as against Family Fare, and release Family Fare from, any claims or causes of action which you, your heirs, legal representatives, successors or assigns have, or which may arise at any time, whether: (i) based upon any representation made to you by anyone other than Family Fare (specifically including the Present Franchisee), directly or indirectly concerning the captioned store location or the Agreement or (ii) in connection with any premium or goodwill payment to the Present Franchisee. Please sign and return to Family Fare the enclosed copy of this Disclosure Letter to acknowledge that you have received and read it, that you understand its content, that no representations contrary hereto have been made

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to you by Family Fare, or the Present Franchisee, and that you are executing same of your own free will and choice, intending to be legally bound.

Very truly yours,

Family Fare, LLC

_____
M. LEE BARNES, JR., President

_____	_____
Print Name: _____	Print Name: _____
Prospective Transferee	Prospective Transferee
_____	_____
Print Name: _____	Print Name: _____
Prospective Transferee	Prospective Transferee

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EXHIBIT Q

FIRST ADDENDUM TO TRANSFEREE FRANCHISE AGREEMENT*
(to be signed by a transferee concurrently with the Franchise Agreement)

***CURRENT FORM; SUBJECT TO CHANGE**

THIS FIRST ADDENDUM ("Addendum") to the Franchise Agreement dated as of the Effective Date ("Agreement") between FAMILY FARE, LLC ("Franchisor") and _____ ("Franchisee") is made as of the same date to amend and supplement certain terms and conditions of the Agreement. In the event of any conflict between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum shall control. All capitalized terms not otherwise defined in this Addendum shall have their respective meanings set forth in the Agreement.

1. Franchised Location. The Franchised Location is: _____.

2. Initial Term. The first sentence of Section 2(a) of the Agreement shall be deleted and restated in its entirety as follows:

(a) Initial Term. Unless terminated earlier as provided for herein, the Initial term of this Agreement (the "Term" or "Initial Term") and of the right, franchise and license herein granted shall be for a term that commences on the Effective Date the Store was originally franchised to a franchisee and terminates or expires the earliest of (i) _____, (ii) the date upon which M. M. Fowler sells, exchanges, or transfers to a non-affiliate the leased or owned real estate where the Store is located, (iii) the date that is, in M.M. Fowler's discretion, up to ninety (90) days prior to the expiration of M. M. Fowler's lease for the real estate in the event M. M. Fowler is subleasing the real estate to Franchisee, or (iv) the date upon which M. M. Fowler sells its non-real estate holdings, defined as disposing of the majority of its operating tangible personal property and business goodwill, or the stockholders of M. M. Fowler elect to sell and transfer all of their capital stock to a non-affiliate if, in either such event, Family Fare elects, in Family Fare's sole discretion, to terminate this Agreement by paying Franchisee a termination payment equal to one (1) month's worth of average monthly net revenue for the Store during the prior twelve (12) months less the Cost of Goods Sold, Continuing Royalties, Sales Tax, and the value of items not subject to Continuing Royalties ("Termination Payment"). Notwithstanding the foregoing, in the event the merchandising, promotions, or pricing standards established by this Agreement are deemed illegal or invalid at any time, Family Fare shall have the right to unilaterally terminate this Agreement.

3. Additional Term. Sections 2(c) and 2(d) of the Agreement shall be amended (or not amended) as follows:

_____ [Check if the Franchisee has the right to a renewal term]: Sections 2(c) and 2(d) of the Agreement shall not be amended.

_____ [Check if the Franchisee has no right to a renewal term]: Sections 2(c) and 2(d) of the Agreement shall be deleted in their entirety and, notwithstanding anything in the Agreement to the contrary, Franchisee shall have no right to a Renewal Term.

[SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed on the date first set forth above.

FRANCHISOR:

FAMILY FARE, LLC

By: _____ _____

M. LEE BARNES, JR., President _____, Witness

FRANCHISEE:

_____ _____
[Print Name of Business Entity]

_____, Witness

By: _____

Print Name: _____
Title: President

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EXHIBIT R

FIRST ADDENDUM TO RENEWAL FRANCHISE AGREEMENT*

(to be signed by a renewing franchisee concurrently with the Franchise Agreement)

***CURRENT FORM; SUBJECT TO CHANGE**

THIS FIRST ADDENDUM ("Addendum") to the Franchise Agreement dated as of the Effective Date ("Agreement") between FAMILY FARE, LLC ("Franchisor") and _____ ("Franchisee") is made as of the same date to amend and supplement certain terms and conditions of the Agreement. In the event of any conflict between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum shall control. All capitalized terms not otherwise defined in this Addendum shall have their respective meanings set forth in the Agreement.

1. Franchised Location. Franchisor has previously approved the Franchised Location as required pursuant to the Agreement. The Franchised Location is: _____.

2. Commencement of Operations. Franchisor and Franchisee acknowledge that the Franchised Location has commenced operations as required pursuant to the Franchise Agreement.

3. Franchisor's Development Assistance. Franchisee acknowledges and agrees that Franchisor has complied with its obligations under the Agreement (or Franchisee waives, as the case may be, Franchisor's obligation to provide opening support services listed in the Agreement.

4. Additional Term. Sections 2(c) and 2(d) of the Agreement shall be deleted in their entirety and, notwithstanding anything in the Agreement to the contrary, Franchisee shall have no right to a Renewal Term.

5. Release. Franchisee, for itself, and its respective heirs, successors, assigns, agents and representatives, hereby fully and forever unconditionally releases and discharges the Franchisor, and its predecessors, affiliates, successors, assigns, agents, representatives, employees, owners, officers, and directors (collectively referred to as "Franchisor Affiliates") from any and all claims, demands, obligations, actions, liabilities, defenses or damages of every kind and nature whatsoever, in law or in equity, whether known or unknown, which may hereafter be discovered, in connection with, as a result of, or in any way arising from, any relationship or transaction with the Franchisor or the Franchisor Affiliates, however characterized or described, from the beginning of time until the date of this Addendum.

[SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed on the date first set forth above.

FRANCHISOR:

FAMILY FARE, LLC

By: _____ _____

M. LEE BARNES, JR., President _____, Witness

FRANCHISEE:

_____ _____
[Print Name of Business Entity]

_____, Witness

By: _____

Print Name: _____
Title: President

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EXHIBIT S

RENEWAL OF FAMILY FARE FRANCHISE AND LEASE AMENDMENT*

(to be signed by a renewing franchisee in lieu of signing new franchise agreement in franchisor's discretion)

***CURRENT FORM; SUBJECT TO CHANGE**

THIS AMENDMENT ("Amendment") entered into the _____ day of _____, 20__, (the "Effective Date") between FAMILY FARE, LLC, a North Carolina limited liability company ("Franchisor"); _____ as Franchisee and Tenant (collectively, "Franchisee"); and M. M. FOWLER, INC., a North Carolina corporation ("Landlord").

RECITALS:

A. The Franchisor and Franchisee entered into a Family Fare Franchise Agreement dated _____, wherein the Franchisor granted to Franchisee a non-exclusive limited right, franchise and license to establish and operate a Family Fare store at _____ ("Store"), with an Initial Term ending _____ (the "Franchise Agreement").

B. Subject to compliance with the requirements set forth in the Franchise Agreement, the Franchise Agreement granted to the Franchisee a single renewal term of five (5) years (the "Renewal Term").

C. The Franchisor and Franchisee have mutually agreed and consented to waive the conditions for the renewal as provided under Section 2(c)(v) and (vi) of the Franchise Agreement and Franchisee desires to exercise its right to renew the Franchise Agreement for the Renewal Term with an expiration on _____ by executing this Amendment to extend the term of the existing Franchise Agreement for the Renewal Term.

D. Simultaneously with the execution of the Franchise Agreement, the Landlord and Franchisee as tenant entered into a lease agreement for the Store for a term expiring _____ (the "Lease").

E. Landlord and Franchisee, as tenant, have agreed to extend the term of the Lease for an additional five (5) years with an expiration dated _____.

NOW, THEREFORE, in consideration of the mutual covenants of the parties herein contained and other good and valuable consideration, the receipt and sufficiency are hereby acknowledged, the parties agree as follows:

1. **Extension of Franchise Agreement**. The Franchise Agreement is hereby extended for one additional consecutive period of five (5) years from _____, through _____, and during such Renewal Term, all terms and conditions of the Franchise Agreement shall remain in effect, excepting therefrom Sections 2(c) and 2(d) which shall be deleted in their entirety.

2. **Waiver of Conditions**. The Franchisor and Franchisee mutually agree and waive the conditions for the exercise and granting of the Renewal Term as provided in Section 2(c)(v) and (vi) of the Franchise Agreement.

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3. **Extension of Lease**. The Lease dated _____, for the Store, including all fixtures and equipment located therein, is amended by extending the term for five (5) years beginning _____, and ending _____.

4. **Release**. Pursuant to the extension right granted Franchisee and Section 2(c)(vii) of the Franchise Agreement, Franchisee and Guarantor and their employees, officers, directors, members, shareholders and other representatives hereby fully and forever discharge Franchisor and Landlord and their respective affiliates, employees, shareholders, members, officers, directors, agents, attorneys, successors, assigns and other representatives (the "Released Parties"), from any and all claims, demands, actions and damages of every kind and nature, whether known or unknown, which they may have against the Released Parties as of the Effective Date of this Amendment, or which may thereafter be discovered, accrued or sustained, in connection with, as a result of, or in any way arising from any relations or transactions with the Released Parties through the Effective Date of this Amendment, including but not limited to, any claims arising from or under (i) the Franchise Agreement, (ii) Lease, (iii) any disclosure obligations under applicable law, and/or (iv) otherwise related in any way to the business relationship between Franchisee and the Released Parties.

5. Except as expressly amended herein, the terms, provisions and covenants of the Franchise Agreement and Lease shall remain in full force and effect and are ratified and confirmed.

[Signatures are on the Following Page]

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IN WITNESS WHEREOF, the parties have caused this Amendment to be executed in their respective names, by their officers duly authorized, and the Guarantor has joined in this Amendment, evidencing his/her consent, all as of the day and year first above written.

FRANCHISOR:

FAMILY FARE, LLC

By: _____ _____

M. LEE BARNES, JR., President _____, Witness

LANDLORD:

M.M. FOWLER, INC.

By: _____ _____

M. LEE BARNES, JR., President _____, Witness

FRANCHISEE:

_____ _____
[Print Name of Business Entity]

_____, Witness

By: _____

Print Name: _____
Title: President

TENANT:

_____ _____
[Print Name of Business Entity]

_____, Witness

By: _____

Print Name: _____
Title: President

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EXHIBIT T

LIMITED POWER OF ATTORNEY

This LIMITED POWER OF ATTORNEY is given by _____, a _____("Franchisee") organized under the state of _____ to FAMILY FARE, LLC, a North Carolina limited liability company ("Family Fare").

RECITALS

A. Franchisee entered into that certain Franchise Agreement dated as of_____ with Family Fare ("Franchise Agreement"), pursuant to which Franchisee will own and operate a Family Fare retail convenience store (the "Store") located at _____ (the "Store Location").

B. Sections 20(d), (i), and (j) of the Franchise Agreement grant Family Fare the right, but not the obligation, to step in and operate the Store at the Store Location upon Franchisee's or its Operating Principal's death or incapacitation or upon Franchisee's default.

C. If Family Fare elects to step in to operate the Store, Family Fare needs to be able to conduct regular payroll and human resource operations on Franchisee's behalf during the Step-In Period.

D. The date upon which Family Fare exercises its step-in right pursuant to the terms of the Franchise Agreement shall be the "Effective Date" of this LIMITED POWER OF ATTORNEY and the date upon which Family Fare ceases to operate the Store pursuant to the terms of the Franchise Agreement shall be the "Termination Date." The period between the Effective Date and the Termination Date is the "Step-In Period."

GRANT OF AUTHORITY

Franchisee hereby nominates, constitutes, and appoints Family Fare to be Franchisee's true and lawful attorney in fact for Franchisee, and in Franchisee's name, place, and stead, and on Franchisee's behalf to sign and otherwise execute all necessary documents and instruments, including but not limited to checks and other payment authorizations, as may be required to cause the Franchisee to conduct payroll and human resources operations for the Store.

This LIMITED POWER OF ATTORNEY is limited to the authorization specified and shall be effective from the Effective Date during the Step-In Period until the Termination Date.

Any person, including Family Fare, may rely upon the validity of this LIMITED POWER OF ATTORNEY or a copy of it unless that person knows it has terminated or is invalid.

[Signatures Follow]

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IN WITNESS WHEREOF, the party hereto has set its hand and adopted as its own the word "Seal" typed to the right thereof, this the _____ day of _____, 20_____.

_____
[Franchisee Name]

By: _____(SEAL)

Name: _____

Title: _____

STATE OF _____

COUNTY OF _____

On this _____ day of _____, 20_____, personally appeared before me, the said named _____ to me known and known to me to be the person described in and who executed the foregoing instrument and acknowledged that he or she executed the same and being duly sworn by me, made an oath that the statements in the foregoing instrument are true.

_____
Notary Public

Print Name:_____

My Commission Expires: _____

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EXHIBIT U

STATEMENT OF PROSPECTIVE FRANCHISEES

As you know, FAMILY FARE, LLC, and you are preparing to enter into a franchise agreement for the operation of a FAMILY FARE franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that FAMILY FARE, LLC has not authorized or that may be untrue, inaccurate or misleading. Its purpose is also to be certain that you understand the limitations on claims that may be made by you by reason of the purchase and operation of your franchise. The questionnaire cannot be signed and dated the same day as the Acknowledgment of Receipt of the Franchise Disclosure Document (FDD), but must be signed and dated the same day you remit your franchise fee. Please review each of the following questions carefully and provide honest responses to each question. If you answer "NO" to any of the questions below, please explain your answer in the space below. For each question, please initial beside "Yes," or "No," as appropriate.

A. Representations and Other Matters

_____ Yes _____ No 1. Have you received and personally reviewed the franchise agreement and each exhibit or schedule attached to it?

_____ Yes _____ No 2. Have you received and personally reviewed the FAMILY FARE, LLC, Franchise Disclosure Document ("Disclosure Document") we provided you?

_____ Yes _____ No 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?

_____ Yes _____ No 4. Do you understand all the information contained in the Disclosure Document and the franchise agreement?

_____ Yes _____ No 5. A) Have you reviewed the Disclosure Document and franchise agreement with an attorney, accountant or other professional advisor?

_____ Yes _____ No B) Have you discussed the benefits and risks of operating a FAMILY FARE franchise with your professional advisor?

_____ Yes _____ No C) Did you discuss the benefits and risks of operating a FAMILY FARE franchise with an existing FAMILY FARE franchisee?

_____ Yes _____ No D) Do you understand the risks of operating a FAMILY FARE franchise?

_____ Yes _____ No E) Do you understand the franchise agreement contains venue provisions requiring, unless your state law prohibits, any disputes to be resolved in North Carolina courts located in Durham, North Carolina?

_____ Yes _____ No 6. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

_____ Yes _____ No 7. Is it true that no employee or other person speaking on behalf of FAMILY FARE, LLC, made any statement or promise regarding the costs involved in operating a FAMILY FARE franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

_____ Yes _____ No 8. Is it true that no employee or other person speaking on behalf of FAMILY FARE, LLC, made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a FAMILY FARE franchise will generate that is not contained in the Disclosure Document or that is contrary to or different from the information contained in the Disclosure Document?

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_____ Yes _____ No 9. Is it true that no employee or other person speaking on behalf of FAMILY FARE, LLC, made any statement or promise or agreement, other than those matters addressed in your franchise agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

_____ Yes _____ No 10. Is it true that you did not receive any marketing or other written materials with information that is contrary to, or different from, the information contained in the Disclosure Document?

_____ Yes _____ No 11. Is it true that you understand that FAMILY FARE, LLC and its affiliates receive compensation from vendors as outlined in Item 8 of the FDD as part of the vendor management agreements between vendors and FAMILY FARE, LLC and/or its affiliates, and that as a franchisee you have no right to any of this compensation?

_____ Yes _____ No 12. Is it true that you understand the only compensation due to you is the compensation contracted for in the franchise agreement or consignment agreement?

_____ Yes _____ No 13. Do you understand that the franchise granted is for the right to operate a FAMILY FARE store at a particular location only and that we have the right to issue franchises or operate competing businesses from any other location, regardless of the proximity to your location?

_____ Yes _____ No 14. Do you understand the approval of FAMILY FARE, LLC of the site for a FAMILY FARE store does not constitute an assurance, representation or warranty of any kind as to the successful operation or profitability of a FAMILY FARE store operated at the site?

_____ Yes _____ No 15. Do you understand the Agreements and Disclosure Document contain the entire agreement between you and us concerning the franchise for the FAMILY FARE store, meaning that any prior oral or written statements not set out in the Agreements or Disclosure Document will not be binding?

_____ Yes _____ No 16. Do you understand the success or failure of your FAMILY FARE store will depend in large part upon your skills and experience, your business acumen, your location, your values and the congruence of your values and the Family Fare values, the local market for products under the FAMILY FARE trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand the economic and business factors that exist at the time you open your Store may change?

_____ Yes _____ No 17. Do you understand that any training, support, guidance or tools FAMILY FARE, LLC provides to you as part of the franchise are for the purpose of protecting the FAMILY FARE brand and trademarks and to assist you in the operation of your FAMILY FARE store and not for the purpose of controlling or in any way intended to exercise or exert control over your decisions or day-to-day operations of your business, including your sole responsibility for the hiring, wages, supervision and termination of your employees and all other employment and employee related matters?

_____ Yes _____ No 18. Do you understand that FAMILY FARE may establish and operate, and give others the right to establish and operate, convenience or other stores under the Family Fare service marks, or any other trade names, service marks and trademarks, at any site other than your store location and that these other store sites may be next to or near your store location?

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_____ Yes _____ No 19. Do you understand that during the term of your franchise agreement you are prohibited from (i) involvement anywhere with any other non-Family Fare retail convenience store or other retail outlet selling items sold by a Family Fare Business including as an operator, owner, manager, consultant, lender, landlord, license holder, or lessor; (ii) directly or indirectly diverting customers to a prohibited venture; (iii) directly or indirectly performing acts injurious or prejudicial to our trademarks; or (iv) using our vendor relationships to purchase products for a competitive business?

_____ Yes _____ No 20. Do you understand for 2 years after the termination, expiration, or non-renewal of your franchise agreement, within a 3 mile radius of a Family Fare owned, licensed, franchised, or affiliated retail convenience store including your former location, you are prohibited from involvement with any non-Family Fare retail convenience store or other retail outlet selling items sold by a Family Fare Business including as an operator, owner, manager, consultant, lender, landlord, license holder, or lessor?

_____ Yes _____ No 21. Do you understand the franchise agreement prohibits you from disclosing any and all confidential information (any non-public information) regarding the operations of the franchised business, the Family Fare system, Family Fare business practices, strategies, or otherwise using or helping others to use that information for any purposes other than operating your Family Fare franchised business?

_____ Yes _____ No 22. Do you understand the franchise agreement requires you to pay Family Fare's legal fees if you initiate legal action against Family Fare and do not prevail?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

The undersigned acknowledges and agrees that FAMILY FARE, LLC does not make or endorse, nor does it allow any representative or other individual to make or endorse, any oral, written, visual, or other claim or representation that states or suggests any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, or otherwise with respect to a FAMILY FARE franchise other than those contained in Item 19 of the Franchise Disclosure Document.

In addition, FAMILY FARE, LLC does not permit any promises, agreements, contracts, commitments, representations, understandings, options, rights-of-first-refusal, or otherwise, or changes in the franchise agreement, except by means of a written Addendum signed by all parties to the franchise agreement.

Each undersigned understands and agrees to all of the foregoing and certifies that all of the above statements are true, correct and complete.

_____ _____
Signature of Franchise Applicant Date

_____
Name (please print)

_____ _____
Signature of Franchise Applicant Date

_____
Name (please print)

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Approved:

FAMILY FARE, LLC

By: _____
M. LEE BARNES, JR., President

SPECIAL NOTE FOR RESIDENTS OF THE STATE OF ILLINOIS AND FRANCHISED BUSINESSES LOCATED IN ILLINOIS: Statements A.1, A.2, and A.3, and the next-to-last full paragraph on page 1, do not apply to you.
SPECIAL NOTE FOR RESIDENTS OF THE STATE OF MARYLAND AND FRANCHISED BUSINESSES LOCATED IN MARYLAND: The Statement of Prospective Franchisees is amended so that none of the above representations are intended to nor will they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

EXPLANATION OF ANY NEGATIVE RESPONSES (please refer to applicable question #) ARE AS FOLLOWS:

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State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Pending
Washington	Not Registered
Wisconsin	Not Registered

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

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EXHIBIT V

RECEIPT

This disclosure document summarized certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If FAMILY FARE, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive 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. Iowa requires you to you to receive this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this disclosure document 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If FAMILY FARE, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to the appropriate state agency listed on Exhibit D.

The name, principal business address and telephone number of each franchise seller offering the franchise is:

☐	☐	☐	
M. LEE BARNES, JR. FAMILY FARE, LLC 4220 Neal Road, Durham, NC 27705 (919) 309-2925	VITHALBHAI CHAKLASIA VKay Realty 312 Northlands Drive Cary, NC 27519 (919) 621-3135	_____ _____ _____ _____	_____ _____ _____ _____

Issuance date: April 26, 2022

See Exhibit D for our registered agent authorized to receive service of process.

I have received a disclosure document dated April 26, 2022 that included the following: Exhibit A – Family Fare Franchise Agreement with Exhibits; Exhibit B-1 – Store Directory/Listing of Current Franchisees; Exhibit B-2 – Listing of Certain Past Franchisees; Exhibit B-3 – Historical Initial Franchise Fees; Exhibit C – Financial Statements; Exhibit D – Federal and State Regulators and Agents for Service of Process; Exhibit E – Required Computer and POS Software and Hardware; Exhibit F – State Specific Addendum to Franchise Agreement and Franchise Disclosure Document; Exhibit G – Lease; Exhibit H – Consignment and Commission Agreement; Exhibit I – Car Wash Addendum; Exhibit J – Games of Skill Addendum; Exhibit K – Initial Franchise Fee Promissory Note and Security Agreement; Exhibit L – Sample General Release Agreement; Exhibit M – ACH/EFT Transfer Agreement; Exhibit N – Referral Program Participation Agreement; Exhibit O – Sample Agreement and Conditional Consent to Transfer; Exhibit P – Sample Disclosure Letter to Prospective Transferee; Exhibit Q – Addendum to Transferee Franchise Agreement; Exhibit R – First Addendum to Renewal Franchise Agreement Executed with New Franchise Agreement; Exhibit S – Renewal of Family Fare Franchise and Lease Amendment; (To Be Signed by a Renewing Franchisee In Lieu of Signing New Franchise Agreement in Franchisor's Discretion); Exhibit T – Limited Power of Attorney; Exhibit U – Statement of Prospective Franchisees; Exhibit V – Receipt

_____ Date

_____
Prospective Franchisee

_____
Printed name

Individually and as an officer, owner, and Operating Principal of _____, a corporation or limited liability company organized under the laws of _____.

Please sign this copy of the receipt, date your signature, and return it to FAMILY FARE, LLC, Franchise Administration Department, 4220 Neal Road, Durham, NC 27705.

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RECEIPT

This disclosure document summarized certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If FAMILY FARE, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive 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. Iowa requires you to you to receive this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this disclosure document 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If FAMILY FARE, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to the appropriate state agency listed on Exhibit D.

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☐	☐	☐	
M. LEE BARNES, JR. FAMILY FARE, LLC 4220 Neal Road, Durham, NC 27705 (919) 309-2925	VITHALBHAI CHAKLASIA VKay Realty 312 Northlands Drive Cary, NC 27519 (919) 621-3135	_____ _____ _____ _____	_____ _____ _____ _____

Issuance date: April 26, 2022

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_____ Date

_____
Prospective Franchisee

_____
Printed name

Individually and as an officer, owner, and Operating Principal of _____, a corporation or limited liability company organized under the laws of _____.

Please sign this copy of the receipt, date your signature, and return it to FAMILY FARE, LLC, Franchise Administration Department, 4220 Neal Road, Durham, NC 27705.

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