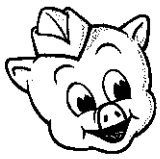

piggly wiggly
MIDWEST

FRANCHISE DISCLOSURE DOCUMENT

PIGGLY WIGGLY MIDWEST, LLC
2215 UNION AVENUE
SHEBOYGAN, WI 53081
(920) 457-4433
www.shopthepig.com

This franchise offering covers the right to establish and conduct a retail grocery store under the name "Piggly Wiggly" (a "Store").

The total investment necessary to begin operation of a Store franchise is estimated to range between approximately $1,171,000 and $7,489,000, this includes an estimated total amount of between $1,000,000 and $7,000,000 for the purchase of much of your opening inventory, equipment and leasehold improvements that typically must be paid to us.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **NOTE, HOWEVER, THAT NO GOVERNMENTAL AGENCY HAS VERIFIED THE INFORMATION IN THIS DOCUMENT.**

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

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 by calling 1-877-FTC-HELP or by writing to 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.

Date of Issuance: June 24, 2026

See State Cover Page for any particular state effective dates.

STATE COVER PAGE

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

Call the state franchise administrator listed in **EXHIBIT O** for information about the franchisor, or about franchising in your state.

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

Please consider the following **RISK FACTORS** before you buy this franchise:

FACTOR 1. THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO SUE PIGGLY WIGGLY MIDWEST, LLC ONLY IN THE FEDERAL DISTRICT COURT FOR THE EASTERN DISTRICT OF WISCONSIN OR THE SHEBOYGAN COUNTY CIRCUIT COURT IN WISCONSIN. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE PIGGLY WIGGLY MIDWEST, LLC IN WISCONSIN THAN IN YOUR HOME STATE.

FACTOR 2. THE FRANCHISE AGREEMENT STATES THAT WISCONSIN LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

FACTOR 3. PERIODICALLY YOU MAY HAVE TO CHANGE THE BUSINESS OR HOW YOU OPERATE THE BUSINESS, AND MAKE ADDITIONAL INVESTMENTS IN THE BUSINESS DURING THE TERM OF THE FRANCHISE IF WE MAKE CHANGES IN THE SYSTEM OR OPERATION STANDARDS.

FACTOR 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

EFFECTIVE DATES FOR STATE FRANCHISE REGISTRATIONS

The Effective Date, if any, of this Disclosure Document for the State of Wisconsin is June 24, 2026. The offer of this franchise is exempt from registration under the Illinois Franchise Disclosure Act pursuant to Section 8(a)(1) of that Act.

The registered agents for service of process and regulatory authorities in Wisconsin and Illinois are listed in **EXHIBITS N** and **O**, respectively.

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APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT.

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

To simplify the language in this disclosure document, the "Company" "we" and "us" means Piggly Wiggly Midwest, LLC ("PWM"), the franchisor. "You" means the person who is granted the franchise. If you are a corporation, partnership, limited liability company or other entity, certain provisions of the franchise agreement will also apply to your owners.

OUR BACKGROUND AND BUSINESS

We are a Wisconsin limited liability company whose principal business address is 2215 Union Avenue, Sheboygan, Wisconsin 53081. We offer a franchise for the operation of a grocery store under the name Piggly Wiggly®. Our registered agent, if any, in your state authorized to receive service of process is disclosed in **EXHIBIT N** to this disclosure document. We have no predecessors or affiliates that are relevant to the franchise.

We have been engaged in the wholesale food business since 1911 supplying merchandise and related services to retail food stores operated by independent parties. In addition, for many years we acted as the service organization for the predecessor to the Piggly Wiggly Company in connection with Piggly Wiggly franchises granted to food stores in eastern and central Wisconsin by the Piggly Wiggly Company. In that capacity, we supplied those stores with merchandise and services required under Piggly Wiggly Company's franchise agreements with those franchisees. We have been engaged in the operation of retail grocery stores under the Piggly Wiggly name since 1949.

We acquired the right to grant franchises under the Piggly Wiggly name in eastern and central Wisconsin, designated counties in northern Illinois and designated counties in the Michigan Upper Peninsula in August 1982. Our territory was expanded as of June 1998, and we now have the exclusive right to grant Piggly Wiggly franchises and operate Stores in the entire state of Wisconsin, designated counties in the Michigan Upper Peninsula, designated counties in northern Illinois, designated counties in southeastern Minnesota, and designated counties in eastern Iowa. Our Store franchise agreement with you (the "Franchise Agreement") is exclusively between you and us. See **ITEM 13** of this disclosure document for a discussion of our rights in this regard. We have offered franchises for retail grocery stores since 1982. We are the primary supplier to all of our franchised and corporate Piggly Wiggly Stores. We operate 11 of our 13 corporate stores through our subsidiary PW Retail Foods, LLC. We are also a wholesaler to a number of independently operated retail grocery stores in our market area and those sales accounted for approximately 5.14% of our FY 2025 net sales. We currently do not grant franchises in any line of business other than for the operation of Piggly Wiggly Stores.

A key part of our wholesale operations is the strong partnership between our franchised Stores and us established by our "Retail Program." This partnership, which results in a coordinated and integrated retail food distribution system that had approximately $1.22 billion in retail sales during the 52 weeks ended September 27, 2025, allows us to leverage the combined buying power of all of our franchised and corporate stores and deliver a powerful and effective promotional vehicle for our participating vendor partners. By operating in this manner, we are able to achieve superior performance compared to traditional wholesalers, which do not coordinate the promotions run by their customers.

Our franchisees, many of which own only one or two Stores, benefit from our Retail Program because it provides them with cost-effective administrative support services and financial resources that are associated with being a part of a large organization and are difficult for independent operators to replicate or obtain on their own. We believe that our Retail Program provides our franchisees with the support services, including retail performance counseling and supervision, and financial resources they need to operate efficient, contemporary stores that can compete with stores owned and operated by competitors with substantially greater resources, while retaining the independent retail ownership, entrepreneurial spirit and community involvement that we believe is an integral part of the success of many of our franchisees. Among the services that we currently provide to our franchisees are:

- retail performance counseling and supervision
- retail financial accounting
- preparation of store payrolls
- preparation of print, electronic and outdoor media advertising (including various point-of-sale materials)
- assistance in the selection and analysis of Store locations
- assistance with lease negotiations
- merchandise planning
- equipment selection and sourcing
- engineering services, including Store design, floor layout and facility project management
- retail technology implementation and support
- labor planning and scheduling
- product category supervision

In certain limited situations, we may also provide credit enhancements to certain qualified franchisees by (i) leasing the franchisee's Store premises and, in turn, subleasing the premises to the franchisee, generally under triple net lease agreements; (ii) guaranteeing a portion of the franchisee's bank borrowings; and/or making direct cash secured loans to the franchisee. We provide some of these services as part of the Retail Program, while other services are provided under a separate fee arrangement intended to cover our costs. In addition, our franchisees pay us certain fees determined by the retail sales of their Stores. We do not charge an initial fee to franchisees for granting a franchise.

Another goal of our Retail Program is to present all of the franchise stores identified with a common banner operating under a similar program. We do this by coordinating system wide promotions and other merchandising events in which all of our franchised and corporate Stores participate. For example, we generally control the selection of the majority of sale items at all of our Stores and produce and distribute weekly newspaper advertising inserts that for the most part

advertise the same items on sale at all of the Stores operated under the same banner. Other efforts that we undertake to present all of our Stores that operate under the same banner include:

- outdoor billboard advertising
- radio and internet advertising
- sponsorship of charitable events

Effective June 3, 2001, we reorganized our corporate structure by creating a holding company called Fresh Brands, Inc. ("Fresh Brands"), a Wisconsin corporation, through a plan of share exchange, whereby our then-existing shareholders automatically received one share of Fresh Brands common stock for every share of our common stock owned immediately prior to the reorganization. Fresh Brands then owned us as a separate, wholly-owned subsidiary. Fresh Brands' common stock was traded on the Nasdaq National Market System under the symbol FRSH. On June 16, 2001, a wholly-owned subsidiary of Fresh Brands, Dick's Supermarket's, Inc. ("DSI"), acquired Brodbeck Enterprises, Inc., the Platteville, Wisconsin-based operator of Dick's Supermarkets. DSI operated 8 Stores in southwestern Wisconsin and northwestern Illinois.

Our former parent, Fresh Brands, announced on February 27, 2006 that it had been acquired by, and merged with (the "Merger"), Certifresh Holdings, Inc., ("Certifresh Holdings"), a Delaware corporation, an affiliate of Certified Grocers Midwest, Inc. Trading in Fresh Brands common stock on the Nasdaq National Market ceased as of that date. As a result of the Merger, Certifresh Holdings became the parent company of Fresh Brands. Following the February 27, 2006 Merger, we further announced a subsequent Plan of Merger on October 16, 2007, whereby Certifresh Holdings was merged with and into Fresh Brands Foods, LLC ("FBF"). FBF was the surviving company in this latter merger.

Effective January 4, 2009, FBF and its subsidiaries, including FBDI, were reorganized into three legal entities. FBF and FBDI were combined into Piggly Wiggly Midwest, LLC ("PWMW"). DSI was merged into PW Retail Foods, LLC and, along with PW Trucking, LLC operated as a subsidiary of Piggly Wiggly Midwest, LLC.

On August 1, 2021, C&S Wholesale Grocers, LLC (fka C&S Wholesale Grocers, Inc.), through one of its subsidiaries, acquired substantially all of the assets of PWMW.

OUR FRANCHISE AND MARKET INFORMATION

Our franchised Stores range in size from 14,488 square feet to 59,987 square feet. Our corporate Stores range in size from 23,888 square feet to 56,665 square feet. Almost all of the Stores contain several perishable or specialty service departments, including:

- fresh and processed meat
- take-home entrees and snacks
- fresh fruits and vegetables
- fresh seafood
- delicatessen

- flowers and plants
- baked goods
- beer, wine and spirit sales

Stores typically provide money order services and lottery sales.

Several Stores also contain or provide one or more of the following:

- video rentals
- on-site banking services
- automated teller machines

COMPETITION

The wholesale and retail food industry is highly competitive. At the wholesale level, we compete with regional and national wholesalers, such as UNFI/Supervalu Inc., Associated Wholesale Grocers, Inc. and Certco, Inc. We believe that key competitive factors include the provision of the following services to franchised customers:

- advertising
- retail performance and supervision counseling
- accounting and financial services
- merchandising
- facilities engineering
- design and project management
- retail technology support

We believe that our distribution facilities and the wide range of support and marketing services provided to our Stores (including pursuant to the Retail Program) allow us to provide prompt and efficient, low-priced, high-quality products and important supplemental services to our Stores and other customers.

The degree of competition at the retail level varies with Store location. Most of our Stores compete primarily with local retail operators, virtually all of whom are affiliated with competing wholesalers through arrangements similar to those we have with our franchisees. In some of our Store locations, however, we also compete with national and regional retail chain stores, including Pick 'n Save, Woodman's, Sentry Food Stores, Sendik's, Festival Foods, Hy-Vee and Meijer's Supermarkets. Other competitors include the general merchandise, wholesale club and supercenter format stores, including Wal-Mart Supercenters, SuperTarget stores and Costco stores and limited assortment grocery stores, including Aldi and Sav-A-Lot stores. We believe that the principal retail competitive factors include:

- product quality and variety
- the quality of a Store's perishable product and service departments
- price
- Store location and appearance

We believe our Stores' emphasis on low-cost, high-quality products, community-based multi-media marketing and merchandising programs and a high degree of in-store customer service and friendliness provide our franchised and corporate Stores with a competitive advantage in many retail market areas.

BUSINESS REGULATIONS, SPECIFIC TO STORE OPERATIONS

If your Store will include bakery, deli or spirits departments, you will need special licenses or permits to operate these departments in most states. Also, you will need special licenses or permits to sell tobacco products and lottery tickets as well as special licenses or permits to participate in government programs such as food stamps and WIC.

ITEM 2. BUSINESS EXPERIENCE

Our executives who have management responsibility relating to our Store franchises are listed below:

	POSITION WITH COMPANY
Charlie Russell	Vice President, General Manager Mr. Russel joined C&S Wholesale Grocers, LLC. in August, 2024 as Vice President and General Manager. He worked for Cub Foods from 2019 to 2024, Supervalu from 2015 to 2019 and Target from 2010 to 2015.
Mark McGowan	Executive Vice President, Retail & Chief Merchandising Officer – Retail Operations, C&S Wholesale Grocers Mr. McGowan joined C&S Wholesale Grocers, LLC. in June, 2021 as Senior Vice President, Retail and General Manager. He currently holds the position of Executive Vice President, Retail & Chief Marketing Officer – Retail Operations. Prior to C&S, he worked for Ahold Delhaise from 1991 to 2019 and served as president of Stop & Shop and Ahold Delhaize USA's New England division, June 2015 to August 2019.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this disclosure document.

ITEM 4. BANKRUPTCY

No bankruptcy is required to be disclosed in this disclosure document.

ITEM 5. INITIAL FEES

INITIAL FRANCHISE FEE

There is no initial franchise fee or other initial payment for the franchise charged upon the signing of the Franchise Agreement.

PAYMENTS FOR STORE LAYOUT PLANS AND SERVICES

We will provide initial layout plans and services for your Store at a charge of $65/hour and you should expect that between 3 to 5 weeks will be necessary to provide the initial layout services. We reserve the right to change this hourly charge at any time. You will receive a credit for this charge against the charge for engineering services rendered in connection with any equipment ordered from us. The payment is not otherwise creditable or refundable. If you do not order the equipment from us, you will need to pay us for the layout services provided.

PAYMENTS FOR OPENING INVENTORY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Additionally, before opening your Store, as described in **ITEMS 7 and 8** of this disclosure document, you will purchase much of your opening inventory, equipment and leasehold improvements, as well as other items, from us. The cost of these purchases is estimated to range from between approximately $1,000,000 and $7,000,000. These amounts vary from Store to Store depending principally upon the size of the Store and are not refundable.

ITEM 6. OTHER FEES

TYPE OF FEE [1]	AMOUNT	DUE DATE	REMARKS
Continuing Piggly Wiggly License Fee based on gross sales	0.375% on the first $45,000 of gross sales for each four-week period0.25% on the next $339,615 of gross sales for each four-week period	Within 7 days of date billed after the close of each four-week accounting period	Late charge from the date payment was due, at a rate per annum equal to the prime rate as published from time to time by JPMorgan Chase Bank, N.A., plus 2%, compounded daily
Continuing Piggly Wiggly License Fee based on gross sales, cont'd	0.125% on all gross sales above $384,615 for each four-week period until such time as you achieve $25,000,000 in gross sales for the year in question 0.0625% on all gross sales in any year over $25,000,000 (2)	*Within 7 days of date billed after the close of each four-week accounting period*	*Late charge from the date payment was due, at a rate per annum equal to the prime rate as published from time to time by JPMorgan Chase Bank, N.A., plus 2%, compounded daily*

TYPE OF FEE [1]	AMOUNT	DUE DATE	REMARKS
Various Service Fees	Varies among the various services, and from time to time	Within 7 days of date billed	Same late charge as for license fee (3) See **ITEM 11**.
Pre-Construction Fee	$100 per project, plus $65 per hour for preparing designs and drawings	As per invoice	You may receive full credit for these fees, but only if you proceed with and complete the project. We reserve the right to adjust this fee upon 10 days' advance written notice to you.
Engineering Services Fee	4% of net cost of equipment, outside services and software purchased for your Store through us if the cost is $1,000,000 or more 5% of net cost of equipment, outside services and software purchased for your Store through us if the cost is between $500,000 and $999,999.99 6% of net cost of equipment, outside services and software purchased for your Store through us if the cost is between $100,000 and $499,999.99 7% of net cost of equipment, outside services and software purchased for your Store through us if the cost is under $100,000	As per invoice	We reserve the right to adjust this fee schedule upon 10 days' advance written notice to you
Used Equipment Package Surcharge	$50,000	Upon sale of used equipment package	This fee covers brokering a used equipment and fixtures package deal for your Store facilitating the sale of usable equipment, handling of excess equipment sale and cleanout. We reserve the right to adjust this fee upon 10 days' advance written notice to you.

TYPE OF FEE [1]	AMOUNT	DUE DATE	REMARKS
Construction Management Fee	5% of actual cost of building construction, equipment and all related site work for a Store project	Upon project completion	This fee is assessed for new Stores, additions to existing Stores and major remodels of Stores if we exclusively manage the project by arranging for the purchase of equipment, hire and supervise the subcontractors and coordinate the construction and installation of equipment. We reserve the right to adjust this fee upon 10 days' advance written notice to you.
Payments for Merchandise	Prices specified in our order catalog price lists and weekly price change bulletins	As per invoice	(4)
Sublease Payments	Up to 110% of all rent due under principal lease	5 business days before rent payment due under principal lease	See also "Additional Rent" below
Additional Rent	(5)	Within 7 days following written notification from us that additional rent is due	(5)
Consumer Preference Survey or Image Audit	Between approximately $4,000 and $7,000 per market analysis	Within 7 days of your receipt of our invoice	We typically retain unaffiliated third parties to perform a market survey.
Termination Fee	Varies in amount between 5 years and 3 years annual license fees. (6)	Due upon termination of franchise agreement	Termination fee due for termination by either party, except if termination is by reason of our default
Additional Consideration	Varies in amount	Due upon termination of Merchandise Supply Agreement	See **EXHIBIT L** for a form of Merchandise Supply Agreement
Taxes and Assessments	Varies	As prescribed by applicable governmental authority	(7)
Seminar Charges	Varies, but typically $50 - $1,000 per seminar for each participating Store	As incurred	Seminars are offered as determined appropriate

(1) Fees payable to us are not refundable. Fees payable to us are uniformly imposed on all franchisees subject to the offering in this disclosure document; however, we reserve the right to waive or reduce any such fees as circumstances warrant. Franchisees that purchased a franchise before the issuance date of this disclosure document may, in some cases, pay a different fee or a fee computed differently than is currently provided or may not be required to pay certain fees. Additionally, we make no representation that our fee structure will not change in the future. We may require you to pay any amounts you owe us (or our affiliate) by credit card, debit card, electronic transfer, automatic debit or other payment system or systems we designate, and you must sign the form we designate and take other actions required to comply with these payment systems.

(2) Gross sales means sales of merchandise of whatever nature made in all departments of your Store (including the proceeds realized from the sale of merchandise in the parking areas or in any vending machine maintained, or permitted to be maintained, by you located on or about the premises).

(3) Service fees include payment for, among other services, the electronic ordering equipment, shelf labels and case strips, camera-ready copy of newspaper and media advertisements, point of sale materials, television production, retail accounting services, retail scanning services and retail technology support services, direct store delivery, energy management, equipment maintenance services, refrigeration monitoring and electrical services. These fees will vary from time to time depending, among other things, upon the type and extent of the service then being provided.

(4) The prices for merchandise may include varying warehouse service charges/upcharges depending upon the type of merchandise. The upcharges include supervision and merchandising assistance.

(5) As additional rent under the sublease, you will pay to us on an annual basis an additional rent equal to five percent (5%) of the difference between (i) the agreed upon purchase percentage as defined in the sublease of the total goods sold at retail from your Store during the calendar year and (ii) the actual net purchases of goods by you from us and delivered to your Store during the calendar year. This additional rent shall not be payable, however, for any calendar year during which the net purchases of goods by you from us for your Store are equal to or greater than the agreed upon purchase percentage of the total goods sold by you at your Store (the "threshold level").

(6) *(a)* For a Franchise Agreement that has been in effect, including a Franchise Agreement that has been amended from time to time, for 5 years or less – license fees for 65 four-week periods;

(b) For a Franchise Agreement that has been in effect, including a Franchise Agreement that has been amended from time to time, for more than 5 years but fewer than 10 years – license fees for 52 four-week periods; and

(c) For a Franchise Agreement that has been in effect, including a Franchise Agreement that has been amended from time to time, for 10 years or more – license fees for 39 four-week periods.

For purposes of computing the termination fee, license fees for four-week periods are determined on the basis of the average sales of your Store for the 26 four-week periods preceding termination or such shorter period (computed on a four-week basis) as your Store was open for business. You are relieved of your liability for payment of the termination fee in the event we exercise our option to purchase your entire interest in your Store, together with all equipment, fixtures and merchandise at the fair market price thereof, less the amount of any encumbrances, liens, and conditional sales balances due. If we exercise our option and we are able to reach agreement with you as to the purchase and/or lease terms without recourse to arbitration, then you shall not be liable to us for the Termination Fee.

(7) You are typically required by the terms of the sublease for your Store to pay all real and personal property taxes and all assessments, general and special, levied or assessed against the land, building and other improvements comprising the Store. The amount of the payments varies, based on numerous factors, including the location and size of your Store, as well as the condition of your Store.

ITEM 7. ESTIMATED INITIAL INVESTMENT

The following table is an estimate of the total investment required to open a Store. Your actual investment and expenditures may vary considerably from the figures in the table set forth below depending upon many factors, such as location and type of the Store, whether the Store is freestanding or of the shopping center variety and then-current economic conditions.

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	ACTUAL OR ESTIMATED AMOUNT [1]	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE PAID
Initial Franchise Fee	-0-	N/A	N/A	N/A
Real Estate (2)	(2)	(2)	(2)	(2)
Store Layout Plans and Services (3)	$5,000 - $10,000	As incurred	Before opening	Us
Equipment and Improvements (4)	$600,000 - $6,000,000	(3)	Before opening	Us and various vendors
Opening Inventory	$400,000 - $1,000,000	As incurred	Before opening and as incurred	Us or approved vendors
Miscellaneous opening costs (5)	$20,000 - $50,000	As incurred	As incurred	Various vendors, utilities, etc.
Insurance (6)	$30,000 - $100,000	As incurred	Before opening	Insurance companies
Pre-opening advertising	$10,000 - $20,000	As incurred	Before opening	Various media
Market Analysis Charge	Between approximately $6,000 and $9,000 per market analysis	As incurred	As incurred	Us or approved vendors
Additional Funds - 3 months (7)	$100,000 - $300,000	As incurred	As incurred	Various vendors
TOTAL	**$1,171,000 - $7,489,000**			

(1) The amounts may vary significantly from Store to Store depending upon numerous factors including location, size, whether an existing Store is being purchased or converted or a new Store is being built and financing arrangements, if any.

(2) Stores generally range from approximately 25,000 to approximately 60,000 square feet and are either freestanding or located in shopping centers. Rent for a Store typically ranges between $5.00 and $12.50 per square foot.

(3) See **ITEM 5** for a discussion of layout plans and services.

(4) The estimated range of the cost of equipment (including installation and training), fixtures, other fixed assets, construction, remodeling, leasehold improvements and decorating costs varies considerably depending on the size and type of Store involved and, in the case of equipment, whether it is new, used or reconditioned.

(5) Includes pre-opening labor for set-up, training and stocking, as well as security deposits, utility costs, legal fees, etc.

(6) This represents a deposit premium to be paid up-front equal to 1-3 months' premium for property, liability and workers compensation insurance, plus payment for the first month's premium.

(7) Additional funds are an estimate of the funds needed to cover initial expenses during the first 3 months of operation including initial employee wages (not including any owner's draw or salary). These figures do not include rent, license fees or any debt service obligations you may have. These figures are only estimates based on our prior experience, and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for grocery products and services; the prevailing

wage rate; competition; and the sales and operational performance levels achieved during the first 3 months of operation compared to estimates in the operational projections.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

EQUIPMENT, FIXTURES, OTHER APPARATUS AND SOFTWARE

All fixtures, equipment, other apparatus (e.g., refrigeration units, shelving display units, lighting equipment, point of sale systems and supporting Store operations technology) to be used in your Store are subject to our approval. Specifications for the fixtures, equipment and other apparatus are mutually agreed upon between you and us and may differ depending upon the size and layout of the Store. Initial layout plans are furnished by us to you at a charge of between $5,000 and $10,000, as previously discussed under **ITEM 5** of this disclosure document. As discussed in **ITEM 6**, we provide electronic ordering equipment to you and the rental for such equipment is included as part of the merchandising service fee.

We generally suggest suppliers and do currently maintain criteria for approving suppliers. A supplier that is able to provide equipment, fixtures and other apparatus meeting the agreed upon criteria is treated as an approved supplier. Any modifications, additions or alterations to be made by you to the fixtures, equipment or other apparatus or to the premises, plans and specifications must first be submitted to us for approval. The approvals are handled in the ordinary course of business and there is no fee associated with the approval.

Agreement on any changes to the specifications for the fixtures, equipment, and other apparatus would typically be agreed upon within 30 to 45 days of our receipt from you of any request for a change. Any request for approval of a new supplier of products or services should be responded to with confirmation of approval or a denial within 30 to 45 days of our receipt of the request. Responses for approval or disapproval are handled on a case by case basis and will be responded to in writing via e-mail or by telephonic notification. Our method of responding depends upon the form of the request. For example, if we are both searching for a particular piece of refrigeration equipment that will require special manufacture, due to your store design, we may simply notify you when the equipment is located and that it will, or may be, ordered. A new supplier for a particular product, on the other hand, may be approved by written notice to all of our franchisees.

We reserve the right to specify the equipment supplier, including us, if you are receiving a Credit Enhancement, as defined and discussed at **ITEM 10** below.

PRODUCTS AND SUPPLIES

If you sublease your Store from us, operate under a supply agreement with us, or if we, in our sole discretion, (i) provide a Credit Enhancement, as defined and discussed at **ITEM 10** below; (ii) make significant economic accommodations for you and/or (iii) advance cash to you, you must purchase from us all, or an agreed upon percentage, of your merchandise requirements of those items for which we are a wholesaler, at prices comparable to those set forth in the price lists established periodically by us for the majority of our customers, provided, however, that the purchase requirement for any particular item or items shall be in effect and binding upon you only during the time(s) that the item(s) sold by us as wholesaler are of substantial equal quality and not priced materially higher than those items as are sold by competitors of ours. These

purchases will be approximately between 45% and 50% of the merchandise carried by you in your Store. We generally maintain a list of approved suppliers and do currently maintain criteria for approving suppliers. A supplier who is able to provide merchandise meeting the agreed upon criteria is treated as an approved supplier. Requests for approval are reviewed by us in the ordinary course of business and there is no fee in connection with such request. As a wholesaler of groceries, we negotiate purchase arrangements with suppliers for the benefit of all of our Stores, regardless of whether they are franchised or owned by us.

OTHER MATTERS

During fiscal year ended September 27, 2025, our revenue from net wholesale sales was $499.9 million. Approximately 74.93% of our revenues from net sales were derived from the sale of merchandise to franchised Stores and the franchisees' license fees based on gross sales. Other fees, such as the merchandising service fee and engineering fees are considered credits against operating expenses and, therefore, are not treated as revenues. We receive payments from vendors and others for services rendered or rights granted by us based on purchase volume by Company-owned and franchisee-owned Stores. These amounts are nonrevenue items and are credited against cost of goods sold and are used to develop and support our numerous merchandising, promotional and technical support programs. This information is developed from our internal accounting records.

Our officers may own an interest in a supplier that: (i) is held indirectly through a mutual fund, 401(k) plan or similar mechanism by which the officer does not have the ability to manage the ownership of individual company stock or other interests; or (ii) represents fewer than 1,000 units or shares of a vendor entity and less than 1% of the total outstanding equity interest in such supplier.

While we purchase substantially all of our private label items and fresh meats through Topco Associates LLC, a national purchasing cooperative, you will not be a member of Topco. Our franchisees are not members of any purchasing or distribution cooperative.

We do not provide material benefits, e.g., renewal or the granting additional benefits, to franchisees based on a franchisee's purchase of particular products or services or use of particular suppliers, but a franchisee must be in compliance with its Franchise Agreement at all times, including at the time to renew the Franchise Agreement.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

Principal Obligation under Various Agreements

Franchise Agreement = FA (EXHIBIT C)
Form of Sublease = SL (EXHIBIT D)
Form of Reimbursement Agreement = RA (EXHIBIT G)
Form of Dispute Resolution Agreement = DRA (EXHIBIT L)
Form of Personal Guaranty of Payments & Performance of Agreements = PGA (EXHIBIT G)
Form of Merchandise Supply Agreement = MSA (EXHIBIT M)
Form of Retail Technology System Agreement = RTA (EXHIBIT N)

OBLIGATION	SECTION OR PARAGRAPH IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
a. Site selection and acquisition/lease	FA §§ 5 and 7	ITEMS 5, 6 and 11
b. Pre-opening purchases/leases	FA § 7; SL ¶ 2; MSA ¶ 1; RTA § 1	ITEMS 5, 6 and 8
c. Site development and other pre-opening requirements	FA §§ 5, 7 and 10	ITEMS 5, 6, 7, 8 and 11
d. Initial and ongoing training	RTA § 5	ITEM 11
e. Opening	FA § 5	ITEM 11
f. Fees	FA §§ 12 and 17; SL ¶¶ 4, 5 and 6; RA §§ 4.7 and 6.8; MSA ¶ 2; RTA § 3	ITEMS 5, 6, 7 and 17
g. Compliance with standards and policies/operating manual	FA § 8; SL ¶¶ 3, 7, 8, 12 and 34; RA §§4.3 and 5.3; MSA ¶ 1	ITEM 11
h. Trademarks and proprietary information	FA §§ 4, 11 and 20; RTA § 4	ITEMS 13, 14 and 17
i. Restrictions on products/services offered	FA §§ 8, 14 and 22; SL ¶¶ 2, 3, 6, 7 and 12; MSA ¶1	ITEMS 8, 16 and 17
j. Warranty and customer service requirements	None	N/A
k. Territorial development and sales quotas	None	N/A
l. Ongoing product/service purchases	FA § 8; SL ¶ 2; RA § 1.3; MSA ¶ 1; RTA §§ 1.5 and 2	ITEMS 8 and 11
m. Maintenance, appearance and remodeling requirements	FA §§ 5, 7 and 8; SL ¶¶ 25, 26, 27, 28 and 29; RA § 4.4; RTA § 2	ITEM 11
n. Insurance	FA § 10; SL ¶ 16; RA § 4.1; RTA § 6	ITEMS 7 and 17
o. Advertising	FA § 8	ITEMS 6 and 11
p. Indemnification	FA §§ 21 and 27; SL ¶¶ 16, 29, 34 and 35; RA § 6.4; RTA § 6	ITEM 9
q. Owner's participation/ management/staffing	FA § 8; SL ¶ 17; RA § 6.10; see also PGA	ITEMS 11 and 15
r. Records/reports	FA § 9; RA §§ 4.5; SL ¶ 4; MSA ¶ 1	ITEMS 6, 9 and 11
s. Inspections/audits	FA §§ 8 and 9; SL ¶ 31; RA § 4.6; MSA ¶ 1	ITEMS 6, 9 and 11
t. Transfer	FA §§ 19 and 25; SL ¶ 14; MSA ¶ 5	ITEM 17
u. Renewal	FA §3; MSA ¶ 2	ITEM 17

OBLIGATION	SECTION OR PARAGRAPH IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
v. Post-termination obligations	FA § 20; SL ¶ 9; see also PGA; MSA ¶ 2; RTA § 10	ITEMS 15 and 17
w. Non-competition covenants	FA § 22	ITEM 17
x. Dispute Resolution	FA § 18; DRA-all	ITEM 17

ITEM 10. FINANCING

For discussion of Store subleases, see **ITEMS 6, 7, 9 and 17**.

The terms of any financing available to you will depend on factors such as the availability of financing generally, your credit worthiness, security available to the lender as well as on various other factors. You are responsible for obtaining any financing in connection with establishing and operating the Store.

Subject to restrictions in our borrowing agreements, we may, but are not obligated to, in certain situations (i) lease your Store premises and/or equipment and, in turn, sublease the premises and/or equipment to you, (ii) guarantee a portion of your bank borrowings and/or (iii) make certain accommodations and cash advances to you to enhance your working capital position in connection with the conversion of a store to a franchised Store (collectively "Credit Enhancements"). Instruments executed by you, your shareholders/members and/or guarantors in connection with Credit Enhancements typically include waivers of defenses and similar provisions. Attached are forms of a sample (i) Sublease **(EXHIBIT C)** which may be executed by you, (ii) Reimbursement Agreement **(EXHIBIT F)** which may be executed by you and your shareholders/members, (iii) Merchandise Supply Agreement **(EXHIBIT L)** which may be executed by you, and (iv) Personal Guaranty of Payments and Performance of Agreements **(EXHIBIT G)** which may be executed by your guarantors, typically your shareholders/members and officers. Also, attached is a form of Corporate Guaranty Agreement **(EXHIBIT H)** which is executed when the debtor and guarantor under the Corporate Guaranty Agreement are both affiliated (i.e., commonly owned or controlled) franchisees of Company. A form of Promissory Note **(EXHIBIT J)** is also attached and will be modified to fit the transaction for which it is being used. Any, all, or none of these instruments may be used in connection with a Credit Enhancement. Credit Enhancements, if any, are subject to review and approval of our management and the instruments used in connection with such transactions may vary substantially from the attached samples. We may, at our option, cease providing Credit Enhancements or modify the foregoing terms and conditions of the instruments used in connection with a Credit Enhancement. We also may, at our option, sell, assigned or discount to a third party any notes, contracts or other instruments executed by a franchisee. We receive no payment from any person (e.g., a lender) in connection with placement of any financing, but reserve the right to do so in the future.

Any Promissory Note will be secured by such collateral as we may require. As applicable, interest will accrue daily on the outstanding principal amount of the Promissory Note, and on any past due and unpaid interest on the Promissory Note. When applicable, we typically set a per annum rate equal to the announced prime lending rate of JPMorgan Chase Bank, N.A., plus 2% (¶ 2 of **EXHIBIT J**). Interest, including any interest on past due but unpaid interest, is due and payable monthly in arrears on the first day of each payment period (¶ 2 of **EXHIBIT J**). The principal amount is typically paid in equal monthly installments pro-rated over the term of the Promissory Note and such principal and interest are due and payable on the first day of each

payment period (¶ 3 of **EXHIBIT J**). Principal and any accrued interest may be prepaid in whole or in part at any time, or from time to time, without premium, penalty or charge (¶ 4 of **EXHIBIT J**). If the maker of the Promissory Note fails to make any payment provided for in the Promissory Note within 5 days after the payment is due, the principal amount of the Promissory Note and the accrued interest may, by delivering written notice thereof to the maker, be declared immediately due and payable (¶ 6 of **EXHIBIT J**). The maker waives presentment, demand, notice of dishonor and protest, and must pay all costs of collection, before and after judgment, including attorneys' fees and legal expenses (¶ 7 of **EXHIBIT J**).

We may, in connection with financing in which we are involved, obtain a security interest in all of your equipment, fixtures, inventory, as well as other tangible and intangible assets. Upon default under the General Business Security Agreement (a form of which is attached as **EXHIBIT I**), we may, without notice or hearing, repossess the collateral, and you are responsible for all of our expenses in connection therewith.

If you and your stockholders/members have entered into a Dispute Resolution Agreement with us, **EXHIBIT K** to this disclosure document, we have the right, but not the obligation, in the case of certain disputes between either (i) the Company and one or more of your stockholders/members or (ii) your stockholders/members to cause the purchase of all of such stockholder's/member's equity stock by you and/or your remaining stockholders/members. In this case, we may finance the purchase of the stock/membership interest. The selling stockholder/member must execute a promissory note on a form prescribed by us (see for example, **APPENDIX I** to **EXHIBIT K**, referred to herein as **EXHIBIT "K-I"**) and the promissory note will be secured by a pledge of all of the stock/membership interest purchased by you or your remaining stockholders/members (as the case may be) in the transaction. If the purchasers in the transaction are your remaining stockholders/members, then each such remaining stockholder/member must personally guarantee the promissory note (¶ 5 of **EXHIBIT K-I**). See the discussion in this **ITEM 10** on the general form of Promissory Note, **EXHIBIT J**, for other conditions that may be included in the promissory note executed in connection with the Dispute Resolution Agreement.

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

PRE-OPENING OBLIGATIONS

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

Prior to commencement of operations of the Store, we will satisfy the following obligations required by the referenced sections of the Franchise Agreement (**EXHIBIT B**):

(a) Assist you with a site potential survey (§ 6)

(b) Provide construction management services (§ 6)

(c) Provide Store layout services (§ 6)

(d) Assist with equipping the Store (§ 6)

(e) Assist with grand opening preparation (§ 6)

(f) Provide Store setup (§ 6)

(g) Provide the retail technology and operations system (§ 6)

(h) Provide merchandising assistance (§ 6)

The level and extent of assistance provided in connection with such obligations will vary depending upon whether the assistance is being provided in connection with construction and opening of a new Store, the remodeling of an existing Store or the conversion of a grocery store to a Piggly Wiggly Store.

METHODS USED BY THE COMPANY TO SELECT THE STORE LOCATION

Franchises are granted for specific Store locations. Typically, the site for your Store will be selected and approved before you sign the Franchise Agreement. The location is selected by you with our assistance. You must obtain and pay for an independent market analysis survey. In providing assistance, the Company's representatives may review available information including population statistics, census data, traffic patterns, approaches and visibility from access highways, availability of parking, trends in residential and industrial development and an analysis of competitive store facilities.

LENGTH OF TIME BETWEEN SIGNING OF FRANCHISE AGREEMENT AND OPENING OF STORE

The length of time between the signing of the Franchise Agreement or the first payment of any consideration to us, whichever occurs first, and the opening of your Store can vary depending upon whether the Store is a new building to be constructed or the conversion of an existing retail operation.

CONTINUING OBLIGATIONS

During the operation of the Store, we will satisfy the following obligations required by the referenced sections of the Franchise Agreement (**EXHIBIT B**):

(a) Consultation and advice with respect to Store operations (§ 6)

(b) Merchandising and advertising services (§ 6)

(c) Maintain the retail technology and operations system (§§ 6 and 8)

Although not bound to do so by the Franchise Agreement, we make available engineering services and, in connection with those services, you may purchase equipment through us. Your use of engineering services and purchases of equipment from us, however, may be required as a condition of any Credit Enhancement. The level of continuing engineering services offered by us may be reduced or completely discontinued at any time in our sole and absolute discretion.

If you and your stockholders or members have entered into a Dispute Resolution Agreement with us, we are obligated to act as an arbitrator of any dispute, controversy or claim between your stockholders/members arising out of or relating to your operation of the Store or your inability to take action required to meet your obligations under the Franchise Agreement

due to impasse among your stockholders/members. Additionally, in connection with resolving any such dispute we have the right, but not the obligation, to cause the purchase of all such stockholder's equity stock or member equity by you and/or your remaining stockholders/members. (See Section 1 of the Dispute Resolution Agreement (**EXHIBIT K**) and **ITEM 10** of this disclosure document for additional details.)

ADVERTISING PROGRAM

We maintain and administer a complete advertising/marketing program, including newsprint insert production, outdoor advertising, television/radio/internet advertising, and specific target event marketing and advertising. Currently, with internal staff, we provide a completely produced weekly newspaper insert, and negotiate and assemble complete print and distribution programs with outside vendors, when necessary and as available. You will pay for your own newspaper insert print and corresponding distribution costs and you will determine the market coverage. Electronic media (television/radio) and outdoor board advertising is provided by us to Stores in most markets. The outdoor program provides both image advertising and vendor-supported programs. We also support a website upon which all franchised and corporate Stores are listed. This website gives the shopper instant access to information on weekly specials and other promotions. Advertising and marketing is continually created, developed and refined by us while certain creative media placement and fulfillment may be provided by external regional agencies. We control all advertising obtained through the outside regional agencies. There is no advertising council composed of franchisees that advises us on advertising policies and you will not be required to participate in any local or regional advertising. We are not required to spend any amount on advertising in any particular area or territory. You may use your own advertising material, but it may only be used in a manner approved in advance by us.

RETAIL TECHNOLOGY SYSTEM

You are required to participate in our Retail Technology System ("RTS"), featuring an integrated Store and headquarters support technology system, supported by a communications network for both data and voice, in order to achieve the benefit of our marketing, operational and services support program (Franchise Agreement, §§ 7 and 8). RTS encompasses a number of applications, including point of sale (POS), item file support, electronic loyalty marketing, electronic time and attendance with labor scheduling, networked electronic store scales, electronic direct store delivery (DSD) tracking and reporting, electronic funds transfer, electronic journal of POS transactions, electronic reporting of accounting data, and enhanced transferring of data and information between store operations and support level personnel.

The hardware system upon which the POS software will run is part of our RTS. The hardware currently includes NCR cash register terminals and compatible card swipe devices. A Store will also typically have at least two computers using Intel chips and two high-speed printers. The specifications for the computers must correspond with size and needs of the Store. The cost of this system is included in the Equipment and Improvements disclosure in the **ITEM 7** Estimated Initial Investment table.

The electronic loyalty marketing program, for example, supports the Store issuance of system wide weekly and monthly advertised savings via the Company's Piggly Wiggly Rewards Program along with customized store specific PIG Deal rewards through the RTS front end program. Our loyalty marketing program is supported by strong media programs including print,

outdoor and internet advertising, television, radio and a host of in-store elements. The combination of these elements provides a clear, consistent message to our customers of competitiveness and value. The loyalty marketing data base system hosted by AppCard provides Stores with valuable information about their customers. It is mandatory that you execute the Master Retail Technology System Agreement disclosed in **EXHIBIT M** to facilitate implementation of the retail technology system with the ability to communicate with our headquarters along with the ability to deliver all consumer related offers, incentives and rewards related to electronic loyalty marketing.

We are the integrator of the RTS which is specifically and uniquely designed to support the Piggly Wiggly brand. As system integrator, we take the various components of the RTS which include computer hardware, specific off-the-shelf operating system and application software, Company-authored software programs and electronic communication between us and each Store and within each Store and make them work as one unified system. Certain functions of the RTS are accessed from hardware located in the store while other functions of the RTS are accessed from hardware located within headquarters support. Substitute components for certain components of RTS may be available, but must be approved by us only after testing of such components by headquarters support to ensure the overall integrity of the RTS is not impaired, and such approval is available only in extraordinary circumstances. We maintain, repair, upgrade and update all components of the RTS and the charges to you associated with such services are typically are in the range of $750 - $1,500 per four-week period. This range will vary from time to time, including increases to the high-end of the range. You are required to participate in maintenance, upgrade and updates and there is no contractual limitation on the amount of the charges or frequency of such maintenance upgrades and updates (Franchise Agreement, §§ 5, 6, 7 and 8). We may discontinue this service at any time. We have independent access to the information and data generated by and through the RTS and there are no contractual limitations on the Company's right to access the information and data. However, as is our policy, we do not share store specific data or information with other franchises.

OPERATING MANUALS

We do not have a formal manual pertaining to Store operations, but rather provide our franchisees with guidance and instructions on Store operating matters on an as-needed basis.

TRAINING PROGRAM

There is no formal training program offered to franchisees. While we would strongly prefer that franchisees and key operating management of a Store have previous experience in grocery operations, including customer and employee relations, we will consider highly qualified prospects with other backgrounds as possible franchisees.

The assistance of our field representatives is made available to you in opening your Store, and the services described above are furnished to you to aid you in conducting your business. Field representative training assistance provided to you following the opening of your Store is typically furnished on an hourly charge basis. As of September 27, 2025, that hourly charge was $65.00/hour (plus expenses) per field representative, but we reserve the right to adjust that charge at any time. Bulletins and other publications will be mailed to you periodically to keep you advised of current developments in the grocery industry.

RETAIL ADVISORY BOARD

We have set up a Piggly Wiggly Owner Association Board ("PWOAB") consisting of 9 franchisees and several of our key management personnel. The franchisee members of the PWOAB are elected by the franchisees for terms of 3 years. The PWOAB provides suggestions or recommendations to us, which are not binding on us. The PWOAB can suggest an agenda for meetings and we can solicit their views on various subjects.

ITEM 12. TERRITORY

Franchises are only granted the right to operate a Store at the specific location as identified by street address in Appendix I of the Franchise Agreement (**EXHIBIT B**). You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we or our affiliates control. For example, we may establish other franchised or Company-owned Stores or other outlets using the Piggly Wiggly name and system or another name and system that may compete with your location, and, as a wholesaler of grocery products, we may sell groceries and related items to retail grocery stores or other customers located anywhere, including retail grocery stores that compete with your Store. The Franchise Agreement does not give you any right to relocate your Store.

As described in **ITEM 1**, we are engaged in the operation of retail grocery stores under the Piggly Wiggly mark (a service mark which we are entitled to use and license others to use under the "Master Agreement" with Piggly Wiggly, LLC as successor in interest of Piggly Wiggly Company and those that have succeeded to Piggly Wiggly Company's interest under the Master Agreement (collectively "PWLLC") described in **ITEM 13**). Your Franchise Agreement is with us, however, not with PWLLC.

PWLLC is an affiliate of C&S Wholesale Grocers, LLC. ("C&S"), one of the nation's largest food wholesalers. Neither PWLLC nor any of its affiliates, including C&S, are prohibited under the Master Agreement from establishing in the territory covered by the Master Agreement any stores in competition with your Store, other than under the Piggly Wiggly and Sav-U marks and, as explained in **ITEM 13**, below, if at any time we have fewer than 40 Stores operating in our territory under the Piggly Wiggly or Sav-U marks, then PWLLC may open franchised or Company-owned grocery Stores under the Piggly Wiggly or Sav-U marks in the territory, including grocery stores that may compete with your Store.

ITEM 13. TRADEMARKS

Under the Piggly Wiggly Franchise Agreement (**EXHIBIT B**) you are granted the right to do business under the name Piggly Wiggly. This name and the identifying symbol on the front cover of this disclosure document, as well as various other names and symbols listed below, are service marks or trademarks owned or controlled by Piggly Wiggly, LLC and registered with the U.S. Patent Office (the "Principal Marks"). The Principal Marks are registered on the Principal Register as follows:

(1) Registration No. 921,717 of the Pig Design, for retail grocery store services, issued October 5, 1971, amended June 26, 1984, is incontestable and has been renewed.

(2) Registration No. 921,719 of PIGGLY WIGGLY®, for retail grocery store services, issued October 5, 1971 is incontestable and has been renewed.

(3) Registration No. 933,394 of PIGGLY WIGGLY® THE ORIGINAL SELF SERVICE & Pig/Circle Design, for retail grocery store services, issued May 2, 1972 is incontestable and has been renewed.

We also grant you the right to use certain trademarks that we own provided that you carry the goods and services to which the trademark relates and that the trademark is used only in accordance with the Franchise Agreement.

There are no pending determinations of the U.S. Patent and Trademark Office, the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding or pending material litigation involving the Principal Marks which are actually known to us.

We acquired the right to grant franchises under an agreement with Commodores Point Terminal Corporation which assigned to us in August 1982 all rights of Commodores Point Terminal Corporation under an agreement between it and the former Piggly Wiggly Corporation, the then owner of the rights to the Piggly Wiggly trademarks, some of which are described above (the agreement between Commodores Point Terminal Corporation and the former Piggly Wiggly Corporation as assigned to the Company is hereinafter referred to as the "Master Agreement"). The Master Agreement was amended in June 1998 to, among other things, add additional territory to that granted in the original Master Agreement.

Under the amended Master Agreement, our right to grant Piggly Wiggly franchises is limited to the entire state of Wisconsin, designated counties in the Michigan Upper Peninsula, designated counties in northern Illinois, designated counties in southeastern Minnesota and designated counties in eastern Iowa. Our right to grant franchises is exclusive except that if in the foregoing territory there are less than 40 stores being operated under the Piggly Wiggly and other service marks covered by the amended Master Agreement, PWLLC has the right to operate for its own account or to franchise Piggly Wiggly grocery stores, as well as grocery stores under the trademark Sav-U, in the territory.

The amended Master Agreement is of unlimited duration and does not contain any specific provision covering its termination by PWLLC. The amended Master Agreement may be terminated by us upon 90 days notice to PWLLC. The only material operating obligation imposed on us by the amended Master Agreement is that the Stores operated or franchised using the Piggly Wiggly mark, or any other mark authorized by the amended Master Agreement must comply with the standards imposed on store operators in the Piggly Wiggly system. As discussed in **ITEM 1** of this disclosure document, we have operated our own food Stores under the Piggly Wiggly mark since 1949; in addition, for many years prior to its acquisition of rights to franchise under the Piggly Wiggly mark, we acted as the then Piggly Wiggly Corporation's service organization for Piggly Wiggly food stores in Eastern and Central Wisconsin. As a result of these activities, we have had significant experience in conforming to and administering the standards required by the Piggly Wiggly system.

You must use the Principal Marks and any related marks in full compliance with rules prescribed from time to time by us. In the event of termination of the amended Master Agreement, your Franchise Agreement with us would not terminate but you may be required to immediately discontinue the use of the name Piggly Wiggly, all trade names, trademarks, service marks and other rights associated with the Piggly Wiggly name and take other appropriate action.

You must promptly notify us if you become aware of any unauthorized use of the Principal Marks by other persons. While we have no obligation to do so under the Franchise Agreement, it is our intention to assist franchisees in protecting the rights of the franchisee to use the Principal Marks which are granted by the Franchise Agreement and to assist you in defending against claims of infringement or unfair competition with respect to same. However, all questions of enforcing rights in the foregoing will be controlled exclusively by the Master Franchisor, PWLLC. PWLLC is not obligated under the Master Agreement to protect your rights to use the Principal Marks. There are no infringing uses actually known to us which could materially affect your use of such trademarks, service marks, trade names, logotypes or other commercial symbols.

We may change or modify the Piggly Wiggly system, including the adoption and use of new, modified or substitute trade names, trademarks, service marks or copyrighted materials. You must accept, use and display any such changes in the Piggly Wiggly system, including new, modified or substitute trade names, trademarks, service marks or copyrighted materials, as if they were a part of the original Franchise Agreement. You must make such expenditures as such changes, modifications or substitutions may reasonably require, and do so within a reasonable time of notification by us.

ITEM 14. PATENTS, COPYRIGHTS AND PROPIERTARY INFORMATION

No patent rights or registered copyrights are presently owned or licensed by us that are material to the franchise.

Our manuals, systems and materials, including those related to retail technology support, product promotion and product ordering are proprietary and you may only use these materials in connection with the operation of your Store, and then only in the manner prescribed by us. You have no other right to use these materials.

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

The Franchise Agreement does not obligate you to participate personally in the direct operation of the Store, but we typically do not grant franchises to passive franchisees.

Your shareholders, members and officers, and their respective spouses, or other persons required by us, must jointly and severally guarantee the full and punctual payment by you of all sums and charges payable to us for our benefit under the Franchise Agreement or any other agreement with us, (e.g., a Reimbursement Agreement), as well as the complete and timely performance by you of all of the terms and conditions in the Franchise Agreement and other agreements.

Our form of Sublease requires that the "Guarantor," who typically are the shareholders/members and officers of the sublessee and/or other persons designated by us, do the following: (i) jointly and severally guarantee the full and punctual payment of all rent and all other charges to be paid by the sublessee under the Sublease and the performance by sublessee of all the terms, covenants and conditions of the Sublease and (ii) continue its [i.e., the Guarantors'] existence, condition and creditworthiness at least as good as existed at the time of execution of the Sublease and the Guaranty.

You and each of your stockholders or members may be required to enter into a Dispute Resolution Agreement with us. The Dispute Resolution Agreement gives us a right to implement a mechanism for resolving disputes between two or more of your owners. See the discussion of the Dispute Resolution Agreement at **ITEMS 10 and 11** of this disclosure document for additional discussion, as well the Dispute Resolution Agreement (**EXHIBIT K** to this disclosure document).

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are limited to the operation of a retail store from the premises under the name Piggly Wiggly, pursuant to a franchise agreement with us. You are permitted to sell any merchandise customarily sold in retail Stores that meets our standards, including non-food items. There are no limitations on the customers to whom you may sell such merchandise.

If you sublease the Store premises from us, enter into a Reimbursement Agreement with us or enter into a Merchandise Supply Agreement with us, you must purchase from us virtually all of your merchandise requirements of those items for which we are a wholesaler, at prices comparable to those set forth in the price list established periodically by us for the majority of our customers, provided, however, that the purchase requirement for any particular item or items shall be in effect and binding upon you only during the time(s) that such item(s) sold by us as a wholesaler are of substantially equal quality and not priced materially higher than such item(s) as are sold by our competitors.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

These tables list certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

FRANCHISE AGREEMENT

This table lists important provisions of the Franchise Agreement relating to the renewal, termination, transfer and resolution of disputes pertaining to your franchise. The discussion in this table is qualified in its entirety by the full text of the Franchise Agreement.

PROVISION	SECTION IN AGREEMENT	SUMMARY
a. Term of the Franchise	§ 2	Term is equal to term of any sublease with us for the Store premises. If you do not sublease the Store premises from us, the term of the Agreement will correspond with the term of the Merchandise Supply Agreement with us. New franchise agreement may be required if there is a "material change" as defined in § 23 of the Franchise Agreement.
b. Renewal or extension of the term of the Franchise	§ 3	Additional terms equal to renewal terms of any sublease with us for the Store premises. If you do not sublease the Store premises from us, the renewal term of the Agreement will correspond with the renewal or extension term of the Merchandise Supply Agreement.
c. Requirements for you to renew or extend your Franchise	§ 3	You must notify us of your intent to renew at the same time that you are required to notify us of your intent to renew your sublease with us for the Store, if you do not have such a sublease with us, then at least 180 days in advance of the expiration date of the Franchise Agreement and concurrently therewith renew your Merchandise Supply Agreement with us. Additionally, you must be in full compliance with the Franchise Agreement, retain possession of the Store premises, meet our then current Store standards, and execute a release, new franchise agreement and any other agreements that we may require.
d. Termination by you	§ 15	You may terminate if we default under the Franchise Agreement and do not correct the default within 60 days after written notice.
e. Termination by us without cause	None	N/A
f. Termination by us with cause	§ 14	We may terminate for the reasons set forth in the Franchise Agreement, including §§ 5, 14 and 16 of the Franchise Agreement.
g. "Cause" defined - defaults which can be cured	§ 14	You have 30 days to cure most violations of the Franchise Agreement after notice.
h. "Cause" defined - defaults which cannot be cured	§ 14	Noncurable defaults repudiation of the Franchise Agreement; insolvency or bankruptcy or similar event; breach, rescission or default by you or any of your owners under any other agreement with us; a change in control of the franchisee or an affiliate without consent; an act that would materially impair our goodwill associated with the Piggly Wiggly system.
i. Your obligations on termination/nonrenewal	§§ 20 and 17	Discontinue use of name; de-identify premises; change corporate or firm name, if necessary; return manuals; pay termination fee if required by us.
j. Assignment of contract by us	§ 25	No restriction on our right to assign.
k. "Transfer" by you – definition	§ 25	Includes the sale, assignment, pledge, hypothecation or transfer of your corporate stock or other ownership interest so as to change controlling interest in you.
l. Our approval of transfer by you	§ 19	We must approve all transfers. We may void any transfers that violate this requirement.

PROVISION	SECTION IN AGREEMENT	SUMMARY
m. Condition for our approval of transfer	§ 19	Transferee must meet our approval and execute new Franchise Agreement, Personal Guaranty and other related agreements. Transfer must be for continued operation of the Store.
n. Our right of first refusal to acquire your business	§ 18	See discussion corresponding with "our option to purchase your business," below.
o. Our option to purchase your business	§ 18	In the event you are terminated pursuant § 14 of the Franchise Agreement, we have the option to purchase your Store, together with all equipment, fixtures and merchandise at the fair market price, less the amount of any encumbrances, liens or conditional sales balances, as well as all other amounts due us or any affiliate.
p. Your death or disability	§ 25	Any transfers due to death or disability must be approved by us.
q. Non-competition covenants during the term of the franchise	§ 22	You may only operate retail food Stores franchised and serviced by us and you may not engage, directly or indirectly, in the operation of any other type of retail food store or have any ownership interest therein.
r. Non-competition covenants after the franchise is terminated or expires	§ 22	If we exercise our option to purchase your interest in the Store, you may not, either directly or indirectly, engage in the retail grocery business at any location within a radius of 7 miles of your Store for a period of 2 years from the date of termination.
s. Modification of the agreement	§ 31	Agreement may not be modified, except by written agreement signed by both parties.
t. Integration/merger clause	§ 30	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	§ 18	Disputes regarding fair market price in connection with our purchase of your Store are subject to arbitration if agreement cannot otherwise be reached.
v. Choice of forum	§ 28	Federal District Court for the Eastern District of Wisconsin or Sheboygan County Circuit Court. See State Addenda.
w. Choice of law	§ 28	Wisconsin. See State Addenda.

OTHER AGREEMENTS

This table lists important provisions of other agreements related to the franchise. The discussion in this table is qualified in its entirety by the text of the various agreements cited in

this table. The various agreements are cited only when provisions are on point. Each provision does not appear in every agreement.

Form of Sublease = SL (EXHIBIT D)
Form of Reimbursement Agreement = RA (EXHIBIT G)
Form of Dispute Resolution Agreement = DRA (EXHIBIT L)
Form of Merchandise Supply Agreement = MSA (EXHIBIT M)
Form of Retail Technology System Agreement = RTA (EXHIBIT N)

PROVISION	SECTION OR PARAGRAPH IN AGREEMENT	SUMMARY
a. Term of the agreement	SL ¶ 1 (term of sublease); MSA ¶ 2; RTA § 8	SL = Term of the sublease is the same as the term of principal lease. MSA = To be determined between you and us. RTA = Earlier of termination as provided in RTA or termination of Franchise Agreement.
b. Renewal or extension of the term	SL ¶ 10; MSA ¶ 2	SL = Any such right is subject to requirements of SL ¶ 9. MSA = Five years.
c. Requirement for you to renew or extend	SL ¶ 10; MSA ¶ 2	SL = Notify us at least 2 months prior to the last day that advance notice of intent to renew, if any, must be given under the principal lease. Option is available only if at the time you wish to exercise the option you are solvent, have a positive net worth and have operated your Store at a profit during the past two consecutive fiscal years. MSA = Agreement renews automatically for an additional five year term unless either party advises the other party in writing at least six months prior to the anniversary date that the notifying party does not wish to renew the agreement.
d. Termination by you	None	N/A
e. Termination by us without cause	None	N/A
f. Termination by us with cause	SL ¶ 9; RA, Art. V; MSA ¶ 2; RTA § 10	We may terminate if you default.
g. "Cause" defined - defaults which can be cured	SL ¶ 9; MSA ¶ 2; RTA § 10	SL = You will have 30 days to cure most violations of the sublease after notice. MSA = You will have 30 days to cure the default. RTA = Payment or performance default may be cured within 10 days.

PROVISION	SECTION OR PARAGRAPH IN AGREEMENT	SUMMARY
h. "Cause" defined - defaults which cannot be cured	SL ¶ 9; RA Art. 5; RTA § 10	SL = Default on any payment to or for the benefit of sublessor; default on any nonpayment provision of the sublease which continues uncured for 20 days after notice; default on any other agreement with sublessor; file or have a petition for bankruptcy filed against you; be declared insolvent or have a receiver appointed for your property; or make an assignment for the benefit of creditors. RA = Payment defaults, defaults under Articles 3 or 4 of RA which continue for a period of 5 days after written notice to cure; defaults under any other agreements, covenants, conditions or provisions of the RA or any other agreement comprising the Credit Enhancement Facility which continue for a period of 30 days after written notice; occurrence of other numerous events of default listed in Article 5 of the RA. RTA = Insolvency; bankruptcy; Store closing, default under third party software license; you render hardware or software inoperable; unauthorized assignment; violate ownership rights in software.
i. Your obligations on termination/nonrenewal	SL ¶¶ 9 and 13; MSA ¶ 2; RTA § 10	SL = Return the premises to sublessor; if requested, sell inventory at cost to sublessor; remain bound for the full term of the sublease by all requirements, obligations, prohibitions and liabilities including the obligation to pay rent, including additional rent. Additionally, you are liable for liquidated damages at twice the rental amount required by the sublease for the period between the date of default and the date sublessor recovers the premises. MSA = You may owe us additional consideration pursuant to ¶ 2(c) of the MSA. RTA = Remove software and hardware.
j. Assignment of contract by us	SL ¶ 32; MSA ¶ 8	SL = Permitted. MSA = Permitted to our Affiliates without your consent; otherwise, we need your prior written consent.
k. "Transfer" by you - definition	SL ¶ 14; RTA § 4	Includes subleasing and assignments. RTA= No assignment permitted.
l. Our approval of transfer by you	SL ¶ 14; MSA ¶ 8	We must approve all transfers.
m. Condition for our approval of transfer	SL ¶ 14	Landlord must consent, release sublessor from all personal liability on the principal lease and amend the principal lease to include a nonrecourse or exculpatory clause which confines our personal liability thereon to loss of our right, title and interest as tenant under the principal lease and its right, title and interest as sublessor under the sublease.

PROVISION	SECTION OR PARAGRAPH IN AGREEMENT	SUMMARY
n. Our right of first refusal to acquire your business	None	N/A
o. Our option to purchase your business	RA Art. 5	In the event of a default that does not require us (PWM) to pay under the Credit Enhancement Facility, we have the option to purchase all or part of your assets at current book value.
p. Your death or disability	No specific provision	N/A
q. Non-competition covenants during the term of the franchise	None	N/A
r. Non-competition covenants after the franchise is terminated or expires	None	N/A
s. Modification of the agreement	RA § 6.9; DRA ¶ 3.7; MSA ¶ 18; RTA § 20	Modifications must be in writing signed by both parties.
t. Integration/merger clause	RA § 6.9; DRA ¶¶ 3.7 and 3.9; MSA ¶ 17; RTA § 20	Only the terms of the agreement are binding. There are no other agreements.
u. Dispute resolution by arbitration or mediation	DRA ¶ 1.1	Stockholder disputes settled by arbitration in Sheboygan, WI
v. Choice of forum	RTA § 12	Wisconsin. See State Addenda.
w. Choice of law	SL ¶ 38; RA § 6.3; DRA ¶ 3.6; MSA ¶ 15; RTA § 12	SL = Law of the state where the premises is located; RA = Wisconsin; DRA = Wisconsin; MSA = Wisconsin; RTA = Wisconsin. See State Addenda.

ITEM 18. PUBLIC FIGURES

We do not use public figures to sell the franchises.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in this **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.

PARTICULARIZED OPERATIONAL PROJECTION

We do not believe that analysis of the actual sales, profits or earnings of other Stores is as meaningful to prospective franchisees as projections based, to the extent possible, on factors relevant to a particular proposed Store and location. The potential costs, financial needs, investment, sales, expenses (including debt service), earnings/losses and cash flows of any Store at any particular location depend on many factors, including, but not limited to, the size of the Store; the population, demographics, extent and nature of existing competition, food consumption patterns, economic conditions, income levels and public awareness of the Piggly Wiggly name in the market to be served; traffic patterns and accessibility and visibility of the Store site to traffic; achievable gross margins in the competitive environment of the particular Store; occupancy costs; labor rates; advertising costs; and financing costs. Accordingly, we will not grant a franchise to any prospective franchisee until that prospective franchisee has met with us and worked with us to develop a particularized forecast of sales, earnings and cash flow based, to the extent possible, on factors that will apply to a particular Store and location (the "Particularized Projection").

The Particularized Projection we will require is based on three elements: (1) projected gross revenue; (2) projected gross margins; and (3) projected operating costs.

Projected gross revenues will be estimated on the basis of a market analysis which may include internal and external data used by us over a period of years in site selection for conventional food Stores. The survey is based on estimating and evaluating population, demographics, income levels and per capita weekly food consumption in the market to be served by the new Store; the extent, quality and nature of existing competition in the market; and accessibility and visibility of the Store site. This program has been and will continue to be modified from time to time as additional data and experience permit refinement of the program. We have used and continue to use this program for projecting potential sales volumes and selecting sites for our own Company-owned Stores. You will pay to us all reasonable charges associated with development of any external data considered necessary by us in connection with any market analysis for your proposed Store.

Estimation of gross margins for the Particularized Projection will require, first, an estimate of the distribution of sales among the major product groupings (e.g., grocery, produce, meat, bakery, deli, floral and liquor), which groupings tend to carry different margins. Unless you and the Company believe that regional differences in purchasing patterns of customers in the market in which the Store will be located and those of customers in the markets in which existing Stores are located indicate a different distribution of sales than that at comparable existing Piggly Wiggly Stores, the average distribution of sales at comparable Piggly Wiggly Stores will be used to arrive at estimated distribution of sales for the Particularized Projection.

Projection of gross margin next requires application of an anticipated markup to the projected sales volume of each product grouping. Unless the Company and you believe that competitive conditions in the market in which the Store will be located are likely to lead to gross margins that are different from the norm, average margins of comparable Piggly Wiggly Stores for each major product grouping will be applied to this projection.

To arrive at projected operating costs for the Particularized Projection, we, in cooperation with the prospective franchisee, will determine, to the extent possible, the known costs of operating the Store at the proposed location and, when such costs cannot be determined, will estimate those costs based on the experience of comparable Piggly Wiggly Stores, adjusted to reflect cost differences between new and existing Stores and between Company-owned and franchised Stores and to reflect different market conditions such as different prevailing wage rates and different local taxes.

ANY PARTICULARIZED PROJECTION OF COSTS, FINANCIAL NEEDS, INVESTMENTS, SALES, EXPENSES (INCLUDING DEBT SERVICE), EARNINGS/LOSSES AND CASH FLOWS THAT COMPANY MAY REQUIRE OR PROVIDE YOU IS MERELY AN ESTIMATE AND SHOULD NOT BE CONSIDERED AS THE ACTUAL OR PROBABLE COST, FINANCIAL NEEDS, INVESTMENT, SALES, EXPENSES (INCLUDING DEBT SERVICE), EARNINGS/LOSSES AND CASH FLOWS THAT WILL BE REALIZED BY ANY FRANCHISEE. COMPANY DOES NOT REPRESENT THAT ANY FRANCHISEE CAN EXPECT TO ATTAIN ANY LEVEL OF COSTS, FINANCIAL NEEDS, INVESTMENT, SALES, EXPENSES (INCLUDING DEBT SERVICE), EARNINGS/LOSSES AND CASH FLOWS. TO THE EXTENT THAT PROJECTIONS ARE BASED ON COSTS, FINANCIAL NEEDS, INVESTMENT, SALES, EXPENSES (INCLUDING DEBT SERVICE), EARNINGS/LOSSES AND CASH FLOWS SHOULD NOT BE CONSIDERED AS THE ACTUAL OR PROBABLE COST, FINANCIAL NEEDS, INVESTMENT, SALES, EXPENSES (INCLUDING DEBT SERVICE), EARNINGS/LOSSES AND CASH FLOWS THAT WILL BE REALIZED BY ANY FRANCHISEE. COMPANY DOES NOT REPRESENT THAT ANY FRANCHISEE CAN EXPECT TO ATTAIN SUCH COST, FINANCIAL NEEDS, INVESTMENTS, SALES, EXPENSES (INCLUDING DEBT SERVICE), EARNINGS/LOSSES AND CASH FLOWS.

GENERALIZED PROJECTION

In addition to the Particularized Projection that we will require before entering into the Franchise Agreement, we offer the generalized projection of potential results for a 35,000 square foot Store (the "Generalized Projection"), a copy of which is attached hereto as **EXHIBIT E**. This Generalized Projection does not represent the actual experience of franchised Stores; rather, it is an estimate based on blended results from various franchised Stores. The various results of several franchised Stores have been blended and modified for purposes of developing the Generalized Projection from which the Particularized Operational Projection is developed.

The projected gross margins used in the Generalized Projection are based on the average gross margins per major products grouping, less anticipated lower margins and higher markdowns anticipated for the first three months of operation and on the distribution of total sales among major product groupings that prevailed in those Stores.

It is anticipated that new franchised Stores will offer for sale substantially the same products and receive from us substantially the same services as are available at existing Company-owned Stores.

The data used to compile the information in this Generalized Projection was obtained from information furnished by certain franchisees about their franchised Stores and on file with the Company. Neither the Generalized Projection nor the information on which it is based has been audited, reviewed or compiled by any independent certified public accountant; nor does any such accountant assume any responsibility for the information.

Substantiation of the data used in the Generalized Projection and in the Particularized Projection to be prepared before each franchise is granted will be made to prospective franchisees upon reasonable request.

Promotional or pricing actions by competitors in anticipation of or in response to the opening of Piggly Wiggly Stores and labor and staffing issues can have a material adverse impact on sales, income, gross and net profits and cash flow. For some Piggly Wiggly Stores such competitive conditions and labor and staffing issues have produced operating results substantially below the projections contained in this Generalized Projection.

We do not represent that the working capital levels assumed in the Generalized Projection will necessarily be sufficient to permit continued operations by you under all competitive conditions.

The Generalized Projection displays illustrative information. It does not purport to reflect actual results of operation of any single existing Store, franchised or Company-owned, or a forecast or projection of the actual results of operation of any particular franchised Store. The statements in the Generalized Projection are presented for the general information of prospective franchisees and should not be regarded as a prediction of actual results of any Store. The actual costs, financial needs, investment, sales, expenses (including debt service), earnings/losses and cash flows of any Store depends upon many independently variable factors, including, but by no means limited to, the location of the Store; its size; the size, demographic composition and growth trend of the market area served; the competitive circumstances; food consumption patterns and trends generally, and in a particular market area; availability and quality of supply of food stuffs and other inventory; general economic conditions, nationally and locally; public awareness of, and goodwill in the name "Piggly Wiggly;" traffic patterns and accessibility to the Store; visibility of the Store; occupancy costs; availability and costs of labor and management; franchisee's managerial skills; availability and costs of financing; availability of government permits and licenses; insurance and utilities; and other factors. No attempt has been made to tailor the general projection in this **ITEM 19** to any particular selection or combination of such circumstances; nor have the special circumstances of any franchisee been taken into account.

You are responsible for developing your own business plan for a proposed Store, including capital budgets, financial statements, projections and other elements appropriate to the particular circumstances of the proposed business. You are encouraged to consult with your own accounting, business and legal advisors in doing so. In developing the business plan, you are cautioned to make necessary allowance for changes in financial results to income, expenses, or both, that may result from operation of a Store in a non-standard building or unusual location, in different geographic areas or new market areas, or during periods or in areas suffering economic downturns, inflation, unemployment, or other negative economic influences.

A new franchised Store is likely to achieve financial results of operation that are different from the results shown in the Generalized Projection, possibly significantly and adversely different. Every Store, franchised or Company-owned, and its market circumstances, the

capabilities of its management, its financial resources, and other factors, are unique and vary from Store to Store.

> THE GENERALIZED PROJECTION ATTACHED TO THIS DISCLOSURE DOCUMENT AS **EXHIBIT E** SHOULD NOT BE CONSIDERED AS REPRESENTING THE ACTUAL OR POTENTIAL COSTS, FINANCIAL NEEDS, INVESTMENT, SALES, EXPENSES (INCLUDING DEBT SERVICE), EARNINGS/LOSSES AND CASH FLOWS THAT MAY BE REALIZED BY ANY SPECIFIC FRANCHISEE. COMPANY CANNOT AND DOES NOT OFFER ANY GUARANTEE, ASSURANCE OR REPRESENTATION THAT ANY PIGGLY WIGGLY STORE WILL ACHIEVE ANY PARTICULAR LEVEL OF COSTS, FINANCIAL NEEDS, INVESTMENT, SALES, EXPENSES (INCLUDING DEBT SERVICE), EARNINGS/LOSSES AND/OR CASH FLOWS, EITHER OVER TIME OR IN ANY PARTICULAR YEAR OF OPERATIONS.

Consistent with the acknowledgement of understanding on the last page of **EXHIBIT E**, the Generalized Projection, you will be asked to acknowledge your understanding of the limitations and qualifications on any Particularized Projection that you may receive from us at a later date.

There will be prepared for each proposed Store a Particularized Projection, a supplement to the Generalized Projection included as an exhibit to this disclosure document, that is tailored to the proposed Store, at the prospective franchisee's cost, a market analysis and market survey. Any such Particularized Projection, market analysis or market survey is qualified in its entirety by reference to this **ITEM 19**.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

System-Wide Outlet Summary
Years 2023 through 2025[1]

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchise	2023	85	82	-3
	2024	82	79	-3
	2025	79	74	-5
Corporate	2023	11	11	0
	2024	11	12	1
	2025	12	13	1
TOTAL	2023	96	93	-3
	2024	93	91	-2
	2025	91	87	-4

TABLE NO. 2

Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor) Years 2023 through 2025[1]

State	Year	Number of Transfers
Illinois	2023	0
	2024	0
	2025	0
Iowa	2023	0
	2024	0
	2025	0
Michigan	2023	0
	2024	0
	2025	0
Minnesota	2023	0
	2024	0
	2025	0
Wisconsin	2023	5
	2024	2
	2025	4
TOTAL	2023	5
	2024	2
	2025	4

TABLE NO. 3

Status of Franchised Outlets Years 2023 through 2025[1]

State	Year	Outlets at the Start of the Year	New Outlets Opened	Existing Outlets Purchased by New Franchisee	Terminations	Non-Renewals	Reacquired by Franchisor	Existing Outlets Sold to New Franchise	Ceased Operations	Outlets at the End of the Year
Illinois	2023	3	0	0	0	0	0	0	0	3
	2024	3	0	0	0	0	0	0	0	3
	2025	3	0	0	0	0	0	0	-2	1
Iowa	2023	0	0	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0	0	0
Michigan	2023	0	0	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0	0	0

State	Year	Outlets at the Start of the Year	New Outlets Opened	Existing Outlets Purchased by New Franchisee	Terminations	Non-Renewals	Reacquired by Franchisor	Existing Outlets Sold to New Franchise	Ceased Operations	Outlets at the End of the Year
Minnesota	2023	0	0	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0	0	0
Wisconsin	2023	82	0	5	0	-2	-1	-5	0	79
	2024	79	0	2	0	0	-1	-2	-2	77
	2025	77	0	4	0	0	-1	-4	-2	74
TOTAL	2023	85	0	5	0	-2	-1	-5	0	82
	2024	82	0	2	0	0	-1	-2	-2	80
	2025	80	0	4	0	0	-1	-4	-4	75

TABLE NO. 4

Status of Corporate Outlets
Years 2023 through 2025[1]

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Illinois	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Iowa	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Michigan	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Minnesota	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Wisconsin	2023	11	0	1	-1	0	11
	2024	11	0	1	0	0	12
	2025	12	0	1	0	0	13
TOTAL	2023	11	0	1	-1	0	11
	2024	11	0	1	0	0	12
	2025	12	0	1	0	0	13

TABLE NO. 5

Projected New Outlets
September 28, 2025 – September 26, 2026

State	Franchise Agreements Signed but Outlet Not Opened as of September 27, 2025	Projected New Franchised Outlets between 9/28/25 and 9/26/26	Projected New Corporate Outlets between 9/28/25 and 9/26/26
Illinois	0	0	0
Iowa	0	0	0
Michigan	0	0	0
Minnesota	0	0	0
Wisconsin	0	2	0
TOTAL	0	2	0

[1] Information for 2023 is for the period September 24, 2022 to September 30, 2023. Information for 2024 is for the period October 1, 2023 to September 28, 2024. Information for 2025 is for the period September 29, 2024 to September 27, 2025.

EXHIBIT A lists the names, addresses and telephone numbers of all franchisees as of September 27, 2025. A list of the names, last known home or corporate address and corresponding telephone number of all former franchisees of the Company, if any, who have had a Franchise Agreement terminated, canceled or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the period from September 29, 2024 through September 27, 2025, is attached as part of **EXHIBIT A**, together with a list of all franchisees, if any, who have not communicated with the Company within 10 weeks before the issuance date of this disclosure document.

ATTENTION PROSPECTIVE FRANCHISEES:

a. 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.

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

c. We are not aware of any trademark-specific franchisee organizations, associated with our franchise system, that are required to be disclosed in this disclosure document.

ITEM 21. FINANCIAL STATEMENTS

The audited consolidated financial statements of Piggly Wiggly Midwest, LLC and Subsidiaries as of September 27, 2025 is attached as part of **EXHIBIT D.** Also included as part of **EXHIBIT D** are the audited consolidated balance sheets of Piggly Wiggly Midwest, LLC and Subsidiaries as of September 28, 2024 and September 30, 2023.

ITEM 22. CONTRACTS

EXHIBIT B ..... Piggly Wiggly Franchise Agreement
EXHIBIT C ..... Form of Sublease
EXHIBIT F ..... Form of Reimbursement Agreement
EXHIBIT G ..... Form of Personal Guaranty of Payments and Performance of Agreements
EXHIBIT H ..... Form of Corporate Guaranty Agreement
EXHIBIT I ..... Form of General Business Security Agreement
EXHIBIT J ..... Form of Promissory Note
EXHIBIT K ..... Form of Dispute Resolution Agreement
EXHIBIT L ..... Form of Merchandise Supply Agreement
EXHIBIT M ..... Form of Retail Technology System Agreement

ITEM 23. RECEIPTS

Following the EXHIBITS to this disclosure document are duplicate detachable receipts by which you acknowledge receipt of this disclosure document, including all EXHIBITS to this disclosure document. Upon receiving this disclosure document, you must date and sign that copy of the receipt labeled "Piggly Wiggly Midwest Copy" and return it to Company.

LIST OF FRANCHISEES

EXHIBIT A

PIGGLY WIGGLY MIDWEST, LLC
LIST OF FRANCHISEES
as of September 27, 2025

ILLINOIS

Tammy's Fresh Foods, LLC - #314
Tammy Lee
tlee@shopthepig.com
997 Galena Square Drive
Galena, IL 61036
(815) 777-1111

WISCONSIN

Fox Bros. Piggly Wiggly, Inc - #083
ESOP/Michael Olwig – President
molwig@shopthepig.com
810 Park Avenue
Beaver Dam, WI 53916
(920) 885-5843

Aaron's Hometown Market, LLC - #155
Aaron Wuthrich
awuthrich@shopthepig.com
810 Park Avenue
Belleville, WI 53916
(920) 885-5843

Guzman's Supermarket, LLC - #338
Miguel Guzman
mguzman@shopthepig.com
1827 Prairie Avenue
Beloit, WI 53511
(608) 362-1950

JAC Foods, LLC - #225
Justin & Alicia Campbell
jcampbell@shopthepig.com
1604 Center Avenue
Brodhead, WI 53520
(608) 897-2105

Days Family Foods, Inc - #167
Mike & Amy Day/Nicole & Nathan Perry
mday@shopthepig.com
100 Jefferson Street
Cambridge, WI 53523
(608) 423-4004

K & K Foods, LLC - #213
Kevin & Kelly Harvey
kharvey@shopthepig.com
450 Grandsview Avenue
Campbellsport, WI 53010
(920) 533-4812

Dutch Market, LLC - #159
Eric & Anna Meinnert
Macy & Matt Ewing
emeinnert@shopthepig.com
240 N. Commerce Street
Cedar Grove, WI 53013
(920) 668-6042

Bonus, Inc - #201
Ryan & Megan Olsen
rolsen@shopthepig.com
W61 N286 Washington Avenue
Cedarburg, WI 53012
(262) 375-4474

Mursau Foods, LLC - #281
Chad & Tiffany Mursau
cmursau@shopthepig.com
216 U.S. Highway 141 North
Coleman, WI 54112
(920) 897-3139

Days Family Foods, Inc - #169
Mike & Amy Day/Nicole & Nathan Perry
mday@shopthepig.com
421 W. Cottage Grove Road
Cottage Grove, WI 53527
(608) 839-3350

Witt Foods, Inc - #282
Sally Witt & Rebecca Zillges
sallywitt@shopthepig.com
214 U.S. Highway 141 North
Crivitz, WI 54114
(715) 854-2115

Lancaster's of Cross Plains, Inc - #185
Terry & Thomas Lancaster
tlancaster@shopthepig.com
28 Glaciers Edge Square
Cross Plains, WI 53528
(608) 798-3701

Stoneridge DePere, LLC - #383
Duane Detjens
ddetjens@shopthepig.com
575 Swan Road
De Pere, WI 54115
(920) 336-7080

Stinebrink's Delavan Foods, LLC - #208
Matthew/David/Ben,Tim/Todd Stinebrink
mattstinebrink@shopthepig.com
1414 E. Geneva Street
Delavan, WI 53115
(262) 728-2638

Days Family Foods, Inc - #168
Mike & Amy Day/Nicole & Nathan Perry
mday@shopthepig.com
1211 N. Main Street
Edgerton, WI 53534
(608) 884-4277

Kopecky Worldwide Foods, Inc - #080
Jim, Jean & John Kopecky
jkopecky@shopthepig.com
8 County Road M North
Evansville, WI 53536
(608) 882-5308

MLS Foods, LLC - #328
Michael Santacroce
msantacroce@shopthepig.com
131 University Drive
Fond du lac, WI 54935
(920) 922-7800

Fox Bros. Piggly Wiggly, Inc - #087
ESOP/Mike Olwig, President
molwig@shopthepig.com
1566 E. Sumner St.
Hartford, WI 53027
(262) 673-9055

Fox Bros. Piggly Wiggly, Inc - #092
ESOP/Mike Olwig, President
molwig@shopthepig.com
505 S. Cottonwood Avenue
Hartland, WI 53029
(262) 367-2922

OneGuide, Inc - #333
Mark & Robin Tietz
mtietz@shopthepig.com
714 S. Wisconsin Drive
Howards Grove, WI 53083
(920) 565-4421

Fox Bros. Piggly Wiggly, Inc - #089
ESOP/Mike Olwig, President
molwig@shopthepig.com
1234 State Highway 175
Hubertus, WI 53033
(262) 628-1180

Fox Bros. Piggly Wiggly, Inc - #090
ESOP/Mike Olwig, President
molwig@shopthepig.com
W194 N16774 Eagle Drive
Jackson, WI 53037
(262) 677-4141

Jahnke Foods, LLC - #304
Daniel & Jane Jahnke
djahnke@shopthepig.com
100 S. Western Avenue
Juneau, WI 53039
(920) 386-2972

Stoneridge Kaukauna, LLC - #385
Duane Detjens
ddetjens@shopthepig.com
300 E. Ann Street
Kaukauna, WI 54130
(920) 766-6080

Stinebrink's Kenosha Foods, LLC - #191
Mark & Matt Stinebrink
mattstinebrink@shopthepig.com
7600 Pershing Boulevard
Kenosha, WI 53142
(262) 764-1954

Lois Family Foods, LLC - #191
Brenda & Mark Lois
blois@shopthepig.com
2801 14th Place
Kenosha, WI 53140
(262) 553-1370

Laatsch Food Market, LLC - #145
Aaron & Amy Laatsch
aaronlaatsch@kewaskumpig.com
940 Fond du Lac Avenue
Kewaskum, WI 53040
(262) 626-1778

Piggly Wiggly of Kewaunee, Inc - #076
Josh Vandervest
jvandervest@shopthepig.com
931 Marquette Drive
Kewaunee, WI 54216
(920) 388-2311

OneGuide, Inc - #330
Mark & Robin Tietz
mtietz@shopthepig.com
80 E. Park Avenue
Kiel, WI 53042
(920) 894-2445

Stinebrink's Lake Geneva Foods, Inc - #207
Matthew/David/Ben,Tim/Todd Stinebrink
mattstinebrink@shopthepig.com
100 E. Geneva Square
Lake Geneva, WI 53147
(262) 248-8798

Stoneridge Little Chute, LLC - #384
Duane Detjens
ddetjens@shopthepig.com
1901 E. Main Street
Little Chute, WI 54140
(920) 766-6090

Main Street Market, LLC - #291
Tegan Counihan/Bryce & Tanya Haessly
tcounihan@shopthepig.com
805 Main Street
Lodi, WI 53555
(608) 592-7570

BAR Supermarkets, LLC - #345
Ralph & Ben Malicki
bmalicki@shopthepig.com
325 East Avenue
Lomira, WI 53048
(920) 269-4015

OneGuide, Inc - #335
Mark & Robin Tietz
mtietz@shopthepig.com
1339 N. 8th Street
Manitowoc, WI 54220
(920) 682-4931

L&L Sisters, LLC - #266
Lori Damerow/Lisa Strahota
ldamerow@shopthepig.com
450 Margaret Street
Markesan, WI 53946
(920) 398-2621

Fox Bros. Piggly Wiggly, Inc - #082
ESOP/Mike Olwig – President
molwig@shopthepig.com
1440 Horicon Street
Mayville, WI 53050
(920) 387-3220

Don & Jill's Foods, LLC - #364
Don & Jill Peiffer
dpeiffer@shopthepig.com
N81 W15182 Appleton Avenue
Menomonee Falls, WI 53051
(262) 255-3007

Bonus, Inc - #200
Ryan & Megan Olsen
rolsen@shopthepig.com
6111 W. Mequon Road
Mequon, WI 53092
(262) 242-2180

Main Street Market, LLC - #297
Tegan Counihan/Bryce & Tanya Haessly
tcounihan@shopthepig.com
727 S. Janesville Street
Milton, WI 53563
(608) 868-7900

Lee's Piggly Wiggly, Inc - #202
Bill Schultz
bschultz@shopthepig.com
530 State Highway 153 West
Mosinee, WI 54455
(715) 693-6700

Muskego Marketplace Foods, LLC - #220
Judy Semrad
jsemrad@shopthepig.com
W189 S7847 Racine Avenue
Muskego, WI 53150
(262) 679-1166

Nekoosa Foodtown, Inc - #218
Wade & Heather Korntved
wkorntved@shopthepig.com
1025 Market Street
Nekoosa, WI 54457
(715) 886-4621

JMB Futures, LLC - #117
John, Jean & Jacob Blattner
jblattner@shopthepig.com
2243 Calumet Drive
New Holstein, WI 53061
(920) 898-4600

Fox Bros. Piggly Wiggly, Inc - #093
ESOP/Mike Olwig – President
molwig@shopthepig.com
1300 Brown Street
Oconomowoc, WI 53066
(262) 567-8376

Iverson Foods, LLC - #273
Bryce Iverson
biverson@shopthepig.com
409 E. Highland Drive
Oconto Falls, WI 54154
(920) 846-2805

Rivers Marketplace, Inc - #242
Steven & Sheryl Salfai/Spencer Jari
rsalfai@shopthepig.com
142 Alder Avenue
Omro, WI 54963
(920) 685-5143

Mentink's Market, LLC - #160
Jay Mentink
jmentink@shopthepig.com
118 N. 9th Street
Oostburg, WI 53070
(920) 564-2234

Roscoe Oshkosh, Inc - #243
Steven & Sheryl Salfai/Spencer Jari
rsalfai@shopthepig.com
525 E. Murdock Street
Oshkosh, WI 54901
(920) 236-7801

Sosinsky Foods, LLC - #107
Brandon Sosinsky
bsosinsky@shopthepig.com
514 S. Main Street
Pardeeville, WI 53954
(608) 429-2221

OneGuide, Inc - #336
Mark & Robin Tietz
mtietz@shopthepig.com
1411 Eastern Avenue
Plymouth, WI 53073
(920) 893-0741

Fox Bros. Piggly Wiggly, Inc - #086
ESOP/Mike Olwig – President
molwig@shopthepig.com
101 W. Seven Hills Road
Port Washington, WI 53074
(262) 284-6134

Main Street Market, LLC - #294
Tegan Counihan/Bryce & Tanya Haessly
tcounihan@shopthepig.com
621 U.S. Highway 51 North
Poynette, WI 53955
(608) 635-2647

Zinkle's Markets, LLC - #308
Curt & Shelly Zinkle
czinkle@shopthepig.com
30 Riverside Square
Prairie du Chien, WI 53821
(608) 326-5111

Detjen Enterprises, Inc - #305
Alan & Emily Detjen
adetjen@shopthepig.com
101 E. Main Street
Princeton, WI 54968
(920) 295-3981

DL Foods, LLC - #355
David Losinieki
dlosiniecki@shopthepig.com
3900 Erie Street
Racine, WI 53402
(262) 639-2142

Detjen Enterprises, Inc - #205
Alan & Emily Detjen
adetjen@shopthepig.com
164 Kienow Drive
Randolph, WI 53956
(920) 326-5800

Opahle Foods, Inc - #206
John & Scott Opahle
sopahle@shopthepig.com
724 Phillips Boulevard
Sauk City, WI 53583
(608) 643-8438

Fox Bros. Piggly Wiggly, Inc - #088
ESOP/Mike Olwig – President
molwig@shopthepig.com
835 E. Green Bay Avenue
Saukville, WI 53080
(262) 284-8969

OneGuide, Inc - #331
Mark & Robin Tietz
mtietz@shopthepig.com
2905 N. 15th Street
Sheboygan, WI 53083
(920) 458-9991

OneGuide, Inc - #332
Mark & Robin Tietz
mtietz@shopthepig.com
3124 S. Business Dr.
Sheboygan, WI 53081
(920) 452-0411

JMB Ventures, Inc - #116
John & Jean Blattner
jblattner@shopthepig.com
1166 Fond du Lac Avenue
Sheboygan Falls, WI 53085
(920) 467-0477

Piggly Wiggly Sister Bay, Inc - #095
Tom & Dan Nesbitt
tnesbitt@shopthepig.com
10576 Country Walk Road
Sister Bay, WI 54234
(920) 854-2391

Fox Bros. Piggly Wiggly, Inc - #091
ESOP/Mike Olwig – President
molwig@shopthepig.com
1100 E. Commerce Boulevard
Slinger, WI 53086
(262) 644-5281

TTLC4, LLC - #142
Ted Schelonka
tschelonka@shopthepig.com
N63 W23735 Main Street
Sussex, WI 53089
(262) 246-6452

OneGuide, Inc - #334
Mark & Robin Tietz
mtietz@shopthepig.com
2300 Forest Avenue
Two Rivers, WI 54241
(920) 794-8931

Union Grove Piggly Wiggly, Inc - #272
Doug & Carolyn Preston
dpreston@shopthepig.com
4400 67th Drive
Union Grove, WI 53182
(262) 878-2454

Day's Family Foods, Inc - #170
Mike & Amy Day/Nicole & Nathan Perry
mday@shopthepig.com
810 N. Monroe Street
Waterloo, WI 53594
(920) 478-3088

Christian Brothers of Watertown, LLC - #077
Brian & Rachel Wohlfeil
bwohlfeil@shopthepig.com
1330 Memorial Drive
Watertown, WI 53098
(920) 262-7449

Main Street Market, LLC - #292
Tegan Counihan
Bryce & Tanya Haessly
tcounihan@shopthepig.com
205 N. Holiday Drive
Waunakee, WI 53597
(608) 849-6543

Scolor, LLC - #311
Scott Neumann
sneumann@shopthepig.com
810 W. Fulton Street
Waupaca, WI 54981
(715) 258-3161

East Main Foods, Inc - #238
Marty & Karen Koehler
mkoehler@shopthepig.com
100 Gateway Drive
Waupun, WI 53963
(920) 324-5526

Fox Bros. Piggly Wiggly, LLC - #084
ESOP/Mike Olwig – President
molwig@shopthepig.com
2575 E. Washington Street
West Bend, WI 53095
(262) 338-8211

Stoneridge Winneconne, LLC - #387
Duane Detjens
ddetjens@shopthepig.com
910 E. Main Street
Winneconne, WI 54986
(920) 582-0401

PIGGLY WIGGLY
FRANCHISE AGREEMENT

EXHIBIT B

PIGGLY WIGGLY MIDWEST, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement" or the "Franchise Agreement") is made and entered into this _____ day of _____, 20__ ("Effective Date"), by and between **PIGGLY WIGGLY MIDWEST, LLC**, a Wisconsin limited liability company, (the "Franchisor") and _____, **LLC** a Wisconsin limited liability company (the "Operator"). The Franchisor and the Operator are sometimes referred to in this Agreement as a "Party" or collectively as the "Parties."

WITNESSESTH

WHEREAS, pursuant to an agreement (the "PWC Agreement") with the Piggly Wiggly Company ("PWC"), Franchisor has the exclusive right to franchise retail grocery stores under the name Piggly Wiggly provided that such stores meet certain standards established in the PWC Agreement (the "Piggly Wiggly System" or the "System"); and

WHEREAS, Operator desires to acquire a license to operate a store under the name Piggly Wiggly located at _____, _____, Wisconsin, 53___ in accordance with the terms and conditions herein contained.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the sufficiency and adequacy of which is hereby expressly acknowledged, the Parties hereby agree as follows:

1. **Grant of Franchise.** Franchisor grants Operator the right, during the term of this Agreement, and in accordance with the terms and conditions set forth herein, to establish and conduct a retail grocery store under the name Piggly Wiggly in accordance with the Piggly Wiggly System only at the location identified on Appendix I hereto (the "Store"). Franchisor retains the right to establish retail grocery stores using the Piggly Wiggly name and system, or another name and system, anywhere and to sell grocery products and related products to independent retailers anywhere. In connection with the operation of the Store, Operator shall have the right to use all trademarks, service marks, patents, copyrights, designs and other instrumentalities now or hereafter developed and implemented by Franchisor in accordance with the Piggly Wiggly System standards or provided to Franchisor by PWC as part of the Piggly Wiggly System in accordance with the terms and conditions set forth in this Agreement.

2. **Term.** This Agreement, unless earlier terminated due to breach or default or as otherwise provided in this Agreement, shall continue in effect for: [Select one of the following options.]

☐ A period of time corresponding with the initial term of Operator's sublease with Franchisor for the Store premises (the "Sublease") and the then next renewal or extension option thereon. ____/____ (Initials)

☐ A period of time corresponding with the term of Operator's merchandise supply agreement with Franchisor for the Store (the "Merchandise Supply

Agreement"), not including any renewal or extension term thereon.
____/____ (Initials)

Consistent with the selection above, this Agreement shall expire on _____ __, 20__ (the "**Expiration Date**"), unless terminated earlier as provided in this Agreement.

3. Additional Term. Provided Operator meets the conditions set forth in this Section 3, Operator shall have the right to renew this Agreement for additional option terms (the "Additional Term") equal to: [Select one of the following options.]

☐ Any renewal terms or extension terms of the Sublease agreed upon by Operator and Franchisor
____/____ (Initials)

☐ Any renewal or extension term of the Merchandise Supply Agreement agreed upon by Operator and Franchisor ____/____ (Initials)

Operator may renew this Agreement for the Additional Term if it meets the following conditions: (i) If Operator subleases the Store premises from Franchisor, then Operator must notify Franchisor of its intention to renew this Agreement at the same time Operator provides the required written notice of intent to renew the Store sublease with Franchisor, (ii) If Operator does not sublease the Store premises from Franchisor, then Operator must notify Franchisor of its intent to renew this Agreement at least 180 days in advance of the Expiration Date and concurrently therewith renew the Merchandise Supply Agreement with Franchisor on Franchisor's then-current form of that agreement if requested by Franchisor; (iii) As of the Expiration Date, Operator must be in full compliance with all of its obligations under this Agreement and any other agreement with Franchisor; (iv) Operator must have possession of the premises from which the Store is operated and the reasonable expectation of retaining possession of such premises during the entire Additional Term; (v) Operator's Store must meet Franchisor's then-current standards for franchised stores; (vi) to the extent permitted by applicable law, Operator must sign and furnish to Franchisor a general release in a form prescribed by Franchisor; (vii) At Franchisor's option, Operator must sign Franchisor's then-current form of this Agreement (the terms and conditions of which may differ materially from the terms and conditions of this Agreement); and (viii) Operator must sign all other agreements reasonably required by Franchisor. If Operator does not satisfy each of these conditions or does not otherwise qualify to renew, then this Agreement shall terminate on the Expiration Date.

4. Changes to Piggly Wiggly System. Operator recognizes and agrees that from time to time hereafter Franchisor may change or modify the Piggly Wiggly System, including the adoption and use of new, modified or substitute trade names, trademarks, service marks or copyrighted materials. Operator will comply with, use and display any such changes in the Piggly Wiggly System, including new, modified or substitute trade names, trademarks, service marks or copyrighted materials, as if they were a part of this Franchise Agreement at the time of execution hereof. Operator will make such expenditures as such changes, modifications or substitution may reasonably require, and do so within a reasonable time of notification by Franchisor.

5. Duty to Operate. Operator shall operate the Store under the Piggly Wiggly name in the above location for the entire term of this Agreement. If the Store conversion is not completed by _____ __, 20__, Franchisor shall have the right to terminate this Agreement.

6. Additional Franchisor Services. In establishing the Store, Franchisor may provide Operator for a fee (i) assistance with a site potential survey; (ii) construction management services (iii) initial store layout services; (iv) assistance and suggestions regarding equipping the Store; (v) assistance with grand opening preparation; (vi) store setup services; (vii) retail technology services; and/or (viii) merchandising assistance. After the Store opens, Franchisor may provide Operator for a fee consultation and advice with respect to Store operations and merchandising and advertising services and such other services as may be agreed to from time-to-time between Operator and Franchisor. Operator agrees to pay for all such assistance and services in a timely manner as provided in this Agreement, or as may be provided in an agreement with Franchisor for such services.

7. Store Configuration. Operator shall furnish all capital and tangible property required in the operation of the Store and be the owner thereof. If Operator leases the Store, then Operator shall provide Franchisor a copy of the lease and all addenda. The site location, building plans and specifications and trade fixture layout of the Store shall be subject to Franchisor's advance written approval. Operator shall purchase an illuminated Piggly Wiggly sign for use on the exterior of the Store in accordance with the design and specifications prescribed by Franchisor for Piggly Wiggly stores. All fixtures, equipment, other apparatus and software to be used in the Store shall be subject to the approval of Franchisor in conformity with standards adopted by it. If Operator desires to make any modifications, additions or alterations to the fixtures, equipment, other apparatus or software, or to the premises, plans or specifications, Operator must first submit such items to Franchisor and obtain Franchisor's advance written approval.

8. Store Operation Standards. In the operation of its Store, Operator shall conform to the systems, standards and ethical practices adopted by Franchisor. Operator shall comply with all laws and regulations pertaining to the operation and use of the Store and equipment and the sale of its merchandise and shall at all times maintain the interior and exterior of the Store and equipment in a clean, sanitary and attractive condition so as to meet the reasonable requirements of Franchisor. Operator shall, at its expense, adopt and utilize the merchandising, advertising and promotional programs and retail technology systems, including all modifications thereto, established by Franchisor from time to time for its franchise operators. Any advertising material and promotional programs not provided by Franchisor must be approved by Franchisor in writing prior to its first use. Operator shall permit Franchisor's representative to enter and inspect the Store and its operations at any time.

9. Books and Records. Operator shall maintain books and records which accurately reflect its business operations and shall make such records available for examination and audit by Franchisor's authorized representative upon prior written request. Such records shall include cash register recordings, purchase records, sales records, employment records, profit and loss statements, balance sheets, bank reconciliation and accounts payable and other records normally maintained by a retail grocery store. Within thirty (30) days following the close of each of its first three fiscal quarters, Operator shall furnish Franchisor with a balance sheet, profit and loss statement and statement of cash flows covering its operation through the close of the most

recently completed fiscal quarter certified as true and correct by Operator or one of its principal officers. Within forty-five (45) days following the close of its annual fiscal year, Operator shall furnish Franchisor with a balance sheet, profit and loss statement and statement of cash flows covering its operation for the previous fiscal year to be certified as true and correct by Operator or one of its principal officers.

10. Insurance. Operator shall obtain and maintain during the term of this Agreement, at its own expense, a minimum of the following insurance and limits, or such greater limits as Franchisor may reasonably prescribe:

COVERAGE	LIMITS
Public Liability (bodily injury & property damage to include: (a) Comprehensive General Liability Form (b) Broad Form Comprehensive General Liability Endorsement (c) Products/Completed Operations (d) Independent Contractors (e) Broad Form Property Damage (f) Indemnity and hold harmless covenant in favor of Franchisor	An amount not less than $3,000,000 including primary and excess to primary coverage.
Workers' Compensation Employer's Liability	Statutory

Operator must include in its comprehensive public liability insurance policies covering the Store premises a contractual liability part or endorsement insuring its obligations under Section 21 of this Agreement for the benefit of the Indemnified Parties and in an amount not less than $3,000,000, including primary and excess to primary coverage.

All insurance required to be maintained by Operator shall be issued by insurance companies with a financial strength rating of not less than A- and in a financial size category of not less than Class IX as rated in the most current "Best's Insurance Reports," licensed to do business in the state in which the Store is located and authorized to issue such policy or policies. Operator shall name Franchisor as an additional insured on said insurance policies and furnish certificates of insurance satisfactory to Franchisor. Operator may not cancel, or permit to be cancelled or expire, any of the insurance policies required by this Agreement without providing Franchisor at least thirty (30) days notice of such cancellation or expiration.

11. Franchisor Intellectual Property. Franchisor represents and warrant to Operator that Franchisor has the exclusive license and rights to the Piggly Wiggly name and System and all trade names, trademarks, service, logos, programs and event names, identifications, and other proprietary rights and privileges marks related thereto in Wisconsin, including those owned by Franchisor (the "Franchisor's Intellectual Property"). Operator agrees not to represent in any manner that Operator has acquired any ownership rights in the Piggly Wiggly name or System or any related trade names, trademarks or service marks or in any other of Franchisor's Intellectual Property. Operator acknowledges and agrees never to contest either Franchisor's license rights of the name Piggly Wiggly, the business goodwill associated therewith, and of the

Piggly Wiggly System, consisting of its distinguishing characteristics as now or hereafter may be used including, without limitation, all trade names, trademarks, service marks, trade rights, patents, copyrights, designs and other instrumentalities, and Operator further agrees never to contest Franchisor's ownership of Franchisor's Intellectual Property and the business goodwill associated therewith. Operator agrees that it will not infringe upon any such rights of PWC or the Franchisor and that it will promptly notify Franchisor of any unauthorized usage by other persons. Operator shall not assign or attempt to assign any rights with regard to the Franchisor Intellectual Property that arise under this Agreement and any such attempted assignment is void.

Franchisor further represents and warrants to Operator that Franchisor has the exclusive right to grant sublicenses of Franchisor's Intellectual Property to others for the use of the Piggly Wiggly name and the Piggly Wiggly system in Wisconsin. Operator may use the name Piggly Wiggly and all other trade names, trademarks, service marks, emblems, insignias or designs, including the Franchisor's Intellectual Property, belonging to or provided by Franchisor, only in such manner as may be prescribed by Franchisor. Operator shall not add or use any other name, word or accompanying phrase in conjunction with "Piggly Wiggly" on its Store or in its advertising without the prior written approval of Franchisor. The rights granted herein do not include the right to such use as a brand name or upon or in connection with any merchandise, which rights are not being transferred hereunder and have been reserved by PWC and Franchisor. Operator may not use the name Piggly Wiggly or any Franchisor Intellectual Property as part of its corporate name, or in connection with a promotion involving a game of chance, without the prior written consent of Franchisor. In the event that the PWC Agreement is terminated, Franchisor may require Operator to immediately discontinue the use of the name Piggly Wiggly, all trade names, trademarks, service marks and other rights associated with the Piggly Wiggly name, and all other Franchisor Intellectual Property, and to take all actions necessary to ensure that this occurs. Operator shall promptly comply at its expense with all written instructions received from Franchisor in such case. If used as part of its corporate, firm or trade name, Operator must discontinue use of the Piggly Wiggly name immediately and take such steps as may be necessary to change such corporate, firm or trade name to eliminate the words Piggly Wiggly therefrom.

12. License Fees. Within seven (7) days after the close of each four-week accounting period, Operator shall pay to Franchisor, as license fees hereunder, a sum equal to the following percentages of the gross sales of merchandise of whatsoever nature made in all departments of the Store (including the proceeds realized from the sale of merchandise in the parking areas or in any vending machine maintained, or permitted to be maintained, by Operator located on or about the premises) (collectively the "License Fees"):

12.1 0.375% on the first $45,000.00 of gross sales for each four-week period; and

12.2 0.25% of the next $339,615.00 of gross sales for each four-week period; and

12.3 0.125% of all gross sales above $384,615.00 for each four-week period until such time as Operator achieves $25,000,000.00 in gross sales for the year in question; and

12.4 0.0625% on all gross sales in any year over $25,000,000.00.

The foregoing license fees shall be computed based upon the sales from all of the Operator's Stores and the sales from such Stores may be combined for purposes of such computation. At the same time as the license fee is paid to Franchisor, Operator shall pay Franchisor for the same period of time for which the license fee is being paid the aggregate amount of all service fees and other charges invoiced or otherwise charged to Operator during that period collectively the "Service Fees"). If payment is not received by Franchisor on or before the seventh (7th) day following the date billed after the close of each four-week accounting period, Operator shall be obligated to pay a late charge from the date payment was due at the rate per annum equal to the prime rate of interest as published from time to time by JPMorgan Chase Bank, N.A., plus two percent (2%), compounded daily. Operator will pay expenses of collection and reasonable attorneys' fees if it becomes necessary for Franchisor to employ an attorney to collect any fee or fees above provided.

13. Right to Purchase. In accordance with the Franchisor's order book, weekly price changes, credit terms, and other terms and conditions in effect from time to time, the Operator shall have the right to purchase from Franchisor all its merchandise requirements for the Store, including all groceries, produce and frozen food items carried by Franchisor. For the avoidance of doubt, Operator shall not permit any merchandise it purchases from Franchisor to be sold at any location except the Store or such other location that Operator also operates under a Franchise Agreement with Franchisor.

14. Termination by Franchisor for Cause. Notwithstanding anything in this Agreement to the contrary, Franchisor may terminate this Agreement immediately by giving Operator written notice of such termination upon the occurrence of any of the following events (collectively an "Operator Default"):

14.1 If Operator commits a material breach of any of its obligations, covenants, warranties or representations in this Agreement and Operator fails to cure such breach within thirty (30) days after Franchisor gives Operator written notice of the breach unless such breach cannot be cured within such period and Operator demonstrates that a cure is being diligently pursued.

14.2 If Operator terminates this Agreement prior to the expiration of the then-current term for any reason other than pursuant to Sections 15 or 16 below;

14.3 If Operator (i) becomes insolvent or makes a general assignment for the benefit of creditors; or (ii) commences or is subject to proceedings for bankruptcy, insolvency, receivership, liquidation or winding-up by, or against, Operator, and such proceedings are not discharged within thirty (30) days of the date of filing.

14.4 If Operator or any of its members, partners or shareholders breaches, rescinds, defaults or otherwise fails to perform under, any other agreement entered into by Operator, or any of Operator's members, partners or shareholders, with Franchisor, including, but not limited to, any lease agreement, sublease agreement, security agreement,

promissory note, guaranty agreement, reimbursement agreement, supply agreement or technology agreement;

14.5 If a Change-In-Control occurs without Franchisor's advance written consent in Operator or any other entity that is a party to any agreement with Franchisor that relates to this Agreement or the Store in any way. For purposes of this Agreement, a "Change in Control" means a sale of the assets of Seller, whether in a single transaction or a series of transactions, a merger, consolidation, or any other transaction or arrangement the effect of which is that 40% or more of the total voting power entitled to vote in the election of the party's board of directors is held by a person or persons other than the owners who, individually or as a group, held 40% or more of such voting power immediately prior to such event.

14.6 If Operator commits any act which, in Franchisor's sole judgment, may reasonably be expected to materially impair the goodwill associated with the Piggly Wiggly trademarks or System.

15. Termination By Operator For Cause. Notwithstanding anything in this Agreement to the contrary, Operator may terminate this Agreement by giving Franchisor written notice of such termination if Franchisor commits a material breach of any of its obligations, covenants, warranties or representations in this Agreement, and Franchisor fails to cure such breach within sixty (60) days after Operator gives Franchisor written notice of the breach unless such breach cannot be cured within such period and Operator demonstrates that a cure is being diligently pursued.

16. Automatic Termination. In addition to the provisions for termination set forth above, this Agreement shall terminate automatically upon the expiration of any lease or sublease between Operator and Franchisor for the Store without the necessity of either party giving notice of such termination under this Agreement.

17. Termination Fee. If (i) Franchisor terminates this Agreement pursuant to Sections 14.1-14.6 above, then Operator shall pay Franchisor the following amounts (the "**Termination Fee**"):

17.1 If the Agreement is terminated on or before the fifth anniversary of the Effective Date, an amount equal to Operator's License Fees for sixty-five (65) four-week periods;

17.2 If the Agreement is terminated between on the fifth anniversary and the tenth anniversary of the Effective Date, an amount equal to Operator's License Fees for fifty-two (52) four-week periods; and

17.3 If the Agreement is terminated after then tenth anniversary of the Effective Date, an amount equal to Operator's License Fees for thirty-nine (39) four-week periods.

For the purpose of computing the Termination Fee under this Section 17, the License Fees shall be based on the basis of the average sales of the Store for the twenty-six (26)

four-week periods immediately prior to termination, or, if the termination occur less than 26 weeks after the Effective Date, such shorter period (computed on a four-week basis) as the Store was open for business.

Operator acknowledges and agrees that the Termination Fee is fair and reasonable because (i) Operator was not charged an initial franchise fee and Franchisor has and will continue to incur substantial expenses acquiring and maintaining its right to franchise hereunder and in assisting Operator in establishing and maintaining the Store; and (ii) if this Agreement is terminated pursuant to Section 14 Franchisor will suffer damages that are real, yet difficult to ascertain, and the Termination Fee represents the Parties' reasonable estimates of Franchisor's damages in the event of such termination and is not intended as a penalty.

Operator shall pay the Termination Fee within ten (10) days of the effective date of termination. Any portion of such Termination Fee that is not paid when due will accrue interest at one and one-half percent (1.5%) per month or the maximum rate permitted by applicable law, whichever is less, from the due date until paid.

18. Franchisor Right's Upon Termination. If this Agreement is terminated pursuant to Section 14 above, then Franchisor shall have the option to purchase Operator's entire interest in the Store, together with all equipment, fixtures and merchandise at the fair market price thereof, less the amount of any encumbrances, liens or conditional sales balance due thereon. This purchase shall include all of Operator's interest in and to the leasehold upon the Store and adjacent parking area at the same terms and conditions as payable by Operator to the landlord. If the premises are owned by Operator, Franchisor shall have the right to lease the premises at a fair market rent and commercially reasonable terms typically available in the area in which the Store is located.

If Franchisor exercises its option under this Section 18 and Franchisor and Operator are able to agree as to the purchase and/or lease terms without recourse to arbitration, then Operator shall not be liable to Franchisor for the Termination Fee. However, if Operator and Franchisor are unable to agree as to the purchase price, or as to rental of the premises, if owned by Operator, within thirty (30) days after Franchisor give Operator notice that it is exercising its rights under this Section 18, then either Party may submit the dispute to binding arbitration in Sheboygan or Milwaukee, Wisconsin. The arbitration shall be conducted before an arbitrator experienced in purchase, sale and valuation of supermarket businesses agreed upon between the Franchisor and Operator. If the Franchisor and Operator cannot agree upon an arbitrator within 30 days, the Parties agree to seek a slate of five (5) arbitrators meeting the above criteria selected by Resolute Systems, LLC. The Parties will then alternately strike arbitrators until the final arbitrator remaining shall be selected. The procedures and rules of the arbitration will be mutually agreed upon by the Franchisor and Operator or the legal representative of each. The arbitrator (i) shall be bound by controlling law, (ii) may not ignore or vary the terms of this Agreement; and (iii) may not award indirect, consequential, exemplary or punitive damages. The award of the arbitrator shall be binding and enforceable and may be entered as a judgment in a court of competent jurisdiction.

19. Transfer. This Agreement is not assignable by Operator, but Operator may negotiate a sale or transfer of the Store for continued operation as a Piggly Wiggly unit to a qualified transferee who meets the approval of Franchisor in its sole discretion. Such sale or transfer shall be subject to the prior written consent of Franchisor and the execution of a new

Piggly Wiggly franchise agreement by the transferee. No rights will be recognized in any transferee unless and until such party enters into a new Franchise Agreement with Franchisor. A transfer of the Store for continued operation as a Piggly Wiggly unit pursuant to this Section 19 shall not be subject to the prior purchase option by Franchisor nor shall Operator be liable for the payment of any Termination Fee.

20. Return of Franchisor Intellectual Property. Upon termination or expiration of this Agreement for any reason, Operator shall immediately discontinue the use of all Franchisor Intellectual Property and PWC intellectual property, including the name Piggly Wiggly and all trade names, trademarks, service marks and other rights granted to Operator as part of the Piggly Wiggly System (including, without limitation, all merchandising, advertising and promotional programs and retail technology). Operator shall also remove or obliterate all signs bearing the name Piggly Wiggly and other identification used in connection with the Piggly Wiggly System upon any of its buildings, fixtures or equipment. If used as part of its corporate, firm or trade name, Operator shall discontinue such use immediately or as soon as is practically possible and shall take such steps as may be necessary to change its corporate, firm or trade name so as to eliminate the words Piggly Wiggly therefrom. Operator shall immediately return to Franchisor all manuals and copies thereof furnished to Operator by Franchisor at any time relating to the operation of the Store or any aspect thereof. Operator further covenants and agrees it will not make known, either directly or indirectly, in any manner that it formerly operated under the name Piggly Wiggly or by advertising, or otherwise make any reference to Piggly Wiggly or the Piggly Wiggly System in connection with the continued operation of its business, nor shall Operator make use of any name, mark, insignia or other form of identification in any wise similar thereto, or suggestive thereof, after termination or expiration of this Agreement. If Operator fails to comply with the requirements of this Section 20, then Franchisor shall have the right to take the necessary steps to remove the Piggly Wiggly signs and other identification from the Store and shall be entitled to seek injunctive or equitable relief to restrain Operator from further use of the Piggly Wiggly name, the Piggly Wiggly System, all other Franchisor Intellectual Property and all rights in connection therewith.

21. Indemnification By Operator. Operator shall indemnify, defend and hold harmless Franchisor, its affiliates, their insurers and all such parties' respective members or shareholders, directors or managers, officers, employees and agents (collectively the "Indemnified Parties") from any and all claims, liabilities, judgments, orders, actions, lawsuits and/or proceedings to which any Indemnified Person may be or become a party or for which any Indemnified Party may be liable by contract, tort or otherwise, for: (i) any and all personal injuries (including but not limited to wrongful death) and damage to property that arise out of out or result from the operation, management or use of the Store premises and/or from any defects with the Store premises, whether apparent or hidden, to the extent caused by any act or omission of the Operator, its agents, employees, servants; (ii) for any breach by Operator of this Agreement or any other agreement between Operator and Franchisor; (iii) any negligent act or omission of Operator; and (iv) any violation of applicable law or regulation by Operator.

22. Exclusive Relationship. In consideration for the franchise granted in this Agreement, _____, **LLC**. and each of its officers and directors, as the case may be, agree to operate only retail food stores franchised and serviced by Franchisor and not to engage, directly or indirectly, in the operation of any same or similar type of retail food store, or have any ownership interest therein, during the term of this Agreement. Further, if Franchisor exercises its right under Section 18 to purchase Operator's interest in the Store, then Operator and each of its

officers and directors, as the case may be, shall not engage, directly or indirectly, in the operation of any same or similar retail food store, or have any ownership interest therein, at any location within a radius of seven (7) miles of the location specified herein for a period of two (2) years from the date of termination of this Agreement.

23. Material Change. Franchisor reserves the right, in connection with any Material Change (as defined below), to require Operator to execute Franchisor's then-current form of franchise agreement, which agreement may be materially different from this Agreement, and any other agreements deemed necessary by Franchisor, in its sole discretion, to protect Franchisor's interests. For purposes of this Section 23, "Material Change" shall mean Franchisor:

(a) Consenting to any relocation or substantial remodeling of Operator's Store;

(b) Entering into any new, renewed or amended lease or sublease with Operator for the Store;

(c) Approving any new, renewed or amended lease or sublease between a third party and Operator for the Store;

(d) Consenting to any Change in Control in Operator or any other entity or individual that is a party to any other agreement with Franchisor relating to the Store; and

(e) Providing any credit enhancement to Operator or its owners in connection with matters relating to the Agreement, Operator or the Store.

24. Relationship of the Parties. Nothing in this Agreement will be construed as making either party the partner, joint venture, agent, employer, or employee of the other. Unless authorized in writing by the party to be bound, or except as otherwise required by law or a court of competent jurisdiction, neither party will have the authority to make any statements, representations, or commitments of any kind, or to take any action which will be binding on the other. Each party agrees to advise third parties whenever appropriate or necessary to protect the other party that they cannot bind the other party and that it is not acting for or on behalf of the other party. Employees at the Store shall be employees of the Operator and not employees of Franchisor. Operator shall have the sole, exclusive and complete responsibility for the hiring, training, supervision, direction, discipline, compensation (including wages, salaries, and employee benefits) and termination of all Store employees. Operator has the exclusive right to determine and implement its employee policies and practice, including but not limited to all labor relations policies. Franchisor has no authority to direct or recommend particular personnel decisions or actions to be made or taken by Operator.

25. No Assignment. This Agreement shall be binding upon Franchisor, its successors and assigns. If Operator is an individual, or a partnership, this Agreement shall be binding upon such individual, or each such partner, their heirs, personal representatives, and successors. The interest of Operator in this Agreement is personal and may not be assigned, transferred, shared or divided, in any manner, without the prior written consent of Franchisor. Any attempted assignment, transfer, sharing or division of any interest in this Agreement or Operator, in any manner, without the prior written consent of Franchisor is void and unenforceable and transfers no interest in this Agreement whatsoever. If Operator is a corporation or other business entity, the shares of capital stock of such corporation or ownership interest in such other business entity shall not be sold, pledged, hypothecated, assigned or transferred, whether voluntarily or

involuntarily, including by operation of law or otherwise, so as to change the controlling interest therein without the prior written consent of Franchisor. Consent shall not be unreasonably withheld provided that such proposed transferee meets Franchisor's then current standards for ownership of an operator. "Controlling interest" for purposes of this Paragraph 25 means a 40% or greater interest.

26. Waiver. Failure on the part of Franchisor or Operator to exercise any right, option, duty or power arising out of a breach or default by the opposing party of any of its terms, provisions or covenants, herein contained, shall not constitute waiver by such party of any such right, option, duty or power as to subsequent breaches or default by opposite party.

27. Attorneys' Fees. In the event Franchisor employs legal counsel or incurs other expense to enforce any obligation of Operator hereunder or under any agreement related to this Agreement including, without limitation, any lease or sublease, or to defend against any claim, demand, action or proceeding by reason of Operator's failure to perform any obligation imposed on Operator hereunder or under any agreement related to this Agreement including, without limitation, any lease or sublease, or to collect any amounts owed by Operator to Franchisor hereunder or under any agreement related to this Agreement, including, without limitation, any lease or sublease, if successful Franchisor shall be entitled to collect from Operator all reasonable attorneys' fees and other expenses incurred in enforcing such obligation, collection of such amounts, and defending such claim, action, demand, or proceeding, whether or not incurred before, in preparation of, or in contemplation of the filing of any action (if any), or otherwise.

28. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Wisconsin, without regard to its conflicts of law rules, except that the provisions of the Wisconsin Franchise Investment Law and the Wisconsin Fair Dealership Law shall not apply unless their jurisdictional requirements are met independently without reference to this Paragraph 28. The Parties each agree that, except as provided in Section 18 above, any action which relates to or arises out of this Agreement shall be brought only in either the Federal District Court for the Eastern District of Wisconsin or Sheboygan County Circuit Court or Milwaukee County Circuit Court, and hereby consent irrevocably to the jurisdiction of such courts. Each Party further waives any right to a jury trial in any action pertaining in any way to this Agreement.

29. Confidentiality. Each Party agrees to keep all non-public information belonging to the other Party or such other Party's affiliates (the "Confidential Information") in strict confidence and to refrain from disclosing such Confidential Information except (a) as required in order to fulfill duties and obligations under this Agreement, or (b) with the express prior written consent of the other Party. This Agreement and its provisions are confidential and the Parties agree not to reveal internally (except for those employees who have a need to know this information) or externally. Neither Party shall be liable to the other Party for disclosure of Confidential Information if upon sufficient evidence that: (a) the Confidential Information is or becomes public without the fault of the receiving Party to whom it was entrusted, or (b) the Confidential Information was in the receiving Party's possession or was known by the receiving party prior to its receipt from the disclosing Party, or (c) the Confidential Information is or becomes available to the receiving Party from a source already in legitimate possession of said Confidential Information, such source being other than the Party to whom it relates, or (d) the Confidential Information is developed independently by the receiving Party, or (e) a Party is obligated to disclose the Confidential Information by order or regulation of any governmental

entity; provided, however, the Party has given timely notification to the owner of the Confidential Information prior to the date of disclosure and the Party uses commercially reasonable efforts to obtain confidential treatment of such information. Each Party's obligations with respect to the other party's Confidential Information shall continue throughout the term of this Agreement and for a period of three (3) years thereafter. The Parties agree that the terms of this Agreement shall constitute Confidential Information under this Agreement regardless of whether such information otherwise meets the definition of Confidential Information.

30. Entire Agreement. This Agreement is the entire agreement and understanding between the parties, and supersedes all previous agreements and understandings between the parties concerning its subject matter. Operator represents that, in entering into this Agreement, Operator is not relying on any representation, warranty, promise or other inducement (whether express or implied, oral or written, statutory or otherwise) which may have been made by or on behalf of Franchisor regarding this Agreement, its subject matter, the business to be franchised under this Agreement, or any other matter whatever.

31. Amendment. Except as otherwise expressly provided herein, this Agreement may be amended only by a writing signed by both parties hereto.

32. Severability, If any provision of this Agreement is declared invalid or incapable of being enforced, all other provisions and conditions shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provisions except those expressed herein.

33. Survival. Any terms of this Agreement that would, by their nature, survive the termination of this Agreement will so survive, along with all representations, warranties, covenants and agreements made herein.

34. Notices. Any notices, requests, demands and other communications hereunder shall be given in writing and shall be: (a) personally delivered; or (b) sent to the parties at their respective addresses indicated herein by registered or certified U.S. mail, return receipt requested and postage prepaid, or by private overnight mail courier service. The respective addresses to be used for all such notices, demands or requests are as follows:

If to Franchisor:	Piggly Wiggly Midwest, LLC 2215 Union Avenue Sheboygan, Wisconsin 53081 Attn: Finance Department
If to Operator:	_____, LLC. _____ _____

35. Section Headings. The section headings contained in this Agreement are for references purposes only and shall not affect the meaning or interpretation of this Agreement.

36. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which when taken together shall be deemed to be one and the same instrument.

37. Time Of The Essence. The parties agree that for the purpose of satisfying any conditions of this Agreement, time is of the essence of this Agreement.

38. Execution. Each party represents that it has caused this Agreement to be executed on its behalf as of the date written below by a representative empowered to bind that party with respect to the undertakings and obligations contained herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

PIGGLY WIGGLY MIDWEST, LLC

By:_____

_____
Title

FRANCHISEE

By:_____

_____
Title

APPENDIX I

Operator is hereby granted the right to operate a Piggly Wiggly Store at the following location:

_____, _____, Wisconsin 53___

PIGGLY WIGGLY MIDWEST, LLC

Dated:_____

By:_____

_____
Title

FORM OF SUBLEASE

EXHIBIT C

PIGGLY WIGGLY MIDWEST, LLC
SUBLEASE

This **SUBLEASE AND AGREEMENT**, made this _____ day of _____, 20___, by and between:

PIGGLY WIGGLY MIDWEST, LLC, a Wisconsin limited liability company whose principal office is now located at 2215 Union Avenue, Sheboygan, Wisconsin 53081 (hereinafter called the "Sublessor"),

and

_____, a Wisconsin corporation, whose principal office is now located at _____ (hereinafter called the "Sublessee").

WHEREAS, Sublessor heretofore entered into a lease (hereinafter called the "Principal Lease") with _____, _____ (hereinafter called the "Landlord") under this _____ day of _____ , 20___, whereby Landlord leased to Sublessor the real estate, including easements and licenses pertaining thereto, described in Exhibit A of this Sublease, for an initial demised term ending at midnight the _____ day of _____ , 20___; and,

WHEREAS, Sublessor desires to rent to Sublessee, and Sublessee desires to sublease from Sublessor almost all of said real estate, for almost all of the initial term of the Principal Lease;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and in consideration of the sum of One Dollar ($1) from Sublessee to Sublessor in hand paid, receipt and sufficiency of which is hereby acknowledged by Sublessor and Sublessee, the parties hereto agree as follows:

ITEM 1. Sublessor hereby subleases and rents unto Sublessee, and Sublessee hereby subleases and rents from Sublessor, all of the real estate demised to Sublessor by the Principal Lease (except the northeast one square inch of such real estate) (herein called the "Premises") for all of the initial term of the Principal Lease (except the last hour of such initial term). The term of this Sublease does not include any optional extension or renewal periods under the Principal Lease.

Except as set forth to the contrary herein, Sublessee's rights under this Sublease are subject to all of the terms, covenants and conditions of the Principal Lease, a copy of which is attached hereto, and the terms, covenants and conditions of which are hereby incorporated herein by reference. Sublessee hereby covenants and agrees to perform and observe, and be bound by all of the terms, covenants and conditions by or on the part of Sublessor, as Tenant under the Principal Lease, from and after the date hereof, throughout the entire term of this Sublease; and to hold Sublessor harmless from and against any liabilities under or pursuant to the Principal Lease by reason of Sublessee's failure to fully comply with any and all of said duties, covenants

and obligations of the Tenant under the Principal Lease pursuant thereto or by reason of conduct or management of the business conducted by Sublessee on the Premises. Sublessee acknowledges that Sublessor does not hereby covenant or agree to do or perform any of the obligations undertaken or assumed by the Landlord under the Principal Lease.

ITEM 2. Sublessee shall purchase from Sublessor all of its requirements of its business on the Premises (during the entire term of this Sublease) of those items which Sublessor sells as wholesaler, at prices comparable to those set forth in the price list established from time to time by Sublessor for the majority of its customers, provided, however, that such purchase requirement for any particular item or items shall be in effect and binding upon Sublessee only during the time(s) that such item(s) sold by Sublessor as wholesaler are of substantially equal in quality and not priced materially higher than such item(s) as are sold by competitors of Sublessor. This purchase requirement shall remain in effect during the entire term of this Sublease, as well as during such period of time as Sublessor is the guarantor of any loan obligation or lease obligation of Sublessee which arises out of or in connection with its business on the Premises. It is specifically agreed that, in the event of a default by Sublessee under this Subsection, Sublessor may maintain an independent action for damages therefor without either terminating this Sublease or waiving any other right or remedy Sublessor may have hereunder.

ITEM 3. Sublessee shall, during the term of this Sublease, operate the Premises as a Piggly Wiggly supermarket, per a Franchise Agreement issued by Sublessor to Sublessee.

ITEM 4. Sublessee shall, during the term of this Sublease, subscribe to Sublessor's retail accounting and services programs, at such prices to be established from time to time by Sublessor. Sublessee understands and agrees that Sublessor may use the information obtained through the retail and accounting services program to counsel Sublessee in the operation of the Piggly Wiggly supermarket, as well as for other purposes consistent with Sublessor's obligations under the Franchise Agreement to manage and promote the franchise system.

ITEM 5. Sublessee agrees to pay Sublessor, as rent for the Premises, One Hundred Ten Percent (110%) of all rent due under the Principal Lease and such rent shall be paid, without demand or setoff, by Sublessee to Sublessor in accordance with and pursuant to the time periods required by the applicable provision of the Principal Lease, except that each rent payment due under this Sublease shall be due five business days before the given or predicate rent payment is due under the Principal Lease.

ITEM 6. In addition to the payments due Sublessor pursuant to Paragraph 5 above, Sublessee shall pay to Sublessor, on an annual basis, an additional rent equal to 5% of the difference between (i) 50% of the total goods sold at retail from the Premises during the calendar year, and (ii) the net purchases of goods by Sublessee from Sublessor and delivered to the Premises during such calendar year. This additional rent shall not be payable, however, for any calendar year during which the net purchases of goods by Sublessee from Sublessor for the

Premises are equal to or greater than 50% of the total goods sold by Sublessee at the Premises (the "threshold level"). Any additional rent due hereunder shall be paid to Sublessor within ten days following written notification from Sublessor that such additional rent is due.

ITEM 7. Sublessee covenants and agrees to use the Premises solely for the operation of a food supermarket and for no other purposes, continuously throughout the entire term of this Sublease. This Sublease does not confer upon Sublessee the right to use the Premises for any other purpose.

ITEM 8. Sublessee shall commence at the start of the term of this Sublease and thereafter continuously maintain full and continuous operation of a food supermarket in the entire Premises throughout the entire term hereof and to keep same open for business during the customary days and hours of operation of food supermarkets in _____ County; and to conduct such business in the Premises at all times in an efficient and reputable manner so as to produce the maximum volume of sales and to maintain a high reputation for the Premises. If Sublessee fails to so commence or ceases to so carry on such a business in the Premises, including the failure to maintain customary store hours of food supermarkets in _____ County, then Sublessee, in order to compensate Sublessor for the loss of additional rent, for the loss in value of the Premises, and for other damages suffered by Sublessor including adverse publicity, shall pay to Sublessor, in addition to the rental payable under this Sublease, an additional amount equal to such rental for such period of default, in advance in equal monthly installments on the first day of each and every month of the term hereof until Sublessee shall commence or resume operation of such business as required herein.

Except when and to the extent that the Premises are untenantable by reason of damage by fire or other casualty, Sublessee covenants and agrees to use all of the Premises for retail sales purposes as a food supermarket (other than such minor portions thereof as are reasonably required by storage or office purposes for the business conducted by Sublessee in the Premises); to furnish and install all trade fixtures suitable and proper for carrying on such business; to carry a full and complete stock of new and seasonal merchandise offered for sale at competitive prices; to maintain adequate trained personnel for efficient service to customers; and to light display windows and signs during any hours when the Premises is open for business or required to be open for business.

ITEM 9. In the event Sublessee shall: (a) be in default on any (i) payment to or for the benefit of Sublessor required by this Sublease, or (ii) non-payment provision of this Sublease which continues uncured for 20 days after Sublessee's receipt of written notice to cure; or (b) be in default of any other agreement with Sublessor; or (c) file or have a petition in bankruptcy filed against Sublessee; or (d) be declared insolvent by any court of competent jurisdiction and/or a receiver is appointed for any of Sublessee's property; or (e) make an assignment for the benefit of Sublessee's creditors; then, in such event, Sublessor shall have the right to terminate this Sublease, to take possession of the Premises and to purchase the salable inventory located on the Premises at cost. Sublessee agrees that from the time of any default by Sublessee hereunder, until such time as Sublessor shall recover possession of the Premises by legal process or otherwise,

Sublessee shall be obligated to pay directly to Sublessor, as liquidated damages, rental at twice the amount required under this Sublease.

ITEM 10. In the event that Sublessee desires to extend the term of this Sublease and the Principal Lease under the terms of the Principal Lease, Sublessee shall give written notice to Sublessor of its intention at least two (2) months prior to the last day that advance notice of intent to renew, if any, must be given under the Principal Lease. The option contained in this paragraph shall not be available to Sublessee unless at the time for exercise of this option Sublessee is solvent, has a positive net worth according to its most recent financial statements and has operated the Premises covered by this Sublease at a profit during the Sublease's two (2) consecutive fiscal years preceding the final date for exercise of this option. Upon receipt of such notice, Sublessor shall give written notice of its intention to Lessor under the Principal Lease in accordance with the terms of the Principal Lease and this Sublease shall continue for the extended term. In the event that Sublessee shall not give advance written notice to Sublessor of its intention to extend the term of this Sublease consistent with the requirements of this Section 10, Sublessor shall be free, at its sole option, to extend the term of the Principal Lease and this Sublease shall terminate at the end of the initial term or any extension option periods, as the case may be.

ITEM 11. Any notice herein required or permitted to be given shall be deemed given if and when mailed in a sealed envelope by U.S. certified mail, return receipt requested, postage prepaid and properly addressed as follows:

To Sublessor:	**To Sublessee:**
Piggly Wiggly Midwest, LLC	_____
2215 Union Avenue	_____
Sheboygan, Wisconsin 53081	_____
Attn: Chief Financial Officer	Attn: _____

ITEM 12. Notwithstanding anything in the Principal Lease or this Sublease to the contrary, Sublessee shall not, during the term of this Sublease, cease operation of the supermarket covered by this Sublease without the prior written consent of Sublessor, which consent may be withheld in the sole discretion of Sublessor.

ITEM 13. Notwithstanding anything in this Sublease to the contrary, including, without limitation, any provision in Paragraph 9 hereof, Sublessee shall remain bound, for the full term of this Sublease, by all requirements, obligations, prohibitions, liabilities and other provisions of this Sublease, including, but not limited to, the obligation to pay rent as provided in Paragraphs 5 and 6 of this Sublease. With respect to the additional rent due pursuant to Paragraph 6 of this Sublease, the amount of additional rent due Sublessor during each quarter

following default shall be the highest amount of additional rent due Sublessor under this Sublease during any quarter preceding Sublessee's default under this Sublease.

ITEM 14. All agreements, covenants and conditions contained in this Sublease shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Notwithstanding the foregoing, however, it is expressly recognized and agreed that Sublessee may not sublet the Premises, in whole or in part, or assign this Sublease or any interest in it, directly, indirectly or by operation of law, without the prior written consent of Sublessor, which consent Sublessor shall have the absolute right to withhold unless the Landlord (a) consents thereto, (b) releases Sublessor from all personal liability on the Principal Lease and (c) amends the Principal Lease to include a non-recourse or exculpatory clause which confines Sublessor's personal liability thereon to loss of Sublessor's right, title and interest as Tenant under the Principal Lease and its right, title and interest as Sublessor under this Sublease. If such Landlord consent, release and amendment are tendered to Sublessor, then Sublessor shall not have the right to unreasonably withhold its consent to a proposed sublease or assignment.

ITEM 15. In the event Sublessee fails to pay for any of the utilities consumed on the Premises, or fails to pay any of the taxes and assessments levied against the Premises, or fails to purchase and maintain insurance or to maintain, repair, correct and replace the Premises as herein required, Sublessor may, at its option, pay for such utilities, pay such taxes and assessments, purchase such insurance or perform such maintenance, repairs, and replacements after written notice to Sublessee, and the amounts so expended by Sublessor shall become due and payable with the installment of rental next becoming due, and shall bear interest at the rate per annum equal to the prime rate of interest as published from time to time by JPMorgan Chase Bank, N.A., plus two percent (2%), compounded daily, from the time that the same was paid by Sublessor.

ITEM 16. Sublessee covenants and agrees to hold Landlord and Sublessor and their respective employees and agents harmless and indemnified from all injury, loss, claims or damage to any person or property while on the Premises (or any other part of the shopping center or area in which the Premises are located) occasioned by any act or omission of Sublessee, Sublessee's agents, employees, contractors, invitees or customers, or anyone claiming by, through or under Sublessee; to maintain occurrence basis public liability insurance, insuring Landlord, Sublessor and Sublessee, as their interests may appear, against all claims, demands, or actions for injury to or death of any one person or more than one person in any one accident and for damage to property, in an amount not less than $3,000,000, including primary and excess to primary coverage, arising from, related to, or connected with the conduct or operation of business in the Premises (Sublessor shall have the right to require Sublessee to increase such amounts whenever Sublessor considers them inadequate), and in addition, and in like amounts, covering Sublessee's contractual liability under the foregoing hold harmless clause; to carry like coverage against loss, damage or internal explosion of boiler or compressor, if there is a boiler or compressor in the Premises; to carry broad form machinery or other similar insurance on all air conditioning equipment, other pressure vessels or systems, and electrical panels and miscellaneous electrical apparatus in the Premises; to maintain water and sprinkler damage

insurance and fire insurance, with extended coverage (including vandalism and malicious mischief) and such other endorsements as Sublessor may from time to time require, covering all of Sublessee's leasehold improvements, stock in trade, inventory, fixtures, furniture, furnishings, personal property, floor coverings and equipment in the Premises to the extent of at least 100% of their replacement cost; and to maintain business interruption insurance with an extended indemnity. Sublessee shall also require that all contractors or others performing work in, on or upon the Premises procure and maintain general liability insurance, including but not by way of limitation, contractor's liability and workmen's compensation insurance in amounts deemed acceptable by Landlord. Sublessee shall also carry any insurance required by the Principal Lease to be carried by Sublessor.

All insurance required to be maintained by Sublessee shall be issued by insurance companies with a financial strength rating of not less than A- and in a financial size category of not less than Class IX as rated in the most current "Best's Insurance Reports," licensed to do business in the State of Wisconsin and authorized to issue such policy or policies. Sublessee may maintain the required insurance coverage under blanket insurance policies covering other premises, provided that such blanket insurance policies specify a stated value for the Premises and comply with the amounts of insurance and the requirements provided hereunder. The minimum limits of any required insurance coverage shall not limit Sublessee's liability under this Sublease. All of such insurance shall also provide that coverage will not be subject to cancellation, termination, or change except after at least 30 days' prior written notice to Sublessor. Sublessee shall not change Sublessee's insurance coverage to a "claims-made" basis without verifying to Sublessor and Landlord in writing that no gap in insurance coverage will result from such change, and without obtaining Sublessor's prior written consent. All policies or duly executed certificates of the same (which certificates shall evidence the insurer's waiver of subrogation), together with satisfactory evidence of the payment of the premiums therein, shall be deposited with Sublessor prior to the start of the term hereof, and upon renewal of such policies, not less than 30 days prior to the expiration of such coverage.

ITEM 17. Neither Landlord nor Sublessor, nor any of their respective agents and employees shall be liable for, and Sublessee waives all claims for, damage to person or property sustained by Sublessee or any person claiming through Sublessee, resulting from any accident or occurrence in, on or upon the Premises or any other part of the shopping center or area in which the Premises are located, including, but not limited to, claims for damage resulting from: (i) any equipment or appurtenances becoming out of repair or requiring any type of conversion, replacement or repair due to any applicable ordinance, law, rule, or regulation; (ii) injury done or occasioned by wind, water, snow, ice or other natural element; (iii) any defect in the plumbing, heating, ventilating or air-conditioning equipment, electric wiring or installation thereof, gas, water, or steam pipes, stairs, porches, railings or walks; (iv) broken glass; (v) the backing up of any sewer pipe or downspout; (vi) the bursting, leaking, or running of any tank, tub, washstand, water closet, waste pipe, drain or any other pipe or tank in, on, or upon the Shopping Center or Premises; (vii) the escape of steam or hot water; (viii) water, snow or ice damaging the roof, skylight, or any other part of the Premises or the shopping center or commercial area; (ix) the falling of any fixture or building material; and (x) any act, omission or negligence of co-tenants or of other owners, persons, or occupants of the shopping center or areas or of adjoining buildings.

ITEM 18. In consideration of Sublessor's entering into this Sublease and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Sublessee and the signatories of the attached guaranty (herein called the "Guarantor," whether one or more), Sublessee shall cause Guarantor to (i) jointly and severally guarantee the full and punctual payment of all rent and all other charges to be paid by Sublessee under this Sublease and the performance by Sublessee of all of the terms, covenants and conditions of the Sublease, as more particularly set forth in the Guaranty attached hereto and hereby made a part hereof, and (ii) continue its existence, condition and creditworthiness at least as good as exists at the time of execution of this Sublease and the Guaranty. Sublessee's failure to accomplish either (i) or (ii) above, any Guarantor's failure to continue its existence, condition or creditworthiness, or the default by any Guarantor under the Guaranty shall be deemed to be a default hereunder giving rise to any or all of Sublessor's remedies.

ITEM 19. Sublessor shall not be considered to be in default hereunder unless Sublessor (i) shall fail to perform a covenant, term or condition of this Sublease to be performed by Sublessor, (ii) shall receive written notice of the same from Sublessee specifying such nonperformance, and (iii) shall fail to cure the same within 30 days after written notice of the same or such longer time as is necessary to cure the same. If Sublessor shall fail to perform any covenant, term or condition of this Sublease upon Sublessor's part to be performed and, as a consequence of such default, Sublessee shall recover a money judgment against Sublessor, such judgment shall be satisfied only out of the proceeds of sale received upon execution of such judgment and levy thereon against the right, title and interest of Sublessor in the Premises and out of rents or other income from such property receivable by Sublessor and Sublessor shall not be liable for any deficiency.

ITEM 20. Whenever a period of time is provided in this Sublease for either party to do or perform any act or thing, such party shall not be liable or responsible for any delay due to adjustment of insurance loss, strikes, lockouts, fire or other casualties, acts of God, war, governmental regulation, enemy act, civil commotion or any other cause beyond the control of the responsible party and in any such event such time period shall be extended for the time the responsible party is so delayed.

ITEM 21. Payment by Sublessee or receipt by Sublessor of a lesser amount than the rent or other charges due hereunder may be, at Sublessor's sole option, deemed to be on account of the earliest due rent or other charge, or deemed to be on account of rent or charge owing for the current period only, notwithstanding any instructions by or on behalf of Sublessee to the contrary, and no endorsement or statement on any check or any letter accompanying any check payment as rent or other charges shall be deemed an accord and satisfaction and Sublessor may accept such check or payment without prejudicing Sublessor's right to (i) recover the balance or such rent or other charges, or (ii) pursue any other remedy in this Sublease or in law or in equity against Sublessee.

ITEM 22. Contemporaneously herewith Sublessor is granting Sublessee a franchise to operate a Piggly Wiggly food supermarket in the premises demised hereby; Sublessee and all of its shareholders (the "Shareholders" or a "Shareholder," collectively and separately) are entering into a Reimbursement Agreement with Sublessor covering the credit enhancement facility created for Sublessee's benefit by Sublessor's leasing of the Premises under the Principal Lease and then subleasing same to Sublessee; and the Shareholders are providing Sublessor with their personal guaranties of payment and performance by Sublessee of this Sublease and such Reimbursement Agreement (all of such other agreements are hereinafter referred to as the "Other Agreements" and an "Other Agreement," collectively and separately). Sublessee hereby covenants and agrees to perform all of the terms, covenants and conditions on its part contained in any one or more of the Other Agreements. The parties agree that a default by Sublessee or a Shareholder under any of the Other Agreements shall constitute a default by Sublessee under this Sublease and all other Other Agreements; and that a default by Sublessee under this Sublease shall constitute a default by Sublessee each and every one of the Other Agreement.

ITEM 23. A party's remedies provided in this Sublease shall not be deemed to be exclusive or in the alternative, but such remedies shall at all times be cumulative and, in addition thereto, each party shall have each and every other remedy afforded it by this Sublease or by law.

ITEM 24. The failure of a party to insist upon strict performance of any of the terms, covenants, and conditions herein contained shall not be deemed a waiver of any of its rights or remedies and shall not be deemed a waiver of any subsequent breach or default in any of such terms, covenants, and conditions. No surrender of the Premises shall be affected by Sublessor's acceptance of the keys thereto or acceptance of rent therefore or by any other means whatsoever unless the same be evidenced by Sublessor's written acceptance of such as a surrender.

ITEM 25. Sublessee shall, at its sole expense, pay when due all real and personal property taxes and all assessments, general and special, levied or assessed against the land, buildings and other improvements from time to time comprising the Premises to the extent, if any, that payment of such taxes or assessments are the obligation of Sublessor under the Principal Lease. Nothing herein contained shall prevent or prohibit Sublessee from protesting the validity or amount of any levy or assessment against the Premises or from taking such action as may be required or permitted by law for enforcing and affecting such protest. Furthermore, Sublessee may, if permitted by law and the Principal Lease, withhold the payment of any such protested taxes or assessments, but only on the express condition that the withholding of such payment shall have been approved by Sublessor and Landlord, neither of whose approvals shall be withheld so long as Sublessee proceeds in such protest according to statute and provides satisfactory security under such statute or otherwise to the effect that the Premises shall not be lost for nonpayment of such taxes or assessments.

ITEM 26. Sublessee shall, at its sole expense, pay, when due, for all periods during the term of this Sublease: (1) all charges and costs for sewer, water, gas, heat, air-conditioning, if any, electricity, telephone, and other utilities or services from time to time furnished to or

consumed in or upon the Premises, including any sewerage taxes or charges; (2) (acquire and pay for) all permits or licenses which may be required for Landlord's business in the Premises; and (3) all occupation taxes, curb cut permit fees and any other charges levied against the Premises of a like or similar nature.

ITEM 27. Sublessee shall, at its sole expense, maintain the Premises and all fixtures, equipment, facilities and systems located therein, in good, safe and operating condition and to that end shall make any and all needed repairs and replacements which may be necessary from time to time thereto (whether interior or exterior, ordinary, structural or mechanical including without limitation roof, wiring, plumbing, electrical, lighting fixtures, outlets, electrical panels, heating, ventilating and air conditioning system) and all other fixtures and installations in or about the Premises, except to the extent that Landlord agreed in the Principal Lease to perform such maintenance, repair and restoration work.

ITEM 28. All trade fixtures, signs, decorations and other personal property installed in or about the Premises by Sublessee may be removed by Sublessee at end of the term of this Sublease provided that all of the rents and other charges payable by Sublessee have been paid in full and Sublessee repairs any and all damage to the Premises caused by such removal (and the same shall be removed following expiration of this Sublease, upon written request of Sublessor).

ITEM 29. Sublessee may, from time to time, at its sole expense, make such alterations, improvements and decorations in the Premises as may be proper or necessary for the conduct of its business, provided, however, that any alteration of the exterior or a structural portion of the Premises which adversely affects to a material degree the structural integrity or value of the Premises shall require the prior written consent of Landlord and Sublessor, either of whose consents may be withheld in their absolute discretion. Sublessee shall indemnify and hold Landlord and Sublessor harmless against any mechanics or other liens or claims in connection with the making of any alterations, repairs, additions, improvements, decorations, or other construction. All alterations, additions, improvements, decorations, repairs and new buildings constructed shall remain upon the Premises at the expiration of this Sublease and shall be and remain the property of Sublessor.

ITEM 30. Sublessee covenants and agrees that its use of the Premises shall at all times during this Sublease comply with and conform to any and all laws, ordinances, rules and regulations of the federal, state, county, and municipal governments having jurisdiction over the Premises and of each duly constituted governmental board, commission and other subdivision or agency thereof, and of the applicable fire insurance rating bureau.

ITEM 31. Sublessee covenants and agrees that it will permit Sublessor and/or Landlord, their respective agents and representatives, at all reasonable times to have free access to the Premises for the purpose of examining and inspecting the condition thereof, and for exercising any right or power reserved to Sublessor under this Sublease or Landlord under the

Principal Lease, provided, however, that Sublessor (or Landlord, as the case may be) shall have given Sublessee (and Sublessor) five business days prior notice of its intent to enter the Premises (except in the case of an emergency).

ITEM 32. Sublessor shall have the right to convey, transfer, or assign, by sale or otherwise, all or any part of its interest in the real property and buildings of which the Premises are a part, or its interest in this Sublease, at any time and to any person, such conveyance, transfer, or assignment, however, to be subject to the terms and conditions of this Sublease. From and after the effective date of Sublessor's disposition of its entire interest under this Sublease, Sublessor shall cease to be personally liable on this Sublease, except for those obligations which have already accrued as of such date. Each person who is or becomes Sublessor under this Sublease shall only be liable on covenants and obligations of Sublessor hereunder which accrue during the period of its ownership thereof. All of Sublessor's covenants and obligations shall run with the land and shall be binding upon any subsequent owner of this Sublease.

ITEM 33. Each party agrees at any time and from time to time, upon not less than ten days prior written request from the other party, to execute, acknowledge and deliver to the other party a statement in writing certifying that this Sublease is unmodified and in full force and affect (or if there have been modifications, that the same is in full force and effect as modified, and stating the modifications), the dates to which the rent have been paid and stating whether or not, to the best knowledge of the signer of such certificate, Sublessor or Sublessee, as the case may be, is in default in the observance or performance of any covenant, agreement or condition contained in this Sublease and, if so, specifying each such default of which the signer has knowledge.

ITEM 34. Sublessee covenants, agrees, warrants and represents to Sublessor that the business conducted on the Premises shall be in compliance with all federal, state and local environmental laws (and the Americans with Disabilities Act). Sublessee further agrees to indemnify and hold Sublessor harmless from any claims (including, without limitation, third party claims for personal injury or real or personal property damage), actions, administrative proceedings, judgements, damages, penalties, fines, costs, liabilities, interest or losses, including attorneys' fees, consultant fees and expert fees that arise directly or indirectly from or in connection with the presence of any contamination not caused by Sublessor. The foregoing provisions shall inure to the benefit of the successors and assigns of Sublessor and shall survive termination of this Sublease.

ITEM 35. In addition to any other indemnification provisions in this Sublease, or any other agreement with Sublessor, the Sublessee shall indemnify, defend and hold harmless Sublessor and its insurer(s), if any, and its employees, agents and servants and any other business, corporation or other entity owned or operated by Sublessor, (hereinafter referred to as the "Indemnified Persons" or as an "Indemnified Person," collectively and separately) from any and all claims, liabilities, judgments, orders, actions, lawsuits and/or proceedings to which any Indemnified Person may be or become a party or for which any Indemnified Party or Parties may

be liable by contract, tort or otherwise, for any and all personal injuries (including but not limited to wrongful death) and property damage claims, damages, losses and expenses, including attorney's fees, which do or may arise out of or as a result of the operation, management or use of the Premises (or any other part of the shopping center or area in which the Premises are located) and/or from any defects with the Premises (or any other part of the shopping center or area in which the Premises are located), whether apparent or hidden, caused in whole or in part, by any intentional or negligent act or omission of the Sublessee, its agents, employees, servants or invitees. Sublessee is required hereby to include in its comprehensive public liability insurance policies covering the Premises a contractual liability part or endorsement insuring its indemnity and hold harmless covenant and obligation under this paragraph, for the benefit of the Indemnified Parties and in an amount not less than $3,000,000, including primary and excess to primary coverage.

ITEM 36. At the request of either party hereto, the parties agree to enter into a recordable form memorandum of this Sublease, suitable for recording purposes, but nothing therein contained shall alter or vary any of the terms of this Sublease.

ITEM 37. In the event either party hereto shall be successful in enforcing against the other any remedy, legal or equitable, for breach of any of the provisions of this Sublease, there should be included in the judgment or decree the reasonable attorney's fees and enforcement costs of the successful party.

ITEM 38. The terms and provisions of this Sublease shall be governed by the laws of the state in which the Premises are located.

ITEM 39. Additional Provisions.

***** SIGNATURES ON FOLLOWING PAGE *****

IN WITNESS WHEREOF, Sublessor and Sublessee have duly executed this Sublease under seal on the day and year first above written.

PIGGLY WIGGLY MIDWEST, LLC, (Sublessor)

By: _____

Attest: _____

(CORPORATE SEAL)

_____ (Sublessee)

By: _____

Attest: _____

[CORPORATE SEAL]

STATE OF WISCONSIN)
) ss.
SHEBOYGAN COUNTY)

Personally came before me this _____ day of _____, 20____, _____ _____ and _____, the _____ and _____, respectively, of the above named **PIGGLY WIGGLY MIDWEST, LLC**, to me known to be the persons who executed the foregoing instrument and to me known to be such _____ _____ and _____ of said **PIGGLY WIGGLY MIDWEST, LLC**, by its authority.

_____

Notary Public, _____ County

State of Wisconsin

My Commission Expires: _____

*** ADDITIONAL NOTARY ACKNOWLEDGEMENT ON FOLLOWING PAGE ***

STATE OF WISCONSIN)
) ss.
_____ COUNTY)

Personally came before me this _____ day of _____, 20____, _____ _____ and _____, the _____ President and _____ Secretary, of the above named _____, to me known to be the persons who executed the foregoing instrument, and to me known to be such _____ President and _____ Secretary, respectively, and acknowledged that they executed the foregoing instrument as such officers as the deed of said _____ corporation, by its authority.

_____

Notary Public, _____ County

State of Wisconsin

My Commission Expires: _____

FINANCIAL STATEMENTS OF
PIGGLY WIGGLY MIDWEST, LLC

EXHIBIT D

PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FISCAL YEARS ENDED SEPTEMBER 27, 2025 AND SEPTEMBER 28, 2024

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PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES
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INDEPENDENT AUDITORS' REPORT

Member and Board of Directors
Piggly Wiggly Midwest, LLC and Subsidiaries
Sheboygan, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Piggly Wiggly Midwest, LLC and Subsidiaries (Piggly Wiggly Midwest, LLC), which comprise the consolidated balance sheets as of September 27, 2025 and September 28, 2024, and the related consolidated statements of operations, changes in member's equity, and cash flows for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Piggly Wiggly Midwest, LLC as of September 27, 2025 and September 28, 2024 and the results of its operations and its cash flows for the fiscal 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Piggly Wiggly Midwest, LLC 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Piggly Wiggly Midwest, LLC's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Piggly Wiggly Midwest, LLC'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Piggly Wiggly Midwest, LLC'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
June 24, 2026

PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 27, 2025 AND SEPTEMBER 28, 2024

	September 27, 2025	September 28, 2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 3,617,388	$ 7,290,974
Accounts Receivable, Net of Allowance for Credit Losses of $750,000, $491,237, and $623,013, Respectively	19,880,889	17,859,331
Inventories	46,524,724	42,581,623
Prepaid Expenses	1,728,386	1,654,643
Notes Receivable - Current Portion	60,000	48,000
Other Current Assets	445,409	534,895
Total Current Assets	72,256,796	69,969,466
NONCURRENT ASSETS		
Notes Receivable, Less Current Maturities and Allowance of $974,531, $974,531 Respectively	1,881,035	1,287,958
Property and Equipment, Net	7,332,180	6,502,595
Intangibles, Net	113,052,012	125,977,339
Financing Right-of-Use Asset, Net	12,313,531	15,457,574
Operating Right-of-Use Assets, Net	79,377,835	72,301,748
Total Noncurrent Assets	213,956,593	221,527,214
Total Assets	$ 286,213,389	$ 291,496,680
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	14,798,164	35,393,977
Accrued Salaries and Benefits	8,959,186	8,645,566
Other Accrued Liabilities	6,378,531	8,412,266
Finance Lease Liability - Current	3,384,290	2,867,821
Operating lease Liability - Current	15,691,276	11,347,037
Total Current Liabilities	49,211,447	66,666,667
OTHER LIABILITIES		
Accounts Payable - Intercompany	12,822,457	22,401,060
Finance Lease Liability - Long-Term	9,774,414	12,916,843
Operating Lease Liability - Long-Term	62,736,275	60,728,698
Total Other Liabilities	85,333,146	96,046,601
Total Liabilities	134,544,593	162,713,268
MEMBER'S EQUITY		
Additional Paid-In Capital	224,507,297	224,507,297
Accounts Receivable - Intercompany	(182,261,671)	(188,515,981)
Retained Earnings	109,423,170	92,792,096
Total Member's Equity	151,668,796	128,783,412
Total Liabilities and Member's Equity	$ 286,213,389	$ 291,496,680

See accompanying Notes to Consolidated Financial Statements.

PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FISCAL YEARS ENDED SEPTEMBER 27, 2025 AND SEPTEMBER 28, 2024

	September 27, 2025	September 28, 2024
NET SALES	$ 535,389,955	$ 585,164,517
COST OF PRODUCTS SOLD	434,371,715	468,885,052
GROSS PROFIT	101,018,240	116,279,465
SELLING AND ADMINISTRATIVE EXPENSES	96,184,743	94,439,817
DEPRECIATION AND AMORTIZATION	14,428,670	15,418,537
OPERATING INCOME (LOSS)	(9,595,173)	6,421,111
INTEREST EXPENSE	588,729	658,122
OTHER INCOME AND EXPENSE, NET	26,814,976	27,974,983
CONSOLIDATED NET INCOME	$ 16,631,074	$ 33,737,972

See accompanying Notes to Consolidated Financial Statements.

PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S EQUITY
FISCAL YEARS ENDED SEPTEMBER 27, 2025 AND SEPTEMBER 28, 2024

	Additional Paid-In Capital	Accts Receivable Intercompany	Retained Earnings	Total Equity
BALANCE - SEPTEMBER 30, 2023	224,507,297	(141,750,784)	59,054,124	141,810,637
Change in Intercompany Receivable	-	(46,765,197)	-	(46,765,197)
Net Income	-	-	33,737,972	33,737,972
BALANCE - SEPTEMBER 28, 2024	224,507,297	(188,515,981)	92,792,096	128,783,412
Change in Intercompany Receivable	-	6,254,310	-	6,254,310
Net Income	-	-	16,631,074	16,631,074
BALANCE - SEPTEMBER 30, 2025	$ 224,507,297	$ (182,261,671)	$ 109,423,170	$ 151,668,796

See accompanying Notes to Consolidated Financial Statements.

PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FISCAL YEARS ENDED SEPTEMBER 27, 2025 AND SEPTEMBER 28, 2024

	September 27, 2025	September 28, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated Net Income	$ 16,631,074	$ 33,737,972
Adjustments to Reconcile Consolidated Net Income to Net Cash Provided (Used) by Operating Activities		
Net Gain on Asset Disposition	(286,130)	3,071
Depreciation and Amortization	14,428,670	15,418,537
Noncash Lease Expense	2,419,772	643,066
Changes in Assets and Liabilities:		
Receivables	(2,021,558)	7,641,002
Inventories	(3,943,101)	4,516,522
Other Assets	89,486	(116,099)
Accounts Payable, net of Intercompany Receivables and Payables	(30,174,416)	(2,168,837)
Prepaids	(73,743)	438,275
Accrued and Other Liabilities	(1,720,115)	(1,200,040)
Net Cash Provided (Used) by Operating Activities	(4,650,061)	58,913,469
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of Property and Equipment	(2,105,644)	(4,941,271)
Proceeds from Asset Disposition	58,846	(3,071)
Payments (Advances) on Notes Receivable, Net	(605,077)	195,287
Net Cash Used by Investing Activities	(2,651,875)	(4,749,055)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Finance Leases	(2,625,960)	(2,791,539)
Accounts Receivable Intercompany	6,254,310	(46,765,197)
Net Cash Provided (Used) by Financing Activities	3,628,350	(49,556,736)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,673,586)	4,607,678
Cash and Cash Equivalents - Beginning of Fiscal Year	7,290,974	2,683,296
CASH AND CASH EQUIVALENTS - END OF FISCAL YEAR	$ 3,617,388	$ 7,290,974
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	$ 588,729	$ 658,122
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITY		
Right-of-Use Asset Received in Exchange for Operating Lease	$ 6,070,935	$ -

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 NATURE OF OPERATIONS

Piggly Wiggly Midwest, LLC and Subsidiaries (PWM or Company), a wholly owned subsidiary of C&S Wholesale Grocers, Inc., is a grocery wholesaler, supermarket retailer, and franchisor. Operating under the Piggly Wiggly® banner, the corporately owned and franchised supermarkets are located throughout Wisconsin and northern Illinois. As of September 27, 2025, PWM had 78 franchised supermarkets, and 12 corporate-owned supermarkets. All supermarkets are served by two company-operated distribution centers and a third-party distribution facility.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year

PWM's fiscal year ends on the final Saturday in September and is typically based on 13 monthly periods. The 2025 fiscal year that ended September 27, 2025 contained 52 weeks consisting of 13 four-week periods. The 2024 fiscal year that ended September 28, 2024 contained 52 weeks consisting of 8 four-week periods and 4 five-week periods.

Principles of Consolidation

The consolidated financial statements include the accounts of PWM and its subsidiaries. The wholly owned subsidiaries consist of PW Retail Foods, LLC, PWM Trucking LLC, and Majdecki Foods, LLC. Intercompany accounts and transactions have been eliminated. The consolidated financial statements do not include the accounts of the parent company, C&S Wholesale Grocers, Inc., or its other subsidiaries.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from those estimates.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Equivalents

Cash and equivalents consist of demand deposits at commercial banks which, at times, may exceed the federally insured limits. The Company has not experienced any losses in such accounts, and believes its exposure to any credit risk on cash is not significant. Cash equivalents also include highly liquid investments with a maturity of three months or less when purchased and are stated at cost which approximates market value.

Receivables

Receivables consist primarily of accounts with PWM's wholesale customers, most of which are franchisees. PWM monitors the financial viability of its customers and, when applicable, provides an allowance for credit losses. The allowance for credit losses is the aggregate of the shortfall between each franchisee's equity balance and its total unsecured outstanding trade payables, notes payable, and direct finance leases with PWM. Receivables are shown net of the allowance for credit losses. The provisions to the reserve are included in selling and administrative expenses on the consolidated statements of operations. Accounts are written off after PWM determines the account will not be collected and all reasonable attempts at collection have failed. PWM does not charge finance fees on past due accounts.

PWM extends additional credit to its franchisees undergoing major store remodels. These advances are generally interest-free and typically mature at the completion of the remodeling project.

Inventories

Inventories, substantially all of which consist of groceries and related products for resale, are stated at the lower of cost or market value. Cost is determined primarily on the last-in, first-out (LIFO) method. For products at corporately owned locations, cost is determined on the retail inventory method. Approximately 80% of all inventories were accounted for under the LIFO method as of September 27, 2025 and September 28, 2024. The excess of current cost over the stated LIFO cost of inventory was $2,984,401 and $4,231,797 as of September 27, 2025 and September 28, 2024, respectively. The use of the LIFO method of determining the cost of inventories had the effect of decreasing inventories at September 27, 2025 and September 28, 2024. Net income increased by $1,247,396, and by $2,052,634, for the fiscal years ended September 27, 2025 and September 28, 2024, respectively, as compared to what they would have been under the first-in, first-out (FIFO) method.

Other Current Assets

Other current assets consist substantially of resalable supplies for the Company's corporately owned stores.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. Equipment generally has a useful life of 4 to 7 years; computer hardware and software have a useful life of 3 to 7 years; buildings and land improvements have a useful life of 10 to 39 years. Facility remodeling and upgrade costs on leased stores are capitalized as leasehold improvements and are amortized over the shorter of the remaining lease term or the useful life of the asset. Upon disposal, the appropriate asset cost and accumulated depreciation or amortization is retired.

Periodically, PWM evaluates long-lived assets for impairment. Management considers such factors as current operating results, trends and future prospects, current market value, and other economic and regulatory factors in performing these analyses. Recoverability of assets to be held and used is measured by comparing the carrying value of an asset to the undiscounted future cash flows expected to be generated by the asset. If the carrying value of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized to the extent that the book value exceeds fair market value. Assets to be disposed of are reported at the lower of the carrying amount or the fair value of the asset, less all associated costs of disposition.

As of September 27, 2025 and September 28, 2024, property and equipment, net of accumulated depreciation and amortization, consisted of the following:

	September 27, 2025	September 28, 2024
Buildings and Improvements	$ -	$ 43,101
Leasehold Improvements	4,804,499	4,232,599
Equipment and Fixtures	13,240,730	10,862,598
Construction in Progress	323,094	954,804
Property and Equipment, Gross	18,368,323	16,093,102
Less: Accumulated Depreciation and Amortization	(11,036,143)	(9,590,507)
Property and Equipment, Net	$ 7,332,180	$ 6,502,595

Intangibles, Net

Goodwill represents the excess of the purchase price and related costs over the fair value of net assets acquired. PWM applies Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 350, *Intangible – Goodwill and Other*, which provides an accounting alternative for the subsequent measurement of goodwill. The accounting alternative allows a private company to amortize goodwill on a straight-line basis over 10 years, or a shorter period if the entity is able to demonstrate that another useful life is more appropriate. PWM amortizes goodwill on a straight-line basis over 10 years. PWM performs a one-step impairment test at the entity level whenever events occur, or circumstances change, that indicate that the fair value of the entity may be below their carrying amount.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangibles, Net (continued)

As of September 27, 2025 and September 28, 2024, goodwill, net of accumulated amortization, was included in intangibles, net on the consolidated balance sheets and consisted of the following:

	September 27, 2025	September 28, 2024
Goodwill	$ 129,750,395	$ 129,750,395
Less: Accumulated Amortization	(53,938,383)	(41,013,056)
Goodwill, Net	$ 75,812,012	$ 88,737,339
Trademark	37,240,000	37,240,000
Intangibles, Net	$ 113,052,012	$ 125,977,339

Amortization expense from goodwill was $12,925,327 and $13,537,614 for the fiscal years ended September 27, 2025 and September 28, 2024, respectively. Amortization expense is expected to be approximately $13,000,000 for each of the succeeding five years.

The Company's trademark of the Piggly Wiggly name has an inherit value of $37,240,000 and is considered to have an indefinite life. The trademark is included in intangibles, net on the consolidated balance sheets and is reviewed annually for impairment. No impairment was evident for the years ended September 27, 2025 and September 28, 2024.

Pig Points Program

The Company maintains a loyalty program for Piggly Wiggly customers, the Pig Points Program. Program members earn points for dollars spent at Piggly Wiggly stores on certain items, as advertised. Points are accumulated up to $100 of value per card and can be redeemed for discounts on products from a listing published by the Company, or for discounts on fuel at participating gas stations. Points will only expire if a member has not used their rewards card at a Piggly Wiggly store in the past 60 days. Management is required to evaluate the Company's liability exposure for the program on an annual basis. Deferred income, included in other accrued liabilities on the consolidated balance sheets, was $1,336,493 and $3,200,142 as of September 27, 2025 and September 28, 2024, respectively.

The Company estimates breakage, representing the portion of loyalty points that are not expected to be redeemed, based on historical redemption patterns, customer behavior, and program terms. The Company recognizes estimated breakage as revenue in proportion to the pattern of rights exercised by customers, consistent with the timing of point redemptions.

Management reviews breakage estimates periodically and updates assumptions as necessary. Changes in estimates are recognized prospectively.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Accrued Liabilities

Other accrued liabilities consist of the following as of September 27, 2025 and September 28, 2024:

	September 27, 2025	September 28, 2024
Deferred Income - Gift Card	$ 3,145,047	$ 3,272,689
Deferred Income - Rewards Program	1,336,493	3,200,142
Property Tax	669,792	656,020
Sales and Use Tax	153,546	343,278
Miscellaneous	1,073,653	940,137
Total Other Accrued Liabilities	$ 6,378,531	$ 8,412,266

Revenue Recognition

Revenue is recognized when control of the promised goods or services are transferred to customers in an amount that reflects the consideration the Company expects to be entitled to for those products and services. In general, the Company's revenue recognition follows a five-step process, (1) identify a contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognized revenue when or as we satisfy a performance obligation.

Wholesale sales are recognized at the time products are shipped, as shipments are free on-board shipping point. Retail sales are recognized at the point of sale. Royalty fees are charged based on the retail sales of the Company's franchisees. Other services are provided on a fee basis as needed.

The Company does not recognize a sale when it sells its own gift cards. Rather, it records deferred income as a contract liability equal to the amount received. A sale is then recognized when the gift cards are redeemed to purchase the Company's products. Based on state and local rules and regulations, gift cards expire five years from the date of activation. The Company recognized gift card breakage under the proportional method by reviewing breakage estimates periodically and recognizing change in estimates prospectively.

Contract liabilities relate to advance payments from customers for goods and services or rewards that the Company has yet to provide and are recorded as deferred income within Other Accrued Liabilities in the consolidated balance sheets and as detailed later in Note 1.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

Accounts receivable and contract liabilities from contracts with customers were as follows:

Trade Accounts Receivable:	
September 27, 2025	$ 20,630,889
September 28, 2024	$ 18,350,568
September 30, 2023	$ 26,123,346
Contract Liabilities:	
September 27, 2025	$ 4,481,540
September 28, 2024	$ 6,472,831
September 30, 2023	$ 6,251,798

Sales Taxes Collected and Remitted

The Company presents sales taxes collected from customers and remitted to governmental authorities on a net basis, excluding such amounts from revenues and cost of sales.

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating right-of-use (ROU) assets, net and operating lease liability, and finance leases are included in financing right-of-use assets, net and finance lease liability in the consolidated balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Company has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the consolidated balance sheets.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Company has elected to use a risk-free discount rate determined by using a period comparable with that of the lease term for computing the present value of all lease liabilities.

The Company has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Advertising

Advertising costs are expensed as incurred. Advertising expense, net of promotions earned, was $1,268,724 and $649,574 for the fiscal years ended September 27, 2025 and September 28, 2024, respectively.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company is a disregarded entity for tax purposes. C&S Wholesale Grocers, Inc., as the sole member of the Company, reports the Company's share of taxable income in their corporate tax return. Therefore, no provision for income taxes has been included in the accompanying consolidated financial statements. The Company follows the accounting requirements for uncertain tax positions. The Company determined no liability related to uncertain tax positions was required as of September 27, 2025 and September 28, 2024. The federal and state income tax returns of the Company for 2023 and after are subject to examination by the Internal Revenue Service and state taxing authorities, generally for 3 years after filed.

NOTE 3 CONSOLIDATION OF CERTAIN FRANCHISEES

FASB ASC 810, *Consolidation*, requires a reporting entity to consolidate another entity in which the reporting entity has a controlling financial interest, whether voting rights exist or not. A controlling financial interest occurs when the reporting entity is the primary beneficiary of any losses or gains resulting from its variable interests in the other entity, and typically the equity investors of the consolidated entity do not have sufficient equity at risk for the entity to finance its activities without support from the reporting entity. The consolidated entity is deemed to be a variable interest entity (VIE). For the 2025 and 2024 fiscal years, PWM did not have a controlling financial interest in another entity, and PWM did not consolidate any variable interest entities.

NOTE 4 NOTES RECEIVABLE

For fiscal years 2025 and 2024, PWM provided financial support to its franchisees and independent supermarkets by issuing loans for working capital or refinancing third-party debt. The loans are noninterest bearing and are secured by either inventory, property, equipment, or personal guaranties of owner-operators. Imputed interest is deemed immaterial to the financial statements. The monthly payments varied from $-0- to $6,935, and the loans were scheduled to mature during fiscal years 2028 through 2064.

PWM reviewed its total exposure for each franchisee and recorded the entire allowance against receivables. Any reserve made for potentially uncollectible notes receivable are properly reserved. Accounts are written off after PWM determines the account will not be collected and all reasonable attempts at collection have failed.

NOTE 5 RELATED PARTY TRANSACTIONS

The Company and its stores enter various transactions as both a creditor and debtor, at times. Amounts due to related parties are as follows at September 27, 2025 and September 28, 2024:

	September 27, 2025	September 28, 2024
Accounts Payable	12,822,457	22,401,060

NOTE 6 OPERATING LEASES – ASC 842

The Company leases facilities for its operations with various terms under noncancelable lease agreements. The leases expire at various dates through 2039. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. The agreements generally require the Company to be responsible for real estate taxes, utilities, insurance, and repairs.

The following table provides quantitative information concerning the Company's operating leases:

	September 27, 2025	September 28, 2024
Lease Cost:		
Operating Lease Cost	$ 10,394,852	$ 12,592,944
Short-Term Lease Costs	7,386,846	1,933,301
Total Lease Cost	$ 17,781,698	$ 14,526,245
Other Information:		
Operating Cash Fows from Operating Leases	$ 12,814,624	$ 13,236,010
Weighted-Average Remaining Lease Term - Operating Leases	6.6 Years	7.0 Years
Weighted-Average Discount Rate - Operating Leases	4.08%	4.70%

NOTE 6 OPERATING LEASES – ASC 842 (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of September 27, 2025, is as follows:

Fiscal Year Ending	Amount
2026	$ 15,691,276
2027	13,865,329
2028	11,434,339
2029	9,361,251
2030	7,987,915
Thereafter	26,764,125
Undiscounted Cash Flows	85,104,235
(Less) Imputed Interest	(6,676,684)
Total Present Value	$ 78,427,551
Short-Term Lease Liabilities	$ 15,691,276
Long-Term Lease Liabilities	62,736,275
Total	$ 78,427,551

NOTE 7 FINANCE LEASES – ASC 842

The Company leases facilities for its operations with various terms under noncancelable lease agreements. The leases expire at various dates through 2033. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. The agreements generally require the Company to be responsible for real estate taxes, utilities, insurance, and repairs.

The following table provides quantitative information concerning the Company's operating leases:

	September 27, 2025	September 28, 2024
Lease Cost:		
Amortization of Right-of-Use Assets	$ 3,144,043	$ 2,978,408
Interest on Lease Liabilities	547,022	618,845
Total Lease Cost	$ 3,691,065	$ 3,597,253
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Leases	$ 2,891,661	$ 3,410,384
Weighted-Average Remaining Lease Term - Finance Leases	5.2 Years	6.0 Years
Weighted-Average Discount Rate - Finance Leases	3.84%	3.86%

NOTE 7 FINANCE LEASES – ASC 842 (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of September 27, 2025, is as follows:

Fiscal Year Ending	Amount
2026	$ 3,384,290
2027	2,924,135
2028	2,541,243
2029	2,042,244
2030	1,444,809
Thereafter	1,923,354
Undiscounted Cash Flows	14,260,075
(Less) Imputed Interest	(1,101,371)
Total Present Value	$ 13,158,704
Short-Term Lease Liabilities	$ 3,384,290
Long-Term Lease Liabilities	9,774,414
Total	$ 13,158,704

NOTE 8 RETIREMENT PLANS

Profit Sharing/401(k) Savings Plan

PWM has a trusteed retirement savings defined contribution plan which includes provisions of Section 401(k) of the Internal Revenue Code (IRC), for the benefit of PWM's nonunion eligible employees. PWM's contributions to the plan are mandatory as defined in the Piggly Wiggly Midwest Retirement Savings Plan document. Contributions amounted to $456,768 and $455,997 for the fiscal years ended September 27, 2025 and September 28, 2024, respectively.

Multiemployer Pension Plan

PWM currently participates in one multiemployer pension plan providing defined benefits to union employees under the provisions of collective bargaining agreements. The risks of participating in multiemployer plans are different from single employer plans in the following respects: assets contributed to multiemployer plans by one employer may be used to provide benefits to employees of other participating employers and if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. This plan requires PWM to make contributions as negotiated in the collective bargaining agreements. PWM's contributions to this plan did not exceed 5% of the total contributions made to the plan. Currently, this plan is underfunded in that the present value of accrued liabilities exceeds the current value of the assets held in trust to pay benefits. Although PWM has no plans to do so, if it were to exit certain markets or otherwise cease making contributions to this plan, it could trigger a withdrawal liability that would require PWM to fund its proportionate share of the plan's unfunded vested benefits. There are many variables that affect future funding requirements, such as investment returns and benefit levels. The significance of these variables in estimating future funding requirements has prohibited PWM from estimating any potential future withdrawal liability.

NOTE 8 RETIREMENT PLANS (CONTINUED)

Multiemployer Pension Plan (Continued)

Pension Fund (1)	PPA Zone Status (2) 2024	2023	2022	FIP/RP Status Pending	Contributions 2025	2024	Surcharge Imposed? (3)	Collective Bargaining Expiration Date
Central States, Southeast, and Southwest Areas Pension Fund E.I.N. 36-6044243	Red	Red	Red	No	$ 2,762,000	$ 2,709,000	No	2/1/2030
Total					$ 2,762,000	$ 2,709,000		

(1) The information for this fund was obtained from the Form 5500 filed for the plan years ended at December 31, 2024 and 2023. At the date the financial statements were issued, Form 5500 was not available for the plan year ending in 2025.

(2) The plan is considered to be in critical status because it has funding or liquidity problems, or both. The pension fund is approximately 15% and 14% funded for the plan years ended December 31, 2024 and 2023, respectively.

(3) Under the Pension Protection Act, a surcharge may be imposed when employers make contributions under a collective bargaining agreement that are not in compliance with a rehabilitation plan. As of September 27, 2025 the collective bargaining agreements under which the Company was making contributions were in compliance with rehabilitation plans adopted by each applicable pension fund.

Approximately 54% of the Company's employees are covered under collective bargaining agreements at September 27, 2025 and September 28, 2024.

NOTE 9 SELF-INSURANCE

Under its self-insurance plans, the Company accrues the estimated expense of claim costs based on claims filed subsequent to year-end and an additional amount for incurred but not yet reported claims based on prior experience. Accruals for such costs of approximately $1,846,000 and $2,193,000 are included in accrued salaries and benefits at September 27, 2025 and September 28, 2024, respectively. Claims payments based on actual claims ultimately filed could differ materially from these estimates.

NOTE 10 COMMITMENTS AND CONTINGENCIES

The Company leases certain equipment from related and unrelated parties on a month-to-month basis.

Sales to one customer accounted for approximately 16% and 14% of total sales for the fiscal years ended September 27, 2025 and September 28, 2024, respectively.

Purchases from one vendor accounted for approximately 16% of total purchases for the fiscal years ended September 27, 2025 and September 28, 2024.

NOTE 11 RECLASSIFICATION

Certain balances in the 2024 financial statements have been reclassified to conform to presentation in the 2025 financial statements.

NOTE 12 SUBSEQUENT EVENTS

The Company has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 24, 2026, the date on which the consolidated financial statements were available to be issued.

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PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 28, 2024

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PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES
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YEAR ENDED SEPTEMBER 28, 2024

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INDEPENDENT AUDITORS' REPORT

Member and Board of Directors
Piggly Wiggly Midwest, LLC
Sheboygan, Wisconsin

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Piggly Wiggly Midwest, LLC, which comprise the consolidated balance sheet as of September 28, 2024, and the related consolidated statement of operations, changes in member's equity, and cash flows to the year then ended, and the related notes to the consolidated financial statements .

In our opinion, the consolidated financial statements referred to above presents fairly, in all material respects, the financial position of Piggly Wiggly Midwest, LLC as of September 28, 2024, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Piggly Wiggly Midwest, LLC, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements and related notes, 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 the consolidated financial statements and related notes that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and related notes, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Piggly Wiggly Midwest, LLC's ability to continue as a going concern for one year after the date the balance sheet and related notes are available to be issued.

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and related notes, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 combined balance sheet and related notes.
- 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 Piggly Wiggly Midwest, LLC'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 consolidated balance sheet and related notes.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt Piggly Wiggly Midwest, LLC'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
September 9, 2025

PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
SEPTEMBER 28, 2024

ASSETS

CURRENT ASSETS	
Cash and Equivalents	$ 7,290,974
Marketable Securities	301,368
Accounts Receivable, Net of Allowance for Credit Losses of $491,237	17,859,331
Accounts Receivable - Intercompany	188,515,981
Inventories	42,581,623
Prepaid Expenses	1,654,643
Notes Receivable, Stockholder - Current Portion	48,000
Other Current Assets	233,527
Total Current Assets	258,485,447
NONCURRENT ASSETS	
Notes Receivable, Less Current Maturities and Allowance of $974,531	1,287,958
Property and Equipment, Net	6,502,595
Intangibles, Net	125,977,339
Financing Right-of-Use Asset, Net	15,457,574
Operating Right-of-Use Assets, Net	72,301,748
Total Noncurrent Assets	221,527,214
Total Assets	$ 480,012,661

LIABILITIES AND MEMBER'S EQUITY

CURRENT LIABILITIES	
Accounts Payable	35,393,977
Accounts Payable - Intercompany	22,401,060
Accrued Salaries and Benefits	8,645,566
Other Accrued Liabilities	8,412,266
Finance Lease Liability - Current	2,867,821
Operating lease Liability - Current	11,347,037
Total Current Liabilities	89,067,727
OTHER LIABILITIES	
Finance Lease Liability - Long-Term	12,916,843
Operating Lease Liability - Long-Term	60,728,698
Total Other Liabilities	73,645,541
Total Liabilities	162,713,268
MEMBER'S EQUITY	
Additional Paid-In-Capital	224,507,297
Retained Earnings	92,792,096
Total Member's Equity	317,299,393
Total Liabilities and Member's Equity	$ 480,012,661

PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 28, 2024

NET SALES	$ 585,164,517
COST OF PRODUCTS SOLD	460,090,499
GROSS PROFIT	125,074,018
SELLING AND ADMINISTRATIVE EXPENSES	94,439,817
DEPRECIATION AND AMORTIZATION	15,418,537
OPERATING INCOME	15,215,664
INTEREST EXPENSE	658,122
OTHER INCOME AND EXPENSE, NET	19,180,430
CONSOLIDATED NET INCOME	$ 33,737,972

PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN MEMBER'S EQUITY
YEAR ENDED SEPTEMBER 28, 2024

	Additional Paid-In-Capital	Retained Earnings	Total Equity
BALANCE - SEPTEMBER 30, 2023	$ 224,507,297	$ 59,054,124	$ 283,561,421
Net Income	-	33,737,972	33,737,972
BALANCE - SEPTEMBER 28, 2024	$ 224,507,297	$ 92,792,096	$ 317,299,393

PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 28, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Consolidated Net Income	$ 33,737,972
Adjustments to Reconcile Consolidated Net Income to Net Cash Provided by Operating Activities:	
Net Gain on Asset Disposition	3,071
Depreciation and Amortization	15,418,537
Noncash Lease Expense	643,066
Changes in Assets and Liabilities:	
Receivables	7,641,002
Inventories	4,516,522
Other Assets	(116,099)
Accounts Payable	(48,934,034)
Prepaids	438,275
Accrued and Other Liabilities	(1,200,040)
Net Cash Provided by Operating Activities	12,148,272
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisitions of Property and Equipment	(4,941,271)
Proceeds from Asset Disposition	(3,071)
Advances on Notes Receivable, Net	195,287
Net Cash Used by Investing Activities	(4,749,055)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payments on Finance Leases	(2,791,539)
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,607,678
Cash and Cash Equivalents - Beginning of Year	2,683,296
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 7,290,974
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION FINANCING ACTIVITIES	
Cash Paid for Interest	$ 658,122

NOTE 1 DESCRIPTION OF BUSINESS

Piggly Wiggly Midwest, LLC (PWM), a wholly-owned subsidiary of C&S Wholesale Grocers, Inc. is a grocery wholesaler, supermarket retailer, and franchisor. Operating under the Piggly Wiggly® banner, the corporately owned and franchised supermarkets are located throughout Wisconsin and northern Illinois. As of September 28, 2024, PWM had 80 franchised supermarkets, 12 corporately owned supermarkets, and 12 independently owned supermarkets. All supermarkets are served by two company-operated distribution centers and a third-party distribution facility.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year

PWM's fiscal year ends on the final Saturday in September and is typically based on twelve monthly periods. The 2024 fiscal year that ended September 28, 2024 contained 52 weeks consisting of eight 4-week periods and four 5-week periods.

Principles of Consolidation

The consolidated financial statements include the accounts of PWM and its subsidiaries. The wholly owned subsidiaries consist of PW Retail Foods, LLC, PWM Trucking LLC and Majdecki Foods, LLC. Intercompany accounts and transactions have been eliminated. The consolidated financial statements do not include the accounts of the parent company, C&S Wholesale Grocers, Inc., or its other subsidiaries.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from those estimates.

Cash and Equivalents

Cash and equivalents consist of demand deposits at commercial banks which, at times, may exceed the federally insured limits. We have not experienced any losses in such accounts, and we believe our exposure to any credit risk on cash is not significant. Cash equivalents also include highly liquid investments with a maturity of three months or less when purchased and are stated at cost which approximates market value.

Marketable Securities

Marketable securities, which are stated at fair value, consist of available-for-sale investments. PWM determines the appropriate classification of our investments in securities at the time of purchase and reevaluate such determinations at each balance sheet date. Securities are classified as available-for-sale when the investment does not have a maturity date and PWM does not intend to trade them in the near term. Investments are classified as held-to-maturity when PWM intends to hold the investment to maturity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables consist primarily of accounts with PWM's wholesale customers, most of which are franchisees. PWM monitors the financial viability of its customers and, when applicable, provides an allowance for credit losses. The allowance for credit losses is the aggregate of the shortfall between each franchisee's equity balance and its total unsecured outstanding trade payables, notes payable, and direct finance leases with PWM. Receivables are shown net of the allowance for credit losses of $491,237 as of September 28, 2024. The 2024 provisions to the reserve are included in selling and administrative expenses on the consolidated statement of operations. Accounts are written off after PWM determines the account will not be collected and all reasonable attempts at collection have failed. PWM does not charge finance fees on past due accounts.

PWM extends additional credit to its franchisees undergoing major store remodels. These advances are generally interest-free and typically mature at the completion of the remodeling project.

Inventories

Inventories, substantially all of which consist of groceries and related products for resale, are stated at the lower of cost or market value. Cost is determined primarily on the last-in, first-out (LIFO) method. For products at corporately owned locations, cost is determined on the retail inventory method. 80% of all inventories were accounted for under the LIFO method as of September 28, 2024. The excess of current cost over the stated LIFO cost of inventory was $4,231,797 as of September 28, 2024. The use of the LIFO method of determining the cost of inventories had the effect of decreasing inventories at September 28, 2024. Net income increased by $2,052,634 for the year then ended as compared to what they would have been under the first-in, first-out (FIFO) method.

Other Current Assets

Other current assets consist of resalable supplies for the Company's corporately owned stores.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. Equipment generally has a useful life of 4 to 7 years; computer hardware and software have a useful life of 3 to 7 years; buildings and land improvements have a useful life of 10 to 39 years. Facility remodeling and upgrade costs on leased stores are capitalized as leasehold improvements and are amortized over the shorter of the remaining lease term or the useful life of the asset. Upon disposal, the appropriate asset cost and accumulated depreciation or amortization are retired.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (continued)

Periodically, PWM evaluates all long-lived assets for impairment. Management considers such factors as current operating results, trends and future prospects, current market value and other economic and regulatory factors in performing these analyses. Recoverability of assets to be held and used is measured by comparison of the carrying value of an asset to the undiscounted future cash flows expected to be generated by the asset. If the carrying value of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized to the extent that the book value exceeds fair market value. Assets to be disposed of are reported at the lower of the carrying amount or the fair value of the asset, less all associated costs of disposition.

As of September 28, 2024, property and equipment, net of accumulated depreciation and amortization, consisted of the following:

	September 28, 2024
Buildings and Improvements	$ 43,101
Leasehold Improvements	4,232,599
Equipment and Fixtures	10,862,598
Construction-In-Progress	954,804
Property and Equipment, Gross	16,093,102
Less: Accumulated Depreciation and Amortization	(9,590,507)
Property and Equipment, Net	$ 6,502,595

Goodwill

Goodwill represents the excess of the purchase price and related costs over the fair value of net assets acquired. PWM applies FASB ASC 350, *Intangible – Goodwill and Other*, which provides an accounting alternative for the subsequent measurement of goodwill. The accounting alternative allows a private company to amortize goodwill on a straight-line basis over 10 years, or a shorter period if the entity is able to demonstrate that another useful life is more appropriate. PWM amortizes goodwill on a straight-line basis over 10 years. PWM performs a one-step impairment test at the entity level whenever events occur, or circumstances change, that indicate that the fair value of the entity may be below their carrying amount.

As of September 28, 2024, goodwill, net of accumulated amortization, was included in Intangibles, Net on the balance sheet and consisted of the following:

	September 28, 2024
Total Goodwill	$ 129,750,395
Less: Accumulated Amortization	(41,013,056)
Goodwill, Net	$ 88,737,339

Amortization expense from goodwill was $13,537,614 for the year ended September 28, 2024. Amortization expense is expected to be approximately $13,000,000 for each of the succeeding five years.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Noncurrent Assets

Other noncurrent assets consists of the Company's trademark of the Piggly Wiggly name. The trademark has an inherit value of $37,240,000 and is considered to have an indefinite life. The trademark is included in Intangibles, Net on the balance sheet.

Pig Points Program

The Company maintains a loyalty program for Piggly Wiggly customers, the Pig Points Program. Program members earn points for dollars spent at Piggly Wiggly stores on certain items as advertised. Points are accumulated up to $100 of value per card and can be redeemed for discounts on products from a listing published by the Company, or for discounts on fuel at participating gas stations. Points willy only expire if a member has not used their rewards card at a Piggly Wiggly store in the past 60 days. Management is required to evaluate the Company's liability exposure for the program on an annual basis. Deferred income, included in other accrued liabilities on the balance sheet, was $3,200,142 as of September 28, 2024.

Other Accrued Liabilities

Other accrued liabilities consistent of the following as of September 28, 2024:

Deferred Income - Gift Card	$	3,272,689
Deferred Income - Rewards Program		3,200,142
Property Tax		656,020
Sales and Use Tax		343,278
Miscellaneous		940,137
Total Other Accrued Liabilities	$	8,412,266

Revenue Recognition

Revenue is recognized when control of the promised goods or services are transferred to customers in an amount that reflects the consideration we expect to be entitled to for those products and services. In general, the Company's revenue recognition follows a five step process, (1) identify a contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognized revenue when or as we satisfy a performance obligation.

Wholesale sales are recognized at the time products are shipped, as shipments are free on board shipping point. Retail sales are recognized at the point of sale. Franchise fees are charged based on the retail sales of our franchisees. Other services are provided on a fee basis.

The Company does not recognize a sale when it sells its own gift cards. Rather, it records a deferred income liability equal to the amount received. A sale is then recognized when the gift cards are redeemed to purchase the Company's products. Based on state and local rules and regulations, gift cards expire five years from the date of activation. The Company recognized gift card breakage under the proportional method.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

The Company disaggregates its revenue from customers by type of contract as it best depicts the nature, amount, timing, and uncertainty of its revenue and cash flows.

Contract liabilities relate to advance payments from customers for goods and services that the Company has yet to provide and are recorded as deferred income within other accrued liabilities in the balance sheet and as detailed later in Note 1.

Accounts Receivable and Contract Liabilities from contracts with customers were as follows:

Trade Accounts Receivable:		
September 28, 2024	$	18,350,568
September 30, 2023		26,123,346
Contract Liabilities:		
September 28, 2024	$	6,472,831
September 30, 2023		6,251,798

Sales Taxes Collected and Remitted

The Company presents sales taxes collected from customers and remitted to governmental authorities on a net basis, excluding such amounts from revenues and cost of sales.

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the balance sheet.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Company has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Company has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

The Company has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Advertising costs are expensed as incurred. Advertising expense was $649,574 for the year ended September 28, 2024.

Adoption of New Accounting Standard

At the beginning of 2024, the Company adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modified the measurement of expected credit losses. The Company adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Company's consolidated financial statements but did change how the allowance for credit losses is determined.

The Company extends credit to customers in the normal course of business. The Company uses a combination of historical loss experience, current economic conditions, and forward-looking information to estimate credit losses for financial assets. The Company considers various factors such as borrower creditworthiness and profitability of default to estimate credit losses.

Income Taxes

The Company is a disregarded entity for tax purposes. C&S Wholesale Grocers, Inc., as the sole member of the Company, reports the Company's share of taxable income in their corporate tax return. Therefore, no provision for income taxes has been included in the accompanying financial statements.

PWM has adopted the guidance for accounting for uncertainties in income taxes included in FASB ASC 740, *Income Taxes*. This guidance increases the relevancy and comparability of financial reporting by clarifying the way companies account for uncertainties in income tax positions taken or expected to be taken. It makes recognition and measurement more consistent and offers clear criteria for subsequently recognizing, derecognizing, and measuring such tax positions for financial statement purposes.

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure in the financial statements through September 9, 2025, the date on which the financial statements were available to be issued.

NOTE 3 CONSOLIDATION OF CERTAIN FRANCHISEES

FASB ASC 810, *Consolidation*, requires a reporting entity to consolidate another entity in which the reporting entity has a controlling financial interest, whether voting rights exist or not. A controlling financial interest occurs when the reporting entity is the primary beneficiary of any losses or gains resulting from its variable interests in the other entity, and typically the equity investors of the consolidated entity do not have sufficient equity at risk for the entity to finance its activities without support from the reporting entity. The consolidated entity is deemed to be a variable interest entity (VIE). For the 2024 fiscal year, PWM did not have a controlling financial interest in another entity, and PWM did not consolidate any variable interest entities.

NOTE 4 FAIR VALUE MEASUREMENT

PWM follows fair value accounting standards that relate to financial assets and liabilities, which provides a framework for measuring, reporting and disclosing fair value under accounting principles generally accepted in the United States of America. These standards apply to all assets and liabilities that are measured, reported and/or disclosed on a fair value basis.

As defined in the fair value accounting standards, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, PWM uses various valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible, PWM attempts to utilize valuation methods that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation methods, PWM is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities measured, reported and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

NOTE 4 FAIR VALUE MEASUREMENT (CONTINUED)

Level 1 – Fair value is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets in which PWM can participate. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial instruments and assets that are valued using models or other valuation methodologies.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. At each balance sheet date, PWM performs an analysis of all instruments subject to fair value measurement and include in Level 3 all of those whose fair value is based on significant unobservable inputs.

The balances of assets measured at fair value on a recurring basis are as follows:

	Fair Value Measurements at September 28, 2024			
	Level 1	Level 2	Level 3	Total
Available-for-Sale Equity Securities	$ 301,368	$ -	$ -	$ 301,368
Total Marketable Securities	$ 301,368	$ -	$ -	$ 301,368

There are no balances of assets measured at fair value on a nonrecurring basis at September 28, 2024.

NOTE 5 NOTES RECEIVABLE

For fiscal year 2024, PWM provided financial support to its franchisees and independent supermarkets by issuing loans for working capital or refinancing third-party debt. The loans are noninterest bearing and are secured by either inventory, property, equipment, or personal guaranties of owner-operators. The monthly payments varied from $0 to $6,935, and the loans were scheduled to mature during fiscal years 2028 through 2064.

PWM periodically reviewed its total exposure for each franchisee and recorded the entire allowance against receivables. Any reserve made for potentially uncollectible notes receivable are properly reserved. PWM considered these notes receivable to have low credit risk due to the fact that PWM had sufficient collateral on the notes including inventory, property, equipment, and personal guaranties. Accounts are written off after PWM determines the account will not be collected and all reasonable attempts at collection have failed.

NOTE 6 RELATED PARTY TRANSACTIONS

The Company and C&S Wholesale Grocers, Inc. enter into various transactions as both a creditor and debtor. Amounts due from and due to C&S Wholesale Grocers, Inc. are as follows at September 28, 2024:

Accounts Receivable	$	188,515,981
Accounts Payable		22,401,060

NOTE 7 OPERATING LEASES – ASC 842

The Company leases facilities for its operations with various terms under noncancelable lease agreements. The leases expire at various dates through 2039. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. The agreements generally require the Company to be responsible for real estate taxes, utilities, insurance and repairs.

The following table provides quantitative information concerning the Company's operating leases:

Lease Cost		
Operating lease cost	$	12,592,944
Short-Term Lease Costs		1,933,301
Total lease cost	$	14,526,245
Other Information		
Operating cash flows from operating leases	$	13,236,010
Weighted-average remaining lease term - operating leases		7.0 years
Weighted-average discount rate - operating leases		4.70%

NOTE 7 OPERATING LEASES – ASC 842 (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of September 28, 2024, is as follows:

Fiscal Year Ending		
2025	$	14,436,184
2026		13,042,417
2027		11,006,308
2028		8,549,615
2029		6,476,527
Thereafter		26,942,376
Undiscounted cash flows		80,453,427
(Less) Imputed interest		(8,377,692)
Total present value	$	72,075,735
Short-term lease liabilities	$	11,347,037
Long-term lease liabilities		60,728,698
	$	72,075,735

NOTE 8 FINANCE LEASES – ASC 842

The Company leases facilities for its operations with various terms under noncancelable lease agreements. The leases expire at various dates through 2033. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. The agreements generally require the Company to be responsible for real estate taxes, utilities, insurance and repairs.

The following table provides quantitative information concerning the Company's operating leases:

Lease Cost		
Amortization of Right-of-Use Assets	$	2,978,408
Interest on Lease Liabilities		618,845
Total lease cost	$	3,597,253
Other Information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases		3,410,384
Weighted-average remaining lease term - finance leases		6.0 years
Weighted-average discount rate - finance leases		3.86%

NOTE 8 FINANCE LEASES – ASC 842 (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of September 28, 2024, is as follows:

Fiscal Year Ending		
2025	$	3,380,292
2026		3,384,242
2027		2,924,135
2028		2,541,243
2029		2,042,244
Thereafter		3,368,211
Undiscounted cash flows		17,640,367
(Less) Imputed interest		(1,855,703)
Total present value	$	15,784,664
Short-term lease liabilities	$	2,867,821
Long-term lease liabilities		12,916,843
	$	15,784,664

NOTE 9 RETIREMENT PLANS

Profit Sharing/401(k) Savings Plan

PWM has a trusteed retirement savings defined contribution plan which includes provisions of Section 401(k) of the Internal Revenue Code, for the benefit of PWM's nonunion eligible employees. PWM's contributions to the plan are mandatory as defined in the Piggly Wiggly Midwest Retirement Savings Plan document.

Multi-Employer Pension Plan

PWM currently participates in one multiemployer pension plans providing defined benefits to union employees under the provisions of collective bargaining agreements. The risks of participating in multiemployer plans are different from single employer plans in the following respects: assets contributed to multiemployer plans by one employer may be used to provide benefits to employees of other participating employers and if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. These plans require PWM to make contributions as negotiated in the collective bargaining agreements. PWM's contributions to these plans did not exceed 5% of the total contributions made to the plan. Currently, this plan is under-funded in that the present value of accrued liabilities exceeds the current value of the assets held in trust to pay benefits. Although PWM has no plans to do so, if it were to exit certain markets or otherwise cease making contributions to these plans, it could trigger a withdrawal liability that would require PWM to fund its proportionate share of the plan's unfunded vested benefits. There are many variables that affect future funding requirements, such as investment returns and benefit levels. The significance of these variables in estimating future funding requirements has prohibited PWM from estimating any potential future withdrawal liability.

NOTE 9 RETIREMENT PLANS (CONTINUED)

Pension Fund	PPA Zone Status 2023	PPA Zone Status 2022	FIP/RP Status Pending	Contributions 2024	Surcharge Imposed?	Collective Bargaining Expiration Date
Central States, Southeast and Southwest Areas Pension Fund E.I.N. 36-6044243	Red	Red	No	$ 2,709,000	No	2/1/2030
Total				$ 2,709,000		

Approximately 54% of the Company's employees are covered under collective bargaining agreements at September 28, 2024.

NOTE 10 SELF-INSURANCE

Under its self-insurance plans, the Company accrues the estimated expense of claim costs based on claims filed subsequent to year-end and an additional amount for incurred but not yet reported claims based on prior experience. Accruals for such costs of approximately $2,193,000 are included in accrued expenses at September 28, 2024. Claims payments based on actual claims ultimately filed could differ materially from these estimates.

NOTE 11 COMMITMENTS AND CONTINGENCIES

The Company leases certain equipment from related and unrelated parties on a month-to-month basis.

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PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES
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YEAR ENDED SEPTEMBER 30, 2023

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INDEPENDENT AUDITORS' REPORT

Member and Board of Directors
Piggly Wiggly Midwest, LLC
Sheboygan, Wisconsin

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Piggly Wiggly Midwest, LLC, which comprise the consolidated balance sheet as of September 30, 2023, and the related consolidated statement of operations, changes in member's equity, and cash flows to the year then ended, and the related notes to the consolidated financial statements .

In our opinion, the consolidated financial statements referred to above presents fairly, in all material respects, the financial position of Piggly Wiggly Midwest, LLC as of September 30, 2023, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Piggly Wiggly Midwest, LLC, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter Regarding a Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, in 2023 the Company adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements and related notes, 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 the consolidated financial statements and related notes that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements and related notes, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Piggly Wiggly Midwest, LLC's ability to continue as a going concern for one year after the date the balance sheet and related notes are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and related notes, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 combined balance sheet and related notes.
- 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 Piggly Wiggly Midwest, LLC'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 consolidated balance sheet and related notes.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt Piggly Wiggly Midwest, LLC'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
November 12, 2024

PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 2023

ASSETS

CURRENT ASSETS		
Cash and Equivalents	$	2,683,296
Marketable Securities		301,368
Accounts Receivable, Net of Allowance for Doubtful Accounts of $623,013		25,500,333
Accounts Receivable - Intercompany		141,750,784
Inventories		47,098,145
Prepaid Expenses		2,092,918
Notes Receivable, Stockholder - Current Portion		128,340
Other Current Assets		117,428
Total Current Assets		219,672,612
NONCURRENT ASSETS		
Notes Receivable, Less Current Maturities and Allowance of $1,221,602		1,402,905
Property and Equipment, Net		3,442,247
Intangibles, Net		139,514,953
Financing Right-of-Use Asset, Net		12,547,192
Operating Right-of-Use Assets, Net		78,808,512
Total Noncurrent Assets		235,715,809
Total Assets	$	455,388,421

LIABILITIES AND MEMBER'S EQUITY

CURRENT LIABILITIES		
Accounts Payable		40,503,700
Accounts Payable - Intercompany		19,460,174
Accrued Salaries and Benefits		8,529,773
Other Accrued Liabilities		9,669,833
Finance Lease Liability - Current		2,828,360
Operating lease Liability - Current		12,165,127
Total Current Liabilities		93,156,967
OTHER LIABILITIES		
Other Long-Term Liabilities		1,156,043
Finance Lease Liability - Long-Term		9,069,970
Operating Lease Liability - Long-Term		68,444,020
Total Other Liabilities		78,670,033
Total Liabilities		171,827,000
MEMBER'S EQUITY		
Additional Paid-In-Capital		224,507,297
Retained Earnings		59,054,124
Total Member's Equity		283,561,421
Total Liabilities and Member's Equity	$	455,388,421

PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
SEPTEMBER 30, 2023

NET SALES	674,861,188
COST OF PRODUCTS SOLD	557,438,619
GROSS PROFIT	117,422,569
SELLING AND ADMINISTRATIVE EXPENSES	86,866,282
DEPRECIATION AND AMORTIZATION	15,114,606
OPERATING INCOME	15,441,681
INTEREST EXPENSE	653,373
OTHER INCOME AND EXPENSE, NET	12,493,381
CONSOLIDATED NET INCOME	$ 27,281,689

PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN MEMBER'S EQUITY
SEPTEMBER 30, 2023

	Additional Paid-In-Capital	Retained Earnings	Total Equity
BALANCE - SEPTEMBER 24, 2022	224,507,297	31,302,168	255,809,465
Adoption of ASC 842	-	470,267	470,267
Net Income	-	27,281,689	27,281,689
BALANCE - SEPTEMBER 30, 2023	$ 224,507,297	$ 59,054,124	$ 283,561,421

PIGGLY WIGGLY MIDWEST, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Consolidated Net Income	$ 27,281,689
Adjustments to Reconcile Consolidated Net Income to Net Cash Provided by Operating Activities:	
Net Gain on Asset Disposition	(52,128)
Unrealized Marketable Securities Loss	1,689
Depreciation and Amortization	15,114,606
Noncash Lease Expense	4,906,675
Changes in Assets and Liabilities:	
Receivables	(7,633,795)
Inventories	2,135,625
Other Assets	1,683,617
Accounts Payable	(36,133,220)
Prepaids	(985,949)
Accrued and Other Liabilities	(297,235)
Net Cash Provided by Operating Activities	6,021,574
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisitions of Property and Equipment	(1,195,931)
Proceeds from Asset Disposition	52,128
Advances on Notes Receivable, Net	(149,529)
Net Cash Used by Investing Activities	(1,293,332)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payments on Finance Leases	(2,632,251)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,095,991
Cash and Cash Equivalents - Beginning of Year	587,305
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,683,296
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION FINANCING ACTIVITIES	
Cash Paid for Interest	$ 653,373
SUPPLEMENTAL DISCLOSURES OF NONCASH FINANCING ACTIVITIES	
Right of Use Asset Received in Exchange for Finance Lease	$ 14,726,690

NOTE 1 DESCRIPTION OF BUSINESS

Piggly Wiggly Midwest, LLC (PWM), a wholly-owned subsidiary of C&S Wholesale Grocers, Inc. is a grocery wholesaler, supermarket retailer, and franchisor. Operating under the Piggly Wiggly® banner, the corporately owned and franchised supermarkets are located throughout Wisconsin and northern Illinois. As of September 30, 2023, PWM had 84 franchised supermarkets, 12 corporately owned supermarkets, and 17 independently owned supermarkets. All supermarkets are served by two company-operated distribution centers and a third-party distribution facility.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year

PWM's fiscal year ends on the final Saturday in September and is typically based on twelve monthly periods. The 2023 fiscal year that ended September 30, 2023 contained 52 weeks consisting of seven 4-week periods and five 5-week periods.

Principles of Consolidation

The consolidated financial statements include the accounts of PWM and its subsidiaries. The wholly owned subsidiaries consist of PW Retail Foods, LLC, PWM Trucking LLC and Majdecki Foods, LLC. Intercompany accounts and transactions have been eliminated. The consolidated financial statements do not include the accounts of the parent company, C&S Wholesale Grocers, Inc., or its other subsidiaries.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from those estimates.

Cash and Equivalents

Cash and equivalents consist of demand deposits at commercial banks which, at times, may exceed the federally insured limits. We have not experienced any losses in such accounts, and we believe our exposure to any credit risk on cash is not significant. Cash equivalents also include highly liquid investments with a maturity of three months or less when purchased and are stated at cost which approximates market value.

Marketable Securities

Marketable securities, which are stated at fair value, consist of available-for-sale investments. PWM determines the appropriate classification of our investments in securities at the time of purchase and reevaluate such determinations at each balance sheet date. Securities are classified as available-for-sale when the investment does not have a maturity date and PWM does not intend to trade them in the near term. Investments are classified as held-to-maturity when PWM intends to hold the investment to maturity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables consist primarily of accounts with PWM's wholesale customers, most of which are franchisees. PWM monitors the financial viability of its customers and, when applicable, provides an allowance for doubtful accounts. The allowance for doubtful accounts is the aggregate of the shortfall between each franchisee's equity balance and its total unsecured outstanding trade payables, notes payable, and direct finance leases with PWM. Receivables are shown net of the allowance for doubtful accounts of $623,013 as of September 30, 2023. The 2023 provisions to the reserve are included in selling and administrative expenses on the consolidated statement of operations. Accounts are written off after PWM determines the account will not be collected and all reasonable attempts at collection have failed. PWM does not charge finance fees on past due accounts.

PWM extends additional credit to its franchisees undergoing major store remodels. These advances are generally interest-free and typically mature at the completion of the remodeling project.

Inventories

Inventories, substantially all of which consist of groceries and related products for resale, are stated at the lower of cost or market value. Cost is determined primarily on the last-in, first-out (LIFO) method. For products at corporately owned locations, cost is determined on the retail inventory method. 89% of all inventories were accounted for under the LIFO method as of September 30, 2023. The excess of current cost over the stated LIFO cost of inventory was $6,284,431 as of September 30, 2023. The use of the LIFO method of determining the cost of inventories had the effect of decreasing inventories at September 30, 2023. Net income decreased by $732,634 for the year then ended as compared to what they would have been under the first-in, first-out (FIFO) method.

Other Current Assets

Other current assets consist of resalable supplies for the Company's corporately owned stores.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. Equipment generally has a useful life of 4 to 7 years; computer hardware and software have a useful life of 3 to 7 years; buildings and land improvements have a useful life of 10 to 39 years. Facility remodeling and upgrade costs on leased stores are capitalized as leasehold improvements and are amortized over the shorter of the remaining lease term or the useful life of the asset. Upon disposal, the appropriate asset cost and accumulated depreciation or amortization are retired.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (continued)

Periodically, PWM evaluates all long-lived assets for impairment. Management considers such factors as current operating results, trends and future prospects, current market value and other economic and regulatory factors in performing these analyses. Recoverability of assets to be held and used is measured by comparison of the carrying value of an asset to the undiscounted future cash flows expected to be generated by the asset. If the carrying value of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized to the extent that the book value exceeds fair market value. Assets to be disposed of are reported at the lower of the carrying amount or the fair value of the asset, less all associated costs of disposition.

As of September 30, 2023, property and equipment, net of accumulated depreciation and amortization, consisted of the following:

	September 30, 2023
Buildings and Improvements	43,101
Leasehold Improvements	3,668,186
Equipment and Fixtures	7,765,559
Construction-In-Progress	61,200
Property and Equipment, Gross	11,538,046
Less: Accumulated Depreciation and Amortization	(8,095,799)
Property and Equipment, Net	3,442,247

Goodwill

Goodwill represents the excess of the purchase price and related costs over the fair value of net assets acquired. PWM applies FASB ASC 350, *Intangible – Goodwill and Other*, which provides an accounting alternative for the subsequent measurement of goodwill. The accounting alternative allows a private company to amortize goodwill on a straight-line basis over 10 years, or a shorter period if the entity is able to demonstrate that another useful life is more appropriate. PWM amortizes goodwill on a straight-line basis over 10 years. PWM performs a one-step impairment test at the entity level whenever events occur, or circumstances change, that indicate that the fair value of the entity may be below their carrying amount.

As of September 30, 2023, goodwill, net of accumulated amortization, was included in Intangibles, Net on the balance sheet and consisted of the following:

	September 30, 2023
Total Goodwill	129,750,395
Less: Accumulated Amortization	(27,475,442)
Goodwill, Net	$ 102,274,953

Amortization expense from goodwill was $12,561,603 for the year ended September 30, 2023. Amortization expense is expected to be approximately $13,000,000 for each of the succeeding five years.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Noncurrent Assets

Other noncurrent assets consists of the Company's trademark of the Piggly Wiggly name. The trademark has an inherit value of $37,240,000 and is considered to have an indefinite life. The trademark is included in Intangibles, Net on the balance sheet.

Pig Points Program

The Company maintains a loyalty program for Piggly Wiggly customers, the Pig Points Program. Program members earn points for dollars spent at Piggly Wiggly stores on certain items as advertised. Points are accumulated up to $100 of value per card and can be redeemed for discounts on products from a listing published by the Company, or for discounts on fuel at participating gas stations. Points willy only expire if a member has not used their rewards card at a Piggly Wiggly store in the past 60 days. Management is required to evaluate the Company's liability exposure for the program on an annual basis. Deferred income, included in other accrued liabilities on the balance sheet, was $2,609,258 as of September 30, 2023.

Other Accrued Liabilities

Other accrued liabilities consistent of the following as of September 30, 2023:

Deferred Income - Gift Card	$	3,642,540
Deferred Income - Rewards Program		2,609,258
Property Tax		879,827
Sales and Use Tax		136,107
Miscellaneous		2,402,101
Total Other Accrued Liabilities	$	9,669,833

Revenue Recognition

Revenue is recognized when control of the promised goods or services are transferred to customers in an amount that reflects the consideration we expect to be entitled to for those products and services. In general, the Company's revenue recognition follows a five step process, (1) identify a contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognized revenue when or as we satisfy a performance obligation.

Wholesale sales are recognized at the time products are shipped, as shipments are free on board shipping point. Retail sales are recognized at the point of sale. Franchise fees are charged based on the retail sales of our franchisees. Other services are provided on a fee basis.

The Company does not recognize a sale when it sells its own gift cards. Rather, it records a deferred income liability equal to the amount received. A sale is then recognized when the gift cards are redeemed to purchase the Company's products. Based on state and local rules and regulations, gift cards expire five years from the date of activation. The Company recognized gift card breakage under the proportional method.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

The Company disaggregates its revenue from customers by type of contract as it best depicts the nature, amount, timing, and uncertainty of its revenue and cash flows.

Contract liabilities relate to advance payments from customers for goods and services that the Company has yet to provide and are recorded as deferred income within other accrued liabilities in the balance sheet and as detailed later in Note 1.

Accounts Receivable and Contract Liabilities from contracts with customers were as follows:

Trade Accounts Receivable:	
September 30, 2023	23,152,388
September 24, 2022	14,676,456
Contract Liabilities:	
September 30, 2023	6,251,798
September 24, 2022	5,897,339

Sales Taxes Collected and Remitted

The Company presents sales taxes collected from customers and remitted to governmental authorities on a net basis, excluding such amounts from revenues and cost of sales.

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the balance sheet.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Company has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Company has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

The Company has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Advertising costs are expensed as incurred. Advertising expense was $634,120 for the year ended September 30, 2023

Adoption of New Accounting Standard

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases* (Topic 842). This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Company adopted the requirements of the guidance effective September 25, 2022, and has elected to apply the provisions of this standard to the beginning of that period.

The Company has elected to adopt the package of practical expedients available in the year of adoption. The Company has not elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Company's ROU assets.

The Company elected the available practical expedients to account for existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Company recognized on September 25, 2022, a lease liability of $90,922,281 which represents the present value of the remaining operating lease payments discounted using the Company's incremental borrowing rate and a right-of-use asset of $90,593,850.

As a result of the adoption of the new lease accounting guidance, the Company recognized on September 25, 2022, a lease liability of $14,726,690 which represents the present value of the remaining finance lease payments of $19,941,610, discounted using the Company's incremental borrowing rate and a right-of-use asset of $14,726,690.

The standard had a material impact on the consolidated balance sheet but did not have an impact on the consolidated statement of operations and retained earnings, nor consolidated statement of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company is a disregarded entity for tax purposes. C&S Wholesale Grocers, Inc., as the sole member of the Company, reports the Company's share of taxable income in their corporate tax return. Therefore, no provision for income taxes has been included in the accompanying financial statements.

PWM has adopted the guidance for accounting for uncertainties in income taxes included in FASB ASC 740, *Income Taxes*. This guidance increases the relevancy and comparability of financial reporting by clarifying the way companies account for uncertainties in income tax positions taken or expected to be taken. It makes recognition and measurement more consistent and offers clear criteria for subsequently recognizing, derecognizing, and measuring such tax positions for financial statement purposes.

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure in the financial statements through November 12, 2024, the date on which the financial statements were available to be issued.

NOTE 3 CONSOLIDATION OF CERTAIN FRANCHISEES

FASB ASC 810, *Consolidation*, requires a reporting entity to consolidate another entity in which the reporting entity has a controlling financial interest, whether voting rights exist or not. A controlling financial interest occurs when the reporting entity is the primary beneficiary of any losses or gains resulting from its variable interests in the other entity, and typically the equity investors of the consolidated entity do not have sufficient equity at risk for the entity to finance its activities without support from the reporting entity. The consolidated entity is deemed to be a variable interest entity (VIE). For the 2023 fiscal year, PWM did not have a controlling financial interest in another entity, and PWM did not consolidate any variable interest entities.

NOTE 4 FAIR VALUE MEASUREMENT

PWM follows fair value accounting standards that relate to financial assets and liabilities, which provides a framework for measuring, reporting and disclosing fair value under accounting principles generally accepted in the United States of America. These standards apply to all assets and liabilities that are measured, reported and/or disclosed on a fair value basis.

NOTE 4 FAIR VALUE MEASUREMENT (CONTINUED)

As defined in the fair value accounting standards, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, PWM uses various valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible, PWM attempts to utilize valuation methods that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation methods, PWM is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities measured, reported and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Fair value is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets in which PWM can participate. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial instruments and assets that are valued using models or other valuation methodologies.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. At each balance sheet date, PWM performs an analysis of all instruments subject to fair value measurement and include in Level 3 all of those whose fair value is based on significant unobservable inputs.

The balances of assets measured at fair value on a recurring basis are as follows:

	Fair Value Measurements at September 30, 2023			
	Level 1	Level 2	Level 3	Total
Available-for-Sale Equity Securities	$ 301,368	$ -	$ -	$ 301,368
Total Marketable Securities	$ 301,368	$ -	$ -	$ 301,368

There are no balances of assets measured at fair value on a nonrecurring basis at September 30, 2023.

NOTE 5 NOTES RECEIVABLE

For fiscal year 2023, PWM provided financial support to its franchisees and independent supermarkets by issuing loans for working capital or refinancing third-party debt. The loans are noninterest bearing and are secured by either inventory, property, equipment, or personal guaranties of owner-operators. The monthly payments varied from $0 to $6,935, and the loans were scheduled to mature during fiscal years 2024 through 2064.

PWM periodically reviewed its total exposure for each franchisee and recorded the entire allowance against receivables. Any reserve made for potentially uncollectible notes receivable are properly reserved. PWM considered these notes receivable to have low credit risk due to the fact that PWM had sufficient collateral on the notes including inventory, property, equipment, and personal guaranties. Accounts are written off after PWM determines the account will not be collected and all reasonable attempts at collection have failed.

NOTE 6 RELATED PARTY TRANSACTIONS

The Company and C&S Wholesale Grocers, Inc. enter into various transactions as both a creditor and debtor. Amounts due from and due to C&S Wholesale Grocers, Inc. are as follows at September 30, 2023:

Accounts Receivable	$	141,750,784
Accounts Payable		19,460,174

NOTE 7 OPERATING LEASES – ASC 842

The Company leases facilities for its operations with various terms under noncancelable lease agreements. The leases expire at various dates through 2037. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. The agreements generally require the Company to be responsible for real estate taxes, utilities, insurance and repairs.

The following table provides quantitative information concerning the Company's operating leases:

Lease Cost	
Operating lease cost	9,491,849
Short-Term Lease Costs	6,247,377
Total lease cost	15,739,226
Other Information	
Operating cash flows from operating leases	14,398,524
Weighted-average remaining lease term - operating leases	8.7 years
Weighted-average discount rate - operating leases	4.70%

NOTE 7 OPERATING LEASES – ASC 842 (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of September 30, 2023, is as follows:

Fiscal Year Ending	
2024	14,875,139
2025	14,482,204
2026	13,061,592
2027	11,006,308
2028	8,549,615
Thereafter	33,720,652
Undiscounted cash flows	95,695,510
(Less) Imputed interest	(15,086,363)
Total present value	80,609,147
Short-term lease liabilities	12,165,127
Long-term lease liabilities	68,444,020
	80,609,147

NOTE 8 FINANCE LEASES – ASC 842

The Company leases facilities for its operations with various terms under noncancelable lease agreements. The leases expire at various dates through 2033. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. The agreements generally require the Company to be responsible for real estate taxes, utilities, insurance and repairs.

The following table provides quantitative information concerning the Company's operating leases:

Lease Cost	
Amortization of Right-of-Use Assets	2,179,500
Interest on Lease Liabilities	628,489
Total lease cost	2,807,989
Other Information	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from finance leases	628,489
Weighted-average remaining lease term - finance leases	7.0 years
Weighted-average discount rate - finance leases	4.70%

NOTE 8 FINANCE LEASES – ASC 842 (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of September 30, 2023, is as follows:

Fiscal Year Ending	
2024	3,197,762
2025	2,600,327
2026	2,550,863
2027	2,061,943
2028	1,666,164
Thereafter	4,603,811
Undiscounted cash flows	16,680,870
(Less) Imputed interest	(4,782,540)
Total present value	11,898,330
Short-term lease liabilities	2,828,360
Long-term lease liabilities	9,069,970
	11,898,330

NOTE 9 RETIREMENT PLANS

Profit Sharing/401(k) Savings Plan

PWM has a trusteed retirement savings defined contribution plan which includes provisions of Section 401(k) of the Internal Revenue Code, for the benefit of PWM's nonunion eligible employees. PWM's contributions to the plan are mandatory as defined in the Piggly Wiggly Midwest Retirement Savings Plan document.

Multi-Employer Pension Plan

PWM currently participates in one multiemployer pension plans providing defined benefits to union employees under the provisions of collective bargaining agreements. The risks of participating in multiemployer plans are different from single employer plans in the following respects: assets contributed to multiemployer plans by one employer may be used to provide benefits to employees of other participating employers and if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. These plans require PWM to make contributions as negotiated in the collective bargaining agreements. PWM's contributions to these plans did not exceed 5% of the total contributions made to the plan. Currently, this plan is under-funded in that the present value of accrued liabilities exceeds the current value of the assets held in trust to pay benefits. Although PWM has no plans to do so, if it were to exit certain markets or otherwise cease making contributions to these plans, it could trigger a withdrawal liability that would require PWM to fund its proportionate share of the plan's unfunded vested benefits. There are many variables that affect future funding requirements, such as investment returns and benefit levels. The significance of these variables in estimating future funding requirements has prohibited PWM from estimating any potential future withdrawal liability.

NOTE 9 RETIREMENT PLANS (CONTINUED)

Pension Fund	PPA Zone Status 2022	PPA Zone Status 2021	FIP/RP Status Pending	Contributions 2023	Surcharge Imposed?	Collective Bargaining Expiration Date
Central States, Southeast and Southwest Areas Pension Fund E.I.N. 36-6044243	Red	Red	No	3,067,000	No	2/1/2025
Total				$ 3,067,000		

Approximately 54% of the Company's employees are covered under collective bargaining agreements at September 30, 2023.

NOTE 10 SELF-INSURANCE

Under its self-insurance plans, the Company accrues the estimated expense of claim costs based on claims filed subsequent to year-end and an additional amount for incurred but not yet reported claims based on prior experience. Accruals for such costs of approximately $1,272,000 are included in accrued expenses at September 30, 2023. Claims payments based on actual claims ultimately filed could differ materially from these estimates.

NOTE 11 COMMITMENTS AND CONTINGENCIES

The Company leases certain equipment from related and unrelated parties on a month-to-month basis.

CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAglobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

GENERALIZED PROJECTION FOR
35,000 SQUARE FOOT SUPERMARKET

EXHIBIT E

GENERALIZED PROJECTION FOR
35,000 SQUARE FOOT SUPERMARKET

THESE PROJECTIONS OF COSTS, FINANCIAL NEEDS, INVESTMENT, SALES, EXPENSES (INCLUDING DEBT SERVICE), EARNINGS/LOSSES AND CASH FLOWS ARE MERELY ESTIMATES AND SHOULD NOT BE CONSIDERED AS THE ACTUAL OR POTENTIAL COSTS, FINANCIAL NEEDS, INVESTMENT, SALES, EXPENSES (INCLUDING DEBT SERVICE), EARNINGS/LOSSES AND CASH FLOWS THAT WILL BE REALIZED BY ANY SPECIFIC FRANCHISEE. INVESTORS IN OR PURCHASERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS PREPARED OR AUDITED THESE PROJECTIONS OR EXPRESSED ANY OPINION OR OTHER FORM OF ASSURANCE WITH REGARD TO THEIR CONTENTS OR FORM AND THAT THE FRANCHISOR DOES NOT REPRESENT THAT ANY FRANCHISEE CAN EXPECT TO ATTAIN THESE SALES, EXPENSES (INCLUDING DEBT SERVICE), EARNINGS/LOSSES AND/OR CASH FLOWS, EITHER OVER TIME OR IN ANY PARTICULAR YEAR OF OPERATIONS.

OPERATIONAL PROJECTION

PREPARED BY PIGGLY WIGGLY MIDWEST

LOCATION: Anywhere
STORE # : xxx
[X] FRANCHISE STORE

CREATED:
REVISED:

	Year 1	Year 2	Year 3	Year 4	Year 5
1. *SQUARE FOOTAGE OF NEW SUPERMARKET:*	0				
2. *BUILDING ADDITION:*					
A. SIZE OF BUILDING ADDITION	35,000				
B. SIZE OF EXISTING BUILDING	0				
C. **TOTAL SIZE**	35,000				
3 *OPERATOR FINANCIAL NEEDS:*					
A. NEW EQUIPMENT AND FIXTURES					
ESTIMATED COSTS OF NEW EQUIPMENT & FIXTURES	0				
DEPRECIATION OVER **5** YEARS	0				
COST PER SQUARE FOOT	0.00				
B. USED EQUIPMENT AND FIXTURES					
ESTIMATED COSTS OF USED EQUIPMENT & FIXTURES	1,000,000				
DEPRECIATION OVER **5** YEARS	200,000				
COST PER SQUARE FOOT	28.57				
C. EXISTING ASSETS	0				
D. GOODWILL					
ESTIMATED COSTS OF GOODWILL	0				
DEPRECIATION OVER **15** YEARS	0				
COST PER SQUARE FOOT	0.00				
E. INVENTORY					
TOTAL INVENTORY NEEDED	700,000				
CURRENT INVENTORY	0				
ADDITIONAL INVENTORY NEEDED	0				
INVENTORY PER SQUARE FOOT	20.00				
F. PRE-OPENING EXPENSES	0				
G. **TOTAL FINANCIAL NEEDS**	1,700,000				
7. *OPERATOR'S CASH INVESTMENT:* 100,000 Start up cash					
A. FINANCING FOR NEW AND USED EQUIPMENT & FIXTURES	1,000,000				
CASH 0					
LOAN **1,000,000**					
7 YEARS **6.50** % INTEREST					
B. FINANCING FOR GOODWILL	0				
CASH 0					
LOAN **0**					
7 YEARS **6.50** % INTEREST					
C. FINANCING FOR INVENTORY	700,000				
CASH 100,000					
LOAN **600,000**					
7 YEARS **6.50** % INTEREST					
D. PRE-OPENING EXPENSES	0				
CASH 0					
		RATE	**PRINCIPAL**	**TERM**	**PAYMENT**
E. **TOTAL FINANCIAL PACKAGE**	**1,700,000**	6.50%	$ 1,600,000	7	$23,759.10
			annual	12	$ 285,109.18
CASH 100,000 / FINANCED **1,600,000**					
	Year 1	Year 2	Year 3	Year 4	Year 5
ANNUAL PRINCIPAL PAYMENT	186,603	199,101	212,435	226,662	241,842
ESTIMATED ANNUAL INTEREST PAYMENT	98,506	86,009	72,675	58,447	43,267
5. *OPERATIONAL BREAKEVEN BUDGET:*		1% Annual Increases			
SALES: PER PERIOD	1,000,000	1,020,000	1,040,400	1,061,208	1,082,432
WEEKLY SALES	**250,000**	**255,000**	**260,100**	**265,302**	**270,608**
TOTAL YEARLY SALES	13,000,000	13,260,000	13,525,200	13,795,704	14,071,618
SALES PER SQUARE FOOT	$ 7.14	$ 7.29	$ 7.43	$ 7.58	$ 7.73
SALES DISTRIBUTION (%):					
GROCERY	34.900	34.900	34.900	34.900	34.900
FROZEN FOOD	8.000	8.000	8.000	8.000	8.000
DAIRY	9.000	9.000	9.000	9.000	9.000
HBC	1.200	1.200	1.200	1.200	1.200
BEER	0.000	0.000	0.000	0.000	0.000
LIQUOR	9.500	9.500	9.500	9.500	9.500
WINE	0.000	0.000	0.000	0.000	0.000
GM	1.000	1.000	1.000	1.000	1.000
PRODUCE	9.000	9.000	9.000	9.000	9.000
FLORAL	0.400	0.400	0.400	0.400	0.400
MEAT	16.500	16.500	16.500	16.500	16.500
SEAFOOD	0.000	0.000	0.000	0.000	0.000
BAKERY	4.000	4.000	4.000	4.000	4.000
DELI	6.500	6.500	6.500	6.500	6.500
FUEL	0.000	0.000	0.000	0.000	0.000
OTHER	0.000	0.000	0.000	0.000	0.000
TOTAL	100.000	100.000	100.000	100.000	100.000
GROSS PROFIT (%):					
GROCERY	22.000	22.000	22.000	22.000	22.000
FROZEN FOOD	23.000	23.000	23.000	23.000	23.000
DAIRY	23.000	23.000	23.000	23.000	23.000
HBC	28.000	28.000	28.000	28.000	28.000

	Year 1	Year 2	Year 3	Year 4	Year 5
BEER	0.000	0.000	0.000	0.000	0.000
LIQUOR	15.000	15.000	15.000	15.000	15.000
WINE	0.000	0.000	0.000	0.000	0.000
GM	32.000	32.000	32.000	32.000	32.000
PRODUCE	34.000	34.000	34.000	34.000	34.000
FLORAL	40.000	40.000	40.000	40.000	40.000
MEAT	24.000	24.000	24.000	24.000	24.000
SEAFOOD	0.000	0.000	0.000	0.000	0.000
BAKERY	40.000	40.000	40.000	40.000	40.000
DELI	41.000	41.000	41.000	41.000	41.000
FUEL	0.000	0.000	0.000	0.000	0.000
OTHER	0.000	0.000	0.000	0.000	0.000
N/R COUPONS	0.000	0.000	0.000	0.000	0.000
CASH DISCOUNTS	0.000	0.000	0.000	0.000	0.000
TOTAL GROSS PROFIT	**25.114**	**25.114**	**25.114**	**25.114**	**25.114**
VARIABLE EXPENSES (%):					
PAYROLL					
REGULAR PAYROLL INCLUDING OVERTIME	10.500	10.500	10.500	10.500	10.500
INCENTIVE & BONUS	0.100	0.100	0.100	0.100	0.100
VACATION	0.100	0.100	0.100	0.100	0.100
HOLIDAY INCLUDING SICK, JURY, ETC.	0.100	0.100	0.100	0.100	0.100
TOTAL PAYROLL	10.800	10.800	10.800	10.800	10.800
STORE SUPPLIES:					
GROCERY	0.750	0.750	0.750	0.750	0.750
LIQUOR	0.000	0.000	0.000	0.000	0.000
PRODUCE	0.400	0.400	0.400	0.400	0.400
FLORAL	1.000	1.000	1.000	1.000	1.000
MEAT	1.100	1.100	1.100	1.100	1.100
BAKERY	4.500	4.500	4.500	4.500	4.500
DELI	5.000	5.000	5.000	5.000	5.000
OTHER	0.000	0.000	0.000	0.000	0.000
TOTAL STORE SUPPLIES	0.988	0.988	0.988	0.988	0.988
OTHER SUPPLIES:					
UNIFORMS	0.100	0.100	0.100	0.100	0.100
REPLACEMENT SUPPLIES	0.150	0.150	0.150	0.150	0.150
OTHER	0.000	0.000	0.000	0.000	0.000
SERVICES:					
PIGGLY WIGGLY FEES	0.179	0.179	0.179	0.179	0.179
WAREHOUSE FEES	1.400	1.400	1.400	1.400	1.400
FUEL SURCHARGE	0.050	0.050	0.050	0.050	0.050
INSPECTION	0.020	0.020	0.020	0.020	0.020
EFT (ELECTRONIC FUNDS TRANSFER) CHARGES	1.000	1.000	1.000	1.000	1.000
CHECK VERIFICATION	0.010	0.010	0.010	0.010	0.010
PROMOTIONAL:					
PREFERRED CLUB CARD	0.010	0.010	0.010	0.010	0.010
COMMUNITY PIGGY BANK	0.000	0.000	0.000	0.000	0.000
SENIOR CITIZEN DISCOUNT	0.000	0.000	0.000	0.000	0.000
OTHER	0.000	0.000	0.000	0.000	0.000
INSURANCE:					
INSURANCE-WORKER'S COMPENSATION	0.200	0.200	0.200	0.200	0.200
INSURANCE-HEALTH & ACCIDENT	1.000	1.000	1.000	1.000	1.000
PENSION	0.000	0.000	0.000	0.000	0.000
TAXES:					
TAX-FICA	0.750	0.750	0.750	0.750	0.750
TAX-UNEMPLOYMENT - FEDERAL	0.040	0.040	0.040	0.040	0.040
TAX-UNEMPLOYMENT - STATE	0.050	0.050	0.050	0.050	0.050
TOTAL VARIABLE EXPENSES	**16.747%**	**16.747%**	**16.747%**	**16.747%**	**16.747%**
GROSS AVAILABLE TO COVER CONSTANT EXPENSES (Contribution margin)	**8.367%**	**8.367%**	**8.367%**	**8.367%**	**8.367%**
ESTIMATED CONSTANT EXPENSES ($):	**ANNUAL**	**ANNUAL**	**ANNUAL**	**ANNUAL**	**ANNUAL**
SUPPLIES:					
LIGHTING	1,000	1,000	1,000	1,000	1,000
OFFICE	1,200	1,200	1,200	1,200	1,200
MAINTENANCE	24,000	24,000	24,000	24,000	24,000
POSTAGE	1,200	1,200	1,200	1,200	1,200
SHELF LABELS	0	0	0	0	0
UTILITIES:					
ELECTRICITY	100,000	102,000	104,040	106,121	108,243
FUEL	15,000	15,300	15,606	15,918	16,236
WATER	6,000	6,060	6,121	6,182	6,244
TELEPHONE	3,000	3,000	3,000	3,000	3,000
CELLULAR	1,200	1,200	1,200	1,200	1,200
WAN LINE	2,400	2,400	2,400	2,400	2,400
TRAVEL:					
TRANSPORTATION INCLUDING ALL GAS FOR VEHICLES	1,000	1,000	1,000	1,000	1,000
MEALS	0	0	0	0	0
HOTELS	0	0	0	0	0
SERVICES:					
COMMON AREA	0	0	0	0	0
PARKING LOT	25,000	25,000	25,000	25,000	25,000
SERVICES - PAYROLL	0	0	0	0	0
SERVICES - GARBAGE	10,000	10,000	10,000	10,000	10,000
SERVICES - FLOOR CLEANING	39,000	39,000	39,000	39,000	39,000
SERVICES - CLEANING	1,000	1,000	1,000	1,000	1,000
SERVICES - LAUNDRY	5,000	5,000	5,000	5,000	5,000
SERVICES - KNIFE SHARPENING	1,500	1,500	1,500	1,500	1,500
SERVICES - INVENTORY	3,000	3,000	3,000	3,000	3,000
SERVICES - SECURITY	1,200	1,200	1,200	1,200	1,200

	Year 1	Year 2	Year 3	Year 4	Year 5
SERVICES - PEST CONTROL	600	600	600	600	600
SERVICES - MUSIC	350	350	350	350	350
SERVICES - DSD	780	780	780	780	780
SERVICES - WEB HOSTING FEE	2,275	2,275	2,275	2,275	2,275
SERVICES - OTHER (MISCELLANEOUS)	4,000	4,000	4,000	4,000	4,000
SERVICE CONTRACTS:					
SCALES	0	0	0	0	0
POS MAINTENANCE	9,000	9,000	9,000	9,000	9,000
BUSINESS SYSTEMS	10,000	10,000	10,000	10,000	10,000
MONITORING	3,700	3,700	3,700	3,700	3,700
OTHER	0	0	0	0	0
OTHER	0	0	0	0	0
PROFESSIONAL SERVICES:					
ACCOUNTING	13,200	13,200	13,200	13,200	13,200
LEGAL	2,000	0	0	0	0
TAX	3,500	3,500	3,500	3,500	3,500
CONSULTING	0	0	0	0	0
TRAINING	0	0	0	0	0
401K ADMINISTRATION	0	0	0	0	0
OTHER	0	0	0	0	0
PROMOTIONAL:					
ADVERTISING	130,000	130,000	130,000	130,000	130,000
EMPLOYMENT ADS	1,000	1,000	1,000	1,000	1,000
ADVERTISING CREDITS	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
ADVERTISING OTHERS	12,000	12,000	12,000	12,000	12,000
SCRIPT EXPENSE	1,000	1,000	1,000	1,000	1,000
LOYALTY POINTS	500	500	500	500	500
COMMUNITY PIGGY POINTS	0	0	0	0	0
INSURANCE:					
INSURANCE-GENERAL LIABILITY AND PROPERTY	14,000	14,000	14,000	14,000	14,000
INSURANCE-LIFE INSURANCE	0	0	0	0	0
RETIREMENT SAVINGS-401K PLAN CONTRIBUTION BY COMPANY	0	0	0	0	0
TAXES:					
TAX-PERSONAL PROPERTY	5,000	5,000	5,000	5,000	5,000
TAX-REAL ESTATE	60,000	61,200	62,424	63,672	64,946
LICENSES-INCLUDING DEALER, VEHICLE, ETC.	2,000	2,000	2,000	2,000	2,000
RENT:					
RENT - REAL ESTATE $ 6.00 psf	210,000	210,000	210,000	210,000	210,000
RENT	0	0	0	0	0
RENT - RECEIVED	0	0	0	0	0
RENT - BUSINESS MACHINES	0	0	0	0	0
RENT - EQUIPMENT & FIXTURES	0	0	0	0	0
RENT - OTHER	0	0	0	0	0
REPAIRS:					
REPAIRS-TOTAL BUILDING AND E&F	50,000	50,000	50,000	50,000	50,000
DEPRECIATION:					
DEPRECIATION - BUILDING	0	0	0	0	0
DEPRECIATION - EQUIPMENT & FIXTURES	200,000	200,000	200,000	200,000	200,000
DEPRECIATION - EXISTING EQUIPMENT & FIXTURES	0	0	0	0	0
DEPRECIATION - VEHICLES	0	0	0	0	0
DEPRECIATION - LAND IMPROVEMENTS	0	0	0	0	0
DEPRECIATION - COMPUTERS	0	0	0	0	0
DEPRECIATION - MISCELLANEOUS	0	0	0	0	0
AMORTIZATION - LEASEHOLD	0	0	0	0	0
AMORTIZATION - GOODWILL	0	0	0	0	0
AMORTIZATION - OTHER	0	0	0	0	0
MISCELLANEOUS EXPENSES:					
BAD DEBTS	500	500	500	500	500
CASH SHORT OR OVER	500	500	500	500	500
DUES & SUBSCRIPTIONS	2,400	2,400	2,400	2,400	2,400
BANK SERVICE CHARGES	3,000	3,000	3,000	3,000	3,000
OTHER	0	0	0	0	0
TOTAL FIXED COSTS	980,005	981,565	985,196	988,898	992,674
MISCELLANEOUS INCOME:					
RETAIL COUPON HANDLING FEES & CASH DISCOUNTS	2,000	2,000	2,000	2,000	2,000
CORRUGATED RECYCLE INCOME	4,000	4,000	4,000	4,000	4,000
COPIER-NET AFTER EXPENSE	500	500	500	500	500
LOTTERY INCOME	15,000	15,000	15,000	15,000	15,000
MONEY ORDER INCOME	1,000	1,000	1,000	1,000	1,000
CHECK CASHING FEES	0	0	0	0	0
VENDING INCOME	1,200	1,200	1,200	1,200	1,200
ATM	500	500	500	500	500
PULL TABS	0	0	0	0	0
VIDEO - NET	0	0	0	0	0
BLACKHAWK	1,000	1,000	1,000	1,000	1,000
BAD DEBT FEES	0	0	0	0	0
POSTAGE	0	0	0	0	0
DELIVERY	0	0	0	0	0
LOYALTY POINTS	500	500	500	500	500
OTHER INCOME	0	0	0	0	0
TOTAL MISCELLANEOUS INCOME:	25,700	25,700	25,700	25,700	25,700
INTEREST:					
INTEREST ON LOANS	98,506	86,009	72,675	58,447	43,267
OTHER INTEREST PAID	0	0	0	0	0
INTEREST INCOME	0	0	0	0	0
NET INTEREST	98,506	86,009	72,675	58,447	43,267
TOTAL CONSTANT EXPENSES	1,052,811	1,041,874	1,032,170	1,021,646	1,010,242
PRETAX EARNINGS (LOSS)	**34,867**	**67,557**	**99,450**	**132,606**	**167,095**

	Year 1	Year 2	Year 3	Year 4	Year 5
PRINCIPAL PAYMENTS OF NOTES PAYABLE	186,603	199,101	212,435	226,662	241,842
OTHER PRINCIPAL PAID	0	0	0	0	0
TOTAL DEPRECIATION & AMORTIZATION EXPENSE	200,000	200,000	200,000	200,000	200,000
TOTAL FIXED CASH EXPENSES	1,039,414	1,040,974	1,044,605	1,048,307	1,052,083
PRETAX CASH FLOW BREAKEVEN (WEEKLY SALES)	**238,907**	**239,265**	**240,100**	**240,951**	**241,819**
PRE-TAX CASH FLOW	**48,263**	**68,457**	**87,015**	**105,945**	**125,254**
INCOME TAX (35%)	12,203	23,645	34,807	46,412	58,483
CAPITAL EXPENDITURES	10,000	10,000	10,000	10,000	10,000
AFTER-TAX CASH FLOW	**26,060**	**34,812**	**42,208**	**49,532**	**56,770**

FORM OF REIMBURSEMENT AGREEMENT

EXHIBIT F

PIGGLY WIGGLY MIDWEST, LLC
REIMBURSEMENT AGREEMENT

Dated: this _____ day of _____, 20___

Piggly Wiggly Midwest, LLC
2215 Union Avenue
Sheboygan, WI 53081

Gentlemen:

_____, a _____ corporation with its principal offices located at _____, _____, _____, _____, (the "Company") and _____, _____, _____ and _____ who are all of the Company's shareholders (collectively and separately, the "Shareholders" and a "Shareholder"), jointly and severally, hereby request that you, **PIGGLY WIGGLY MIDWEST, LLC**, (referred to herein as "PWM") execute and deliver the following agreements constituting a credit enhancement facility (the "Facility") with respect to the following loan or funding (the "Enhanced Loan") for the Company's benefit with respect to its _____ food supermarket provided by the following person (the "Bank"): _____. The terms and conditions of this request and our agreements are set forth below:

ARTICLE 1
CREDIT ENHANCEMENT AND REPAYMENT

1.1 CREDIT ENHANCEMENT

As promptly as possible after PWM's acceptance of this Agreement, PWM, the Company and Shareholders shall execute and deliver the agreements comprising the Facility of the Enhanced Loan for the benefit of the Bank substantially in the form of Exhibit A, annexed hereto, or as otherwise agreed by FBD and the Company.

1.2 REPAYMENT OF PWM

The Company and the Shareholders, jointly and severally, hereby unconditionally promise to pay to PWM, upon demand, without defense, set-off or counterclaim, the following (the "Obligations"): (i) the amount of each payment made by FBD under the Facility which was not, at the time of such payment, wholly funded by the Company; (ii) all payments and obligations of the Company then due under any provision of the Facility; (iii) all other amounts owed by the Company to PWM pursuant to this or any other agreement; and (iv) interest on the

foregoing from the date due at the rate per annum equal to the prime rate of interest as published from time to time by JPMorgan Chase Bank, N.A., plus two percent (2%), compounded daily.

The Company's and Shareholders' obligation to pay and reimburse PWM under this Section shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with this Agreement.

1.3 PURCHASE COMMITMENT

Company shall purchase from PWM all of the requirements of its business, during the term that the Enhanced Loan is outstanding, of those items which PWM sells as a wholesaler, at prices comparable to those set forth in the price list established from time to time by PWM for the majority of its customers, provided, however, that such purchase requirement for any particular item or items shall be in effect and binding upon the Company only during the time(s) that such item(s) sold by PWM as wholesaler are of substantially equal quality and not priced materially higher than such item(s) as are sold by competitors of PWM. This purchase requirement shall remain in effect during the entire term of this Facility, as well as during such period of time as PWM is the guarantor of any other loan obligation or lease obligation of the Company which arises out of or in connection with its business. It is specifically agreed that, in the event of a default by the Company under this Section, PWM may maintain an independent action for damages therefor without either terminating this Facility or waiving any other right or remedy PWM may have hereunder.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES

In order to induce PWM to issue the Facility provided herein, the Company and each of the Shareholders, jointly and severally, represent and warrant to PWM as follows:

2.1 The Company is a corporation duly organized and validly existing under the laws of the State of _____ and is duly authorized under all applicable provisions of law to carry on its business as presently conducted. The Company has the corporate power to enter into this Agreement and to borrow under the Facility and the Enhanced Loan.

2.2 The making of this Agreement and compliance with the terms hereof by the Company have been duly authorized by all necessary corporate action and are not at variance with or in contravention of (a) any provision of the Articles of Incorporation or By-Laws of the Company, (b) any indenture, contract or agreement to which the Company is a party or to which it is subject, or (c) any statute, rule or regulation binding upon the Company.

2.3 Neither the Company nor any Shareholder(s) is a party to any litigation or administrative proceedings nor, so far as it is known by the Company or any Shareholder, is any

litigation or administrative proceeding threatened against the Company or any Shareholder(s) which would, if adversely determined, cause any material adverse change in the Company's or such Shareholder's financial condition or in the conduct of its/his/her business, except as previously disclosed to PWM in writing prior to the date hereof.

2.4 All copies of financial statements, documents, contracts, agreements and assignments which the Company or any Shareholder has furnished to PWM are true and correct. There has been no material change in the property or business operations or financial condition of the Company or any Shareholder since the date of the most recent such financial statements, except as a result of the ordinary conduct of the Company's business, and except as shall have been disclosed in writing by the Company or a Shareholder to PWM prior to the date of execution of this Agreement.

2.5 The Company and each Shareholder has paid, and will hereafter pay, when due, all federal, state and local taxes, and will timely prepare and file returns for accrued taxes.

2.6 The Company has filed and will file when due all statements, if any, that it may be required to file under the provisions of any state or federal securities laws or regulations. The Company is not an "investment company" within the meaning of the Investment Company Act of 1940, nor is the Company engaged in the business of carrying margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System.

2.7 This Agreement and the Agreements comprising the Facility, and each of them, are legal, valid, binding upon, and enforceable against the Company and each of the Shareholders in accordance with its or their terms.

2.8 The Company owns all of its assets, both real and personal, free and clear of any liens or security interests, except for security interests in favor of the Bank and PWM.

2.9 Each of the Shareholders is an adult resident of the State of _____ and the Shareholders own of record and beneficially, in the aggregate, all of the presently outstanding stock of the Company. Each of the Shareholders has made its/his/her own independent analysis and review of the Facility and the Enhanced Loan, and none of the Shareholders is relying upon any representation or warranty by PWM with respect thereto.

ARTICLE 3
NEGATIVE COVENANTS

While the Facility is in effect, the Company shall not do any of the following, without the prior written consent of PWM:

3.1 RESTRICTIONS OF INDEBTEDNESS

Create, incur, assume or have outstanding any indebtedness for borrowed money or for the deferred purchase price of any asset (including indebtedness under Capitalized Leases), except the instruments comprising the Enhanced Loan, indebtedness disclosed in the financial statements described in Section 2.4 above, unsecured current liabilities incurred in the ordinary course of business and other indebtedness not exceeding $_____ at any one time outstanding and due within five years.

3.2 AMENDMENTS AND PREPAYMENTS

Agree to any amendment, modification or supplement, or obtain any waiver or consent in respect of compliance with any of the terms of, or call or redeem, or make any purchase or prepayment of or with respect to the Enhanced Loan or any other instrument or agreement evidencing or relating to any indebtedness for borrowed money or for the deferred purchase price of any asset, including Capitalized Leases.

3.3 RESTRICTION ON LIENS

Create or permit to be created or allow to exist any mortgage, pledge, encumbrance or other lien upon or security interest in any property or asset now owned or hereafter acquired by the Company, except liens in favor of the Bank or PWM and except purchase money liens on equipment not exceeding $_____ at any one time outstanding.

3.4 SALE AND LEASEBACK

Enter into any agreement providing for the leasing by the Company of property that has been or is to be sold or transferred by the Company to the lessor thereof, or which is substantially similar in purpose, except any agreement comprising the Facility.

3.5 DIVIDENDS AND REDEMPTIONS

Pay or declare any dividend, or make any other distribution on account of any shares of any class of its stock, or redeem, purchase or otherwise acquire, directly or indirectly, any shares of any class of its stock, except for:

(a) dividends payable in shares of stock of the Company;

(b) redemptions of stock of the Company made with the proceeds of sales of stock of the Company occurring within 30 days of the date of any such redemption; and

(c) if and only so long as the Company is a Subchapter S Corporation or an LLC, distributions made to the Company's shareholders or Company's members to cover their income tax liabilities as shareholders or members of the Company on an annual basis.

3.6 ACQUISITIONS AND INVESTMENTS

Acquire any other business or make any loan, advance or extension of credit to, or investment in, any other person, corporation or other entity, including investments acquired in exchange for stock or other securities or obligations of any nature of the Company or create or participate in the creation of any subsidiary or joint venture, except:

(a) investments in (i) bank repurchase agreements; (ii) savings accounts or certificates of deposit in a financial institution of recognized standing; (iii) obligations issued or fully guaranteed by the United States; and (iv) prime commercial paper maturing within 90 days of the date of acquisition by the Company; and

(b) loans and advances made to employees and agents in the ordinary course of business, such as travel and entertainment advances and similar items.

3.7 LIQUIDATION; MERGER; DISPOSITION OF ASSETS

Liquidate or dissolve; or merge with or into or consolidate with or into any other corporation or entity; or sell, lease, transfer or otherwise dispose of all or any substantial part of its property, assets or business (other than sales made in the ordinary course of business).

3.8 ACCOUNTS RECEIVABLE

Discount or sell with recourse, or sell for less than the face amount thereof, any of its notes or accounts receivable, whether now owned or hereafter acquired.

3.9 CONTINGENT LIABILITIES

Guarantee or become a surety or otherwise contingently liable (including, without limitation, liable by way of agreement, contingent or otherwise, to purchase, to provide funds for payment, to supply funds to or otherwise invest in a debtor or otherwise to assure a creditor against loss) for any obligations of others, except pursuant to the deposit and collection of checks and similar items in the ordinary course of business.

3.10 LEASES

Incur or permit to be outstanding lease or rental obligations as lessee of real or personal property under leases that are not Capitalized Leases, except for any agreement comprising the Facility.

3.11 FIXED ASSET EXPENDITURE

Make any expenditure for fixed assets (including acquisition under Capitalized Leases) in excess of $_____ except for expenditures approved by PWM from the proceeds of the Enhanced Loan.

3.12 SALARIES AND BONUSES

Pay salaries, bonuses, profit-sharing payments or any other compensation of any kind to _____, the Shareholders or _____ _____ *[Insert any other names]* exceeding, in the aggregate in any one full fiscal year, (a) $_____ (the "Base Salary"), plus (b) an increment over the Base Salary (plus any permitted increment for any previous full fiscal year) not to exceed _____%, plus (c) _____% of Adjusted Pre-Tax Net Income for such fiscal year, but only after (i) Shareholders' investment, retained in the business, net of any distributions for payment of income taxes, exceeds $_____, after permitted incentive compensation distribution; and (ii) all obligations due Bank, PWM and other creditors are current as to terms of payment. The foregoing limitation shall be pro-rated for any partial fiscal year. The term "Adjusted Pre-Tax Net Income" shall mean Pre-Tax Net Income, reduced by Base Salary and any increment permitted and paid pursuant to sub-clause (b) above.

3.13 AFFILIATES

Suffer or permit any transaction with any Affiliate, except on terms not less favorable to the Company than would be usual and customary in similar transactions with non-affiliated persons.

3.14 PARTNERSHIP; JOINT VENTURES

Become a member of any partnership or joint venture.

3.15 FISCAL YEAR

Change its fiscal year.

ARTICLE 4
AFFIRMATIVE COVENANTS

While the Facility remains in effect, and unless waived in writing by PWM, the Company shall:

4.1 INSURANCE

(a) Maintain insurance in such amounts and against such risks and liabilities as is customary by companies engaged in the same or similar businesses and similarly situated, including insurance of all assets for the full replacement value thereof, and have Bank and PWM named as an additional insured in all policies or contracts of insurance; and

(b) Maintain "key man" life insurance policies on the lives, in at least the amounts and upon substantially similar terms to such policies, if any, as are currently maintained by the Company.

4.2 CORPORATE EXISTENCE; OBLIGATIONS

Do all things necessary to: (i) maintain its corporate existence and all rights and franchises necessary or desirable for the conduct of its business; (ii) comply with all applicable laws, rules, regulations and ordinances, and all restrictions imposed by governmental authorities, including those relating to environmental standards and controls; and (iii) pay, before the same become delinquent and before penalties accrue thereon, all taxes, assessments and other governmental charges against it or its property, and all of its other liabilities, except to the extent and so long as the same are being contested in good faith by appropriate proceedings in such manner as not to cause any material adverse effect upon its property, financial condition or business operations, with adequate reserves provided for such payments.

4.3 BUSINESS ACTIVITIES

Continue to carry on its business activities in substantially the manner such activities are conducted on the date of this Agreement and not make any material change in the nature of its business.

4.4 PROPERTIES

Keep its properties (whether owned or leased) in good condition, repair and working order, ordinary wear and tear and obsolescence excepted, and make or cause to be made all necessary repairs thereto (including external or structural repairs) and renewals and replacements thereof.

4.5 ACCOUNTING RECORDS; REPORTS

Company shall subscribe to PWM's retail accounting and services programs, at such prices to be established from time to time by PWM. Company understands and agrees that PWM may use the information obtained through the retail and accounting services program to counsel Company in the operation of the Company's Piggly Wiggly brand supermarket, as well as for other purposes consistent with PWM's obligation under its franchise agreement with Company

to manage and promote the franchise system. Company shall furnish to Bank and PWM such information respecting the business, assets and financial condition of the Company and the Shareholders as Bank and PWM may reasonably request, and, without request, furnish to PWM:

(a) As soon as available, and in any event within 120 days after the close of each fiscal year of the Company, a copy of the federal and state tax returns filed for such fiscal year of the Company; and

(b) Promptly, and in any event within ten days after the Company or any Shareholder has knowledge thereof, a statement of the President and chief financial officer of the Company describing: (i) any event that, either of itself or with the lapse of time or the giving of notice or both, would constitute a default hereunder or under any other material agreement to which the Company is a party, together with a statement of the actions that the Company proposes to take with respect thereto; and (ii) any pending or threatened litigation or administrative proceeding; and

(c) (i) Promptly, and in any event within 30 days, after the Company or any Shareholder knows that any Reportable Event with respect to any Plan has occurred, a statement of the President and chief financial officer of the Company setting forth details as to such Reportable Event and the action that the Company proposes to take with respect thereto, together with a copy of any notice of such Reportable Event given to the Pension Benefit Guaranty Corporation if a copy of such notice is available to the Company, (ii) promptly after the filing thereof with the Internal Revenue Service, copies of each annual report with respect to each Plan administered by the Company and (iii) promptly after receipt thereof, a copy of any notice (other than a notice of general application) the Company or any member of the Controlled Group may receive from the Pension Benefit Guaranty Corporation or the Internal Revenue Service with respect to any plan administered by the Company.

4.6 INSPECTION OF RECORDS

Permit representatives of PWM to visit and inspect any of the properties and examine any of the books and records of the Company at any reasonable time and as often as PWM may reasonably desire.

4.7 PERFORM AGREEMENTS

Make all of the rental and other payments due from the Company under any of the agreements comprising the Facility, on or before their due dates, and fully and punctually perform all of the other terms, covenants, conditions and provisions on the Company's part contained in such agreements.

ARTICLE 5
DEFAULTS

In the event that any one or more of the following events (each an "Event of Default") shall occur:

5.1 DEFAULT IN PAYMENT

The Company shall fail to pay any principal or interest on the Enhanced Loan (or any other loan or obligation secured by a mortgage on any of the premises used in the Company's business) when due or any rental or other payments under any agreement comprising the Facility.

5.2 DEFAULT ON CERTAIN COVENANTS

Default in the performance or observance of any agreement, covenant, condition, provision or term contained in Article 3 or 4 of this Agreement, continuing for a period of five days after written notice thereof is given to the Company by PWM.

5.3 DEFAULT IN PERFORMANCE OF OTHER AGREEMENTS

Default by the Company and/or any Shareholder in the performance or observance of any of the other agreements, covenants, conditions, provisions or terms in this Agreement and/or any agreement comprising the Facility, continuing for a period of 30 days after written notice thereof is given to the Company by PWM.

5.4 REPRESENTATIONS OR STATEMENTS FALSE

Any representation or warranty made by the Company or any Shareholder herein or any certificate delivered pursuant hereto, or any financial statement delivered to PWM hereunder, shall prove to have been false in any material respect as of the time when it was made or given.

5.5 DEFAULT ON OTHER OBLIGATIONS

The Company shall fail to pay all or any part of the principal of or interest on any indebtedness of or assumed by it as and when due and payable (whether by fixed maturity or acceleration) or of the rentals due under any lease or sublease, and such default shall not be cured within the period or periods of grace, if any, specified in the instruments governing such obligations; or default shall occur under any evidence of, or any indenture, lease, sublease, agreement or other instrument governing such obligation, and such default shall continue for a period of time sufficient to permit the acceleration of the maturity of any such indebtedness or the termination of such lease or sublease.

5.6 JUDGMENTS

A final judgment which, together with other outstanding final judgments against such party, exceeds an aggregate of $25,000 shall be entered against the Company (or any Shareholder) and shall remain outstanding and unsatisfied, unbonded or unstayed after 60 days after the date of entry thereof.

5.7 BANKRUPTCY; INSOLVENCY

The Company or any Shareholder shall (a) become insolvent; or (b) generally fail to pay its/his/her debts as they mature; or (c) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its/his/her property; or (d) become the subject (either voluntarily or involuntarily) of an "order for relief" within the meaning of the United States Bankruptcy Code; or (e) file an answer to a creditor's petition (admitting the material allegations thereof) for liquidation, reorganization or to effect a plan or other arrangement with creditors; or (f) apply to a court for the appointment of a receiver, trustee or custodian for any of its/his/her assets; or (g) have a receiver, trustee or custodian appointed for any of its/his/her material assets (with or without its/his/her consent); or (h) otherwise become the subject of any insolvency proceeding.

5.8 VALIDITY

This Agreement, any agreement comprising the Facility, or any securing agreement or personal guaranty provided in connection herewith or therewith shall, at any time after their respective execution and delivery and for any reason, cease to be in full force and effect or shall be declared null and void, or be revoked or terminated, or the validity or enforceability thereof or hereof shall be contested by the Company or any Shareholder, or any other shareholder of the Company, or the Company or any Shareholder shall deny that it has any or further liability or obligation thereunder or hereunder as the case may be.

5.9 ERISA

Any Reportable Event, which PWM determines in good faith to constitute grounds for the termination of any Plan by the Pension Benefit Guaranty Corporation or for the appointment by the appropriate United States District Court of a trustee to administer any Plan, shall have occurred, or any Plan shall be terminated within the meaning of Title IV of ERISA, or a trustee shall be appointed by the appropriate United States District Court to administer any Plan, or the Pension Benefit Guaranty Corporation shall institute proceedings to terminate any Plan or to appoint a trustee to administer any Plan, or any event described in the preceding provisions of this Section 5.9 as to which PWM determines in good faith that the aggregate amount of the Company's liability to

the Pension Benefit Guaranty Corporation under ERISA shall exceed 10% of the net worth of the Company and such liability is not covered, for the benefit of the Company, by insurance.

5.10 PRE-TAX NET LOSSES

The Company shall experience (a) Pre-Tax Net Losses for any one full fiscal year of more than $_____, (b) aggregate Pre-Tax Net Losses for any two consecutive full fiscal years of more than $_____, or (c) cumulative aggregate Pre-Tax Net Losses for all full or partial fiscal years of more than $_____.

Then, upon the occurrence of any one of such events of default, the Company and Shareholders agree, jointly and severally, to pay to PWM, upon demand, an amount equal to the amount demanded of or paid by PWM under the Facility. In the event of any other default that does not require PWM to pay under the Facility, PWM may, at its sole option, purchase all or any portion of the assets of the Company at a price equal to their then current book value, determined in accordance with generally accepted accounting principles. PWM may also succeed to the rights of the Bank under the Bank's agreements with the Company, by subrogation or by direct assignment or purchase, in which case each and every Event of Default hereunder shall be deemed an event of default under the Enhanced Loan. PWM shall also have all of the remedies for default provided by any security agreement, as well as applicable law, including the right to specific performance of covenants by the Company and/or Shareholders.

ARTICLE 6
MISCELLANEOUS

6.1 SUCCESSORS; WAIVER

The provisions of this Agreement shall inure to the benefit of and be binding upon heirs, personal representatives and successors to the parties hereto. No delay on the part of PWM in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein specified are cumulative and not exclusive of any rights or remedies that PWM would otherwise have.

6.2 SURVIVAL

All agreements, representations and warranties made herein shall survive the execution of this Agreement indefinitely.

6.3 GOVERNING LAW

The validity, construction, enforcement and performance of this Agreement shall be governed by the internal laws of the State of Wisconsin, except to the extent superseded by federal law.

6.4 EXPENSES AND ATTORNEYS' FEES; INDEMNITY

The Company and Shareholders shall be responsible for the payment of all taxes, fees and out-of-pocket disbursements incurred by PWM in connection with the enforcement of this Agreement, including all costs of collection, and including, without limitation, the reasonable fees and disbursements of counsel for PWM.

(a) The Company and Shareholders agree to indemnify PWM against any and all losses, claims, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by PWM arising out of, in any way connected with, or as a result of (i) any acquisition or attempted acquisition of stock or assets of another person or entity by the Company or any Affiliate, (ii) the use of any of the proceeds of any loans made hereunder by the Company or any Affiliate for the making or furtherance of any such acquisition or attempted acquisition, (iii) the construction or operation of any facility owned or operated by the Company or any Affiliate, or resulting from any pollution or other environmental condition on the site of, or caused by, any such facility, (iv) the negotiation, preparation, execution, delivery, administration, and enforcement of this Agreement and any other document required by PWM, including, without limitation, any amendment, supplement, modification or waiver of or to any of the foregoing or the consummation or failure to consummate the transactions contemplated hereby or thereby, or the performance by the parties of their obligations hereunder or thereunder, or related to any of the foregoing, whether or not PWM is a party thereto; provided, however, that such indemnity shall not apply to any such losses, claims, damages, liabilities or related expenses arising from (A) any unexcused breach by PWM of its obligations under this Agreement, or (B) any commitment made by PWM to a person other than the Company or any subsidiary that would be breached by the performance of PWM's obligations under this Agreement.

(b) The foregoing agreements and indemnities shall remain operative and in full force and effect, regardless of confirmation of this Agreement, the consummation of or failure to consummate any of the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any credit made available hereunder, the invalidity or unenforceability of any term or provision of this Agreement, or any agreement comprising the Facility, or any other document required by PWM, any investigation made by or on behalf of PWM, the Company, any Shareholders or any Affiliate, or the content or accuracy of any representation or warranty made under this Agreement or any other document required by PWM.

6.5 COUNTERPARTS

This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto are upon the same instrument.

6.6 NOTICES

All communications or notices required under this Agreement shall be deemed to have been given on the date when deposited in the United States mail, postage prepaid, and addressed as follows (unless and until any of such parties advises the other in writing of a change in such address): (a) if to the Company, with the full name and address of the Company as shown on this Agreement above; (b) if to PWM, with the full name and address of PWM as shown on this Agreement above, to the attention of the officer of PWM executing the acceptance of this Agreement; and (c) if to a Shareholder, with the name and address of such Shareholder as shown on this Agreement below.

6.7 DEFINITIONS

Except as otherwise provided, all accounting terms shall be construed in accordance with generally accepted accounting principles, consistently applied, and financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles. As used herein:

(a) The term "Affiliate" means any person, firm or corporation, which, directly or indirectly, controls, is controlled by, or is under common control with the Company.

(b) The term "Capitalized Lease" means any lease that is capitalized on the books of the lessee, or should be so capitalized under generally accepted accounting principles.

(c) The term "Controlled Group" means a controlled group of corporations as defined in Section 1563 of the Internal Revenue Code of 1954, as amended, of which the Company is a part.

(d) The term "Plan" means any employee pension benefit plan subject to Title IV of ERISA maintained by any of the Company or any member of the Controlled Group, or any such plan to which the Company or any member of the Controlled Group is required to contribute on behalf of any of its employees.

(e) The term "Pre-Tax Net Income" means the excess of (i) all revenues and income derived from operation in the ordinary course of business (excluding extraordinary gains and profits upon the disposition of investments and fixed assets), over (ii) all expenses and other proper charges against income (excluding payment or provision for all applicable income and other taxes and extraordinary losses and losses upon the disposition of investments and fixed assets and any expenses incurred pursuant to Section 3.12(c) above) all as determined in accordance with generally accepted accounting principles.

(f) The term "Pre-Tax Net Losses" means any loss resulting from the computation of Pre-Tax Income, but including extraordinary gains and losses and profits and losses upon the disposition of investments and fixed assets and any payments made pursuant to Sections 3.12(c).

(g) The term "Reportable Event" means a reportable event as that term is defined in Title IV of ERISA.

6.8 PROMPT PAYMENT FOR GOODS AND SERVICES

The Company shall promptly pay to PWM, in accordance with PWM's customary terms then in effect, all amounts due to PWM in consideration of merchandise and accounting and other services supplied.

6.9 ENTIRE AGREEMENT; NO AGENCY

This Agreement and the other documents referred to herein contain the entire agreement among PWM, the Company and the Shareholders with respect to the subject matter hereof, superseding all previous communications and negotiations, and no representation, undertaking, promise or condition concerning the subject matter hereof shall be binding upon PWM unless clearly expressed in this Agreement or in the other documents referred to herein. Nothing in this Agreement or in the other documents referred to herein and no action taken pursuant hereto shall cause the Company to be treated as an agent of PWM, or shall be deemed to constitute PWM and the Company a partnership, association, joint venture or other entity.

6.10 SHAREHOLDERS' ADDITIONAL COVENANTS

Shareholders covenant and agree to cause the Company to perform all of the terms, covenants, conditions and provisions on its part contained in this Agreement and the agreements comprising the Facility, and to make all payments of all sums due from the Company hereunder or under agreements comprising the Facility in a timely fashion. In addition, each Shareholder shall furnish to Bank and PWM, as soon as available and in any event within 90 days after the end of each calendar year, a financial statement of such Shareholder as of the end of such calendar year in a form reasonably satisfactory to Bank and PWM.

*** SIGNATURES AND ADDRESSES ON FOLLOWING PAGE ***

If the foregoing is satisfactory to you, please sign the form of acceptance below and return a signed counterpart hereof to the Company, whereupon this instrument will evidence a binding agreement between PWM, on the one side, and, on the other, the Company and the Shareholders, jointly and severally.

Very truly yours,

_____, the Company

Address: _____

_____

By _____

Its _____

And _____

Its _____

_____, a Shareholder

Address: _____

_____

_____, a Shareholder

Address: _____

_____

_____, a Shareholder

Address: _____

_____

The foregoing instrument is hereby confirmed and accepted as of the date thereof.

PIGGLY WIGGLY MIDWEST, LLC

By: _____

Title: _____

FORM OF PERSONAL GUARANTY OF PAYMENTS AND PERFORMANCE OF AGREEMENTS

EXHIBIT G

PIGGLY WIGGLY MIDWEST, LLC
PERSONAL GUARANTY OF PAYMENTS AND PERFORMANCE OF AGREEMENTS

In consideration of **PIGGLY WIGGLY MIDWEST, LLC's** (hereinafter referred to as "PWM") entering into the Franchise Agreement dated the _____ day of _____, 20___, the Reimbursement Agreement dated the _____ day of _____, 20___, the Sublease dated the _____ day of _____, 20___ (herein collectively and separately called the "Agreements" and an "Agreement," respectively) with _____ _____ (hereinafter referred to as the "Company"), and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the undersigned (herein collectively and separately called the "Guarantors" and a "Guarantor"), the Guarantors hereby jointly and severally guarantee the full and punctual payment by the Company of all sums and charges payable by the Company to or for the benefit of PWM under any of the Agreements and the complete and timely performance by the Company of all of the terms and conditions on its part contained in any one or more of the Agreements, and further acknowledge and agree:

ITEM 1. That PWM is relying upon the covenants of the Guarantors herein in entering into the Agreements with the Company.

ITEM 2. Guarantors agree not to do any act which would terminate or adversely affect existence, condition or creditworthiness of any Guarantor as it existed at the time of the execution of the Agreements and this Guaranty and agree to perform Guarantor's obligations hereunder promptly and in good faith.

ITEM 3. That each and every Guarantor (a) waives the benefit of any statute of limitations affecting such Guarantor's liability under this Guaranty, (b) irrevocably appoints the Company as its agent for service of process for any matter related to this Guaranty, and (c) waives the right to trial by jury in any action or proceeding that may hereafter be instituted by PWM against Guarantor in respect of this Guaranty.

ITEM 4. That if the Company shall default under any of the Agreements, Guarantor will, on demand, pay to PWM any payment that may be due PWM by reason of such default, together with all damages that may arise in consequence thereof and all actual attorneys' fees that may be incurred by PWM in enforcing the Company's covenants and agreements set forth in such Agreement(s) or in enforcing the covenants and agreements of Guarantor herein, all without requiring notice from PWM of any default by the Company, which notice is hereby waived by each and every Guarantor. PWM shall be entitled to interest at the rate per annum equal to the prime rate of interest as published from time to time by U.S. Bank, N.A., plus two percent (2%), compounded daily on any sums owed it by the Company or any Guarantor, from and after their due date.

ITEM 5. That, at PWM's option, Guarantors (or any one or more of them) may be joined in any action or proceeding commenced by PWM against the Company (or any other Guarantor) in connection with or based upon any one or more of the Agreements (or this Guaranty) or any provision thereof, and that recovery may be had in any action or proceeding against Guarantors (or any one or more of them) without any requirement that PWM, its successors or assigns, first assert, prosecute or exhaust any remedy or claim against the Company, its successors and assigns (or any other Guarantor), and each and every Guarantor waives any right to require that resort be had to any security or to any other credit in favor of PWM.

ITEM 6. That in lieu of any right to indemnification that a Guarantor might have against the Company, which right is hereby waived, such Guarantor shall be subrogated to the rights of PWM to the extent that such Guarantor fully satisfies and discharges the Company's obligations under any one or more of the Agreements, and that this right of subrogation shall be the sole remedy of such Guarantor against the Company.

ITEM 7. That, in the event of any bankruptcy, reorganization, dissolution, winding-up or similar proceedings with respect to the Company or any Guarantor, no limitation on the Company's or such Guarantor's liability under any one or more of the Agreements or this Guaranty which may now or hereafter be imposed by any federal, state or other statute, law, regulation or judicial or administrative determination applicable to such proceedings shall in any way limit, impair, modify or release the Guarantors' (or in the case of such proceedings with respect to a Guarantor, the other Guarantors') obligations hereunder, which obligations are co-extensive with the Company's liability as set forth in such Agreement(s) or their Guaranty without regard to any such limitation.

ITEM 8. That this Guaranty shall remain in full force and effect as to any renewal, extension, modification or amendment of any and/or all of the Agreements, and as to any assignment or sublease of the Company's interest or right under any and/or all of the Agreements and as to any holding-over by the Company beyond the term of any sublease.

ITEM 9. That until all of the Company's obligations under all of the Agreements are fully performed, each and every Guarantor hereby waives any rights that such Guarantor may have against the Company by reason of any one or more payments or acts in compliance with the Guarantor's obligations under this Guaranty and also hereby subordinates any liability or indebtedness of the Company held by such Guarantor to the obligations of the Company to PWM under the Agreements.

ITEM 10. That the validity of this Guaranty and the obligations of Guarantors hereunder shall not in any way be terminated, affected, or impaired by reason of any action which PWM might take or be forced to take against the Company or any particular Guarantor(s), or by reasons of any waiver of or failure to enforce any of the rights or remedies reserved to

PWM in any and/or all of the Agreements, or otherwise, or by reason of any extension of time or other forbearance granted the Company by PWM.

ITEM 11. That each and every Guarantor hereby waives notice of any and all notices or demands which may be given by PWM to the Company, whether or not required to be given under any and/or all of the Agreements and hereby waives any notice of acceptance of this Guaranty by PWM.

ITEM 12. This Guaranty (a) shall be governed by and construed in accordance with the internal laws of the State of Wisconsin, (b) may be executed in several counterparts, each of which shall be considered an original but all of which shall constitute one and the same instrument, and (c) shall be binding upon and inure to the benefit of the Guarantors and PWM and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

ITEM 13. Each and every Guarantor warrants and represents that such Guarantor is a stockholder of the Company, has personal knowledge and is familiar with the Company's business affairs, books and records and has the ability to determine the Company's decision-making process; and that, to the best of such Guarantor's knowledge, the Company will perform in accordance with the terms and conditions of the Agreements; and that all of the Company's shareholders have executed this Guaranty as Guarantor.

ITEM 14. Each and every Guarantor represents and warrants that this Guaranty constitutes such Guarantor's valid and legally binding agreement and is enforceable in accordance with its terms; and that such Guarantor is in sound financial condition and will perform in accordance with the terms, covenants and conditions of this Guaranty.

IN WITNESS WHEREOF, the Guarantors have executed this Guaranty this _____ day of _____, 20___.

_____

_____

_____

FORM OF CORPORATE
GUARANTY AGREEMENT

EXHIBIT H

PIGGLY WIGGLY MIDWEST, LLC
CORPORATE GUARANTY AGREEMENT

This **AGREEMENT** is made as of this _____ day of _____, 20____, by _____, a Wisconsin corporation (hereinafter called "Guarantor"). Guarantor is an affiliated "sister" corporation to _____, a Wisconsin corporation (hereinafter called "Debtor"), since both the Guarantor and Debtor are owned by to _____.

RECITALS

ITEM A. Piggly Wiggly Midwest, LLC (the "Creditor") has required, as a condition to making certain credit and credit enhancements available to Debtor that the Guarantor guarantee the Obligations (as hereinafter defined) on the terms stated therein.

ITEM B. It is necessary for the business purposes of the Guarantor and its owner, _____, that Debtor obtain such credit and credit enhancements from the Creditor. The legal and/or business relationship between the Guarantor and the Debtor is that the Debtor and Guarantor are both affiliated franchisee supermarket operators of the Creditor which are owned by _____.

ITEM C. The term "Obligations" is used herein in its most comprehensive sense and includes any and all debts, obligations, and liabilities of Debtor, or any one or more of them, to Creditor, heretofore, now, or hereafter made, incurred, or created, under or pursuant to the Franchise Agreement, Sublease, Reimbursement Agreement, Merchandise Supply Agreement and all other agreements with or between Creditor and/or Debtor, including without limitation, whether voluntary or involuntary and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, secured or unsecured, whether Debtor is liable individually or jointly with others, whether for principal, interest or other debts, obligations or liabilities, and whether or not any or all such debts, obligations and liabilities are or become barred by any statute of limitations or otherwise unenforceable.

COVENANTS

IN CONSIDERATION OF these premises and any credit or financial accommodation now or hereafter granted by Creditor to the Debtor, it is agreed that:

ITEM 1. The Guarantor hereby: (a) unconditionally guarantees the full and prompt payment and performance of the Obligations when due, whether by acceleration or otherwise, or (if earlier) at the time any Debtor becomes the subject of bankruptcy or other insolvency proceedings; (b) agrees to pay all costs, expenses and reasonable attorneys' fees incurred by Creditor in enforcing this Agreement and the Obligations and realizing on any collateral for either; and (c) agrees to pay to the Creditor the amount of any payments made to Creditor or

another in connection with any of the Obligations which are recovered from Creditor by a trustee, receiver, creditor or other party pursuant to applicable law.

ITEM 2. This is a guarantee of payment, and not of collection. The Creditor shall not be obligated to: (a) take any steps whatsoever to collect from, or to file any claim of any kind against, the Debtor, any guarantor, or any other person or entity liable for payment or performance of any of the Obligations; or (b) take any steps whatsoever to protect, accept, obtain, enforce, take possession of, perfect its interest in, foreclose or realize on collateral or security, if any, for the payment or performance of any of the Obligations or any guarantee of any of the Obligations; or (c) in any other respect exercise any diligence whatever in collecting or attempting to collect any of the Obligations by any means.

ITEM 3. The Guarantor's liability for payment and performance of the Obligations shall be absolute and unconditional; the Guarantor unconditionally and irrevocably waives each and every defense which, under principles of guarantee or suretyship law, would otherwise operate to impair or diminish such liability; and nothing whatever except actual full payment and performance to the Creditor of the Obligations (and all other debts, obligations and liabilities of Guarantor under this Agreement) shall operate to discharge the Guarantor's liability hereunder. Without limiting the generality of the foregoing, the Creditor shall have the exclusive right, which may be exercised from time to time without diminishing or impairing the liability of the Guarantor in any respect, and without notice of any kind to the Guarantor, to: (a) extend any additional credit to Debtor; (b) accept any collateral, security or guarantee for any Obligations or any other credit; (c) determine how, when and what application of payments, credits and collections, if any, shall be made on the Obligations and any other credit and accept partial payments; (d) determine what, if anything, shall at any time be done with respect to any collateral or security; subordinate, sell, transfer, surrender, release or otherwise dispose of all or any of such collateral or security; and purchase or otherwise acquire any such collateral or security at foreclosure or otherwise; and (e) with or without consideration grant, permit or enter into any waiver, amendment, extension, modification, refinancing, indulgence, compromise, settlement, subordination, discharge or release of; (i) any of the Obligations and any agreement relating to any of the Obligations, (ii) any obligations of any guarantor or other person or entity liable for payment or performance of any of the Obligations, and any agreement relating to such obligations and (iii) any collateral or security or agreement relating to collateral or security for any of the foregoing.

ITEM 4. The Guarantor hereby unconditionally waives: (a) presentment, notice of dishonor, protest, demand for payment and all notices of any kind, including without limitation; notice of acceptance hereof; notice of the creation of any of the Obligations; notice of nonpayment, nonperformance or other default on any of the Obligations; and notice of any action taken to collect upon or enforce any of the Obligations; (b) any subrogation to the rights of the Creditor against the Debtor, any other claim against the Debtor which arises as a result of payments made by the Guarantor pursuant to this Agreement, and any claim for contribution against any co-guarantor, until the Obligations have been paid or performed in full and such

payments are not subject to any right of recovery; and (c) any setoffs or counterclaims against Creditor which would otherwise impair the Creditor's rights against the Guarantor hereunder.

ITEM 5. Guarantor has made an independent investigation and evaluation of the financial condition of the Debtor and the value of any collateral, and has not relied (and will not rely) on any information or evaluation provided by Creditor regarding such condition or value.

ITEM 6. Guarantor represents and warrants that:

(a) The execution, delivery and performance of this Agreement by the Guarantor are within the corporate powers of the Guarantor, have been duly authorized by all necessary corporate action and do not and will not (i) require any consent or approval of the stockholders of the Guarantor which has not been obtained, (ii) violate any provision of the articles of incorporation or by-laws of the Guarantor or of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the Guarantor or any subsidiary of the Guarantor; (iii) require the consent or approval of, or filing or registration with, any governmental body, agency or authority, or (iv) result in a breach of or constitute a default under, or result in the imposition of any lien, charge or encumbrance upon any property of the Guarantor or any subsidiary of the Guarantor pursuant to, any indenture or other agreement or instrument under which the Guarantor or any subsidiary of the Guarantor is a party or by which it or any of its properties may be bound or affected.

(b) This Agreement constitutes the legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms, except that such enforceability may be limited by bankruptcy or similar laws affecting the enforceability of creditors' rights generally.

(c) The financial statements of the Guarantor furnished to the Creditor fairly present the financial condition of the Guarantor for the periods shown therein, and since the dates covered by the most recent of such financial statements, there has been no material adverse change in the Guarantor's assets or the conduct of its business. Except as expressly shown on such financial statements, the Guarantor owns all of its assets free and clear of all liens except liens in favor of the Creditor; is not a party to any litigation, nor is any litigation threatened to the knowledge of the Guarantor which would, if adversely determined, cause any material adverse change in its business or assets; and has no delinquent tax liabilities, nor have any tax deficiencies been proposed against it.

ITEM 7. The Guarantor shall provide to the Creditor such information regarding the financial condition of the Guarantor as the Creditor may reasonably request from time to time.

ITEM 8. This Agreement shall inure to the benefit of the Creditor and its successors and assigns, including every holder or owner of any of the Obligations, and shall be binding upon the Guarantor and Guarantor's successors and assigns. This is a continuing guarantee and shall continue in effect until the Creditor shall have received written notice of termination from

Guarantor; provided that this guarantee shall continue in effect thereafter with respect to all Obligations which arise or are committed for prior to Creditor's receipt of such notice of termination (including all subsequent extensions and renewals thereof, including extensions and renewals at increased rates, and all subsequently accruing interest and other charges thereon) until all such Obligations and all obligations of Guarantor hereunder shall be paid or performed in full and such payments are not subject to any right of recovery.

ITEM 9. This Agreement constitutes the entire agreement between the Creditor and Guarantor with respect to the subject matter hereof, superseding all previous communications and negotiations, and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon Creditor unless expressed herein. This Agreement shall be governed by the internal laws of the State of Wisconsin.

[NAME-OFFICERS]

By: _____

Title: _____

Attest: _____

Title: _____

FORM OF GENERAL
BUSINESS SECURITY AGREEMENT

EXHIBIT I

BUSINESS
W.B.A. 447 (7/08) 11159
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GENERAL BUSINESS SECURITY AGREEMENT

Dated: the _____ day of _____, 20___

1. SECURITY INTEREST

In consideration of any financial accommodation at any time granted by _____ ("**Lender**") to _____ ("**Borrower**"), each of the undersigned ("**Debtor**", whether one or more) grants Lender a security interest in all equipment, fixtures, inventory, documents, general intangibles, accounts, deposit accounts (unless a security interest would render a nontaxable account taxable), contract rights, chattel paper, patents, trademarks and copyrights (and the good will associated with and registrations and licenses of any of them), instruments, letter of credit rights and investment property, now owned or hereafter acquired by Debtor (or by Debtor with spouse), and all additions and accessions to, all spare and repair parts, special tools, equipment and replacements for, software used in, all returned or repossessed goods the sale of which gave rise to and all proceeds, supporting obligations and products of the foregoing ("**Collateral**"), wherever located, to secure all debts, obligations and liabilities to Lender arising out of credit previously granted, credit contemporaneously granted and credit granted in the future by Lender to any Debtor, or any Borrower, to any of them and another, or to another guaranteed or endorsed by any of them ("**Obligations**").

2. DEBTOR'S WARRANTIES

Debtor warrants and agrees that while any of the Obligations are unpaid:

(a) **Ownership and use.** Debtor owns (or with spouse owns) the Collateral free of all encumbrances and security interests (except Lender's security interest). Chattel paper constituting Collateral evidences a perfected security interest in the goods (including software used in the goods) covered by it, free from all other encumbrances and security interests, and no financing statement is on file or control agreement in existence (other than Lender's) covering the Collateral or any of it. Debtor, acting alone, may grant a security interest in the Collateral and agree to the terms of this Agreement. The Collateral is used or bought for use primarily for business purposes.

(b) **Sale of goods or services rendered.** Each account and chattel paper constituting Collateral as of this date arose from the performance of services by Debtor or from a bona fide sale or lease of goods, which have been delivered or shipped to the account debtor and for which Debtor has genuine invoices, shipping documents or receipts.

(c) **Enforceability.** Each account, contract right and chattel paper constituting Collateral as of this date is genuine and enforceable against the account debtor according to its terms. It and the transaction out of which it arose comply with all applicable laws and regulations. The amount represented by Debtor to Lender as owing by each account debtor is the amount actually owing and is not subject to setoff, credit, allowance or adjustment, except discount for prompt payment, nor has any account debtor returned the goods or disputed liability.

(d) **Due date.** There has been no default as of this date according to the terms of any chattel paper or account constituting Collateral and no step has been taken to foreclose the security interest it evidences or otherwise enforce its payment.

(e) **Financial condition of account debtor.** As of this date Debtor has no notice or knowledge of anything which might impair the credit standing of any account debtor and Debtor will advise Lender upon receipt of any such notice or knowledge affecting Collateral.

(f) **Valid organization.** If a corporation, limited liability company or general or limited partnership, Debtor is duly organized, validly existing and in good standing under the laws of the state of organization and is authorized to do business in Wisconsin.

(g) **Other agreements.** Debtor is not in default under any agreement for the payment of money.

(h) **Authority to contract.** The execution and delivery of this Agreement and any instruments evidencing Obligations will not violate or constitute a breach of Debtor's articles of incorporation or organization, by-laws, partnership agreement, operating agreement or any other agreement or restriction to which Debtor is a party or is subject.

(i) **Accuracy of information.** All information, certificates or statements given to Lender pursuant to this Agreement shall be true and complete when given.

(j) **Name and address.** Debtor's exact legal name is as set forth below Section 11. If Debtor is an individual, the address of Debtor's principal residence is as set forth below Section 11. If Debtor is an organization that has only one place of business, the address of Debtor's place of business, or if Debtor has more than one place of business, then the address of Debtor's chief executive office, is as set forth below Section 11.

(k) **Location.** The address where the Collateral will be kept, if different from that appearing below Section 11, is _____. Such location shall not be changed without prior written consent of Lender, but the parties intend that the Collateral, wherever located, is covered by this Agreement.

(l) **Organization.** If Debtor is an organization, the type of organization and the state under whose law it is organized are as set forth below Section 11.

(m) **Environmental laws.** (i) No substance has been, is or will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about any real estate now or at any time owned or occupied by Debtor ("**Property**") during the period of Debtor's ownership or use of the Property in a form, quantity or manner which if known to be present on, under, in or about the Property would require clean-up, removal or some other remedial action ("**Hazardous Substance**") under any federal, state or local laws, regulations, ordinances, codes or rules ("**Environmental Laws**"), (ii) Debtor has no knowledge, after due inquiry, of any prior use or existence of any Hazardous Substance on the Property by any prior owner of or person using the Property, (iii) without limiting the generality of the foregoing, Debtor has no knowledge, after due inquiry, that the Property contains asbestos, polychlorinated biphenyl components (PCBs) or underground storage tanks, (iv) there are no conditions existing currently or likely to exist during the term of this Agreement which would subject Debtor to any damages, penalties, injunctive relief or clean-up costs in any governmental or regulatory action or third-party claim relating to any Hazardous Substance, (v) Debtor is not subject to any court or administrative proceeding, judgment, decree, order or citation relating to any Hazardous Substance, and (vi) Debtor in the past has been, at the present is, and in the future will remain in compliance with all Environmental Laws. Debtor shall indemnify and hold harmless Lender, its directors, officers, employees and agents from all loss, cost (including reasonable attorneys' fees and legal expenses), liability and damage whatsoever directly or indirectly resulting from, arising out of, or based upon (1) the presence, use, storage, deposit, treatment, recycling or disposal, at any time, of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, (2) the violation or alleged violation of any Environmental Law, permit, judgment or license relating to the presence, use, storage, deposit, treatment, recycling or disposal of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from Property, or (3) the imposition of any governmental lien for the recovery of environmental clean-up costs expended under any Environmental Law. Debtor shall immediately notify Lender in writing of any governmental or regulatory action or third-party claim instituted or threatened in connection with any Hazardous Substance described above on, in, under or about the Property.

(n) **Employees.** There are no unpaid wages due employees of Debtor and there are no outstanding liens against assets of Debtor for unpaid wages due employees of Debtor.

(o) **Fixtures.** If any of the Collateral is affixed to real estate, the legal description of the real estate set forth in each UCC Financing Statement signed or authorized by Debtor is true and correct.

3. SHIPPERS

Shippers authorized to draw drafts on Lender under section 6(c) are:

4. SALE AND COLLECTIONS

(a) **Sale of Inventory.** So long as no default exists under any of the Obligations or this Agreement, Debtor may (a) sell inventory in the ordinary course of Debtor's business for cash or on terms customary in the trade, at prices not less than any minimum sale price shown on instruments evidencing Obligations and describing inventory, or (b) lease or license inventory on terms customary in the trade.

(b) **Verification and notification.** Lender may verify Collateral in any manner, and Debtor shall assist Lender in so doing. Upon default Lender may at any time and Debtor shall, upon request of Lender, notify the account debtors or other persons obligated on the Collateral to make payment directly to Lender and Lender may enforce collection of, settle, compromise, extend or renew the indebtedness of such account debtors or other persons obligated on the Collateral. Until account debtors or other persons obligated on the Collateral are so notified, Debtor, as agent of Lender, shall make collections and receive payments on the Collateral.

(c) **Deposit with Lender.** At any time Lender may require that all proceeds of Collateral received by Debtor shall be held by Debtor upon an express trust for Lender, shall not be commingled with any other funds or property of Debtor and shall be turned over to Lender in precisely the form received (but endorsed by Debtor if necessary for collection) not later than the business day following the day of their receipt. Except as provided in Section 4(d) below, all proceeds of Collateral received by Lender directly or from Debtor shall be applied against the Obligations in such order and at such times as Lender shall determine.

(d) **Accounting.** If the extent to which Lender's security interest in the Collateral is a purchase money security interest depends on the application of a payment to a particular obligation of Debtor, the payment shall first be applied to obligations of Debtor for which Debtor did not create a security interest in the order in which those obligations were incurred and then to obligations of Debtor for which Debtor did create a security interest, including the Obligations secured by the Collateral, in the order in which those obligations were incurred; provided, however, that Lender shall retain its security interest in all Collateral regardless of the allocation of payments.

5. DEBTOR'S COVENANTS

(a) **Maintenance of Collateral.** Debtor shall: maintain the Collateral in good condition and repair and not permit its value to be impaired; keep it free from all liens, encumbrances and security interests (other than Lender's security interest); defend it against all claims and legal proceedings by persons other than Lender; pay and discharge when due all taxes, license fees, levies and other charges upon it; not sell, lease, license or otherwise transfer or dispose of it or permit it to become a fixture or an accession to other goods, except for sales, leases or licenses of inventory as provided in this Agreement; not permit it to be used in violation of any applicable law, regulation or policy of insurance; and, as to Collateral consisting of instruments, chattel paper and letter of credit rights, preserve rights in it against prior parties. Loss of or damage to the Collateral shall not affect the liabilities of any Debtor or Borrower under this Agreement, the Obligations or other rights of Lender with respect to the Collateral.

(b) **Insurance.** Debtor shall keep the Collateral and Lender's interest in it insured under policies with such provisions, for such amounts and by such insurers as shall be satisfactory to Lender from time to time, and shall furnish evidence of such insurance satisfactory to Lender. Subject to Lender's satisfaction, Debtor is free to select the insurance agent or insurer through which the insurance is obtained. Debtor assigns (and directs any insurer to pay) to Lender the proceeds of all such insurance and any premium refund, and authorizes Lender to endorse in the name of Debtor any instruments for such proceeds or refunds and, at the option of Lender, to apply such proceeds and refunds to any unpaid balance of the Obligations, whether or not due, and/or to restoration of the Collateral, returning any excess to Debtor. Each insurance policy shall contain a standard lender's loss payable endorsement in favor of Lender, and shall provide that the policy shall not be cancelled, and the coverage shall not be reduced, without at least 10 days' prior written notice by the insurer to Lender. Lender is authorized, in the name of Debtor or otherwise, to make, adjust and/or settle claims under any credit insurance financed by Lender or any insurance on the Collateral, or cancel the same after the occurrence of an event of default. If Debtor fails to keep any required insurance on the Collateral, Lender may purchase such insurance for Debtor, such insurance may be acquired by Lender solely to protect the interest of Lender (and will not cover Debtor's equity in the Collateral), and Debtor's obligation to repay Lender shall be in accordance with Section 6(a).

(c) **Maintenance of security interest.** Debtor shall pay all expenses and upon request, take any action reasonably deemed advisable by Lender to preserve the Collateral or to establish, evidence, determine and maintain priority of, perfect, continue perfected, terminate and/or enforce Lender's interest in it or rights under this Agreement. Debtor authorizes Lender to file Uniform Commercial Code financing statements describing the Collateral (including describing the Collateral as "all assets", "all personal property" or with words of similar effect) and amendments and correction statements to such financing statements and ratifies any such financing statement or amendment filed prior to the date of this Agreement. Debtor will cooperate with Lender in obtaining control of Collateral or other security for the Obligations for which control may be required to perfect Lender's security interest under applicable law. If the Collateral is in possession of a third party, Debtor will join with Lender at its request in notifying the third party of Lender's security interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Lender.

(d) **Taxes and other charges.** Debtor shall pay and discharge all lawful taxes, assessments and government charges upon Debtor or against its properties prior to the date on which penalties attach, unless and to the extent only that such taxes, assessments and charges are contested in good faith and by appropriate proceedings by Debtor.

(e) **Employees.** Debtor shall pay all wages when due to employees of Debtor and shall not permit any lien to exist against the assets of Debtor for unpaid wages due employees of Debtor.

(f) **Records and statements.** Debtor shall furnish to Lender financial statements at least annually and such other financial information respecting Debtor at such times and in such form as Lender may request. Debtor shall keep accurate and complete records respecting the Collateral in such form as Lender may approve. At such times as Lender may require, Debtor shall furnish to Lender a statement certified by Debtor and in such form and containing such information as may be prescribed by Lender, showing the current status and value of the Collateral. Debtor shall furnish to Lender such reports regarding the payment of wages to employees of Debtor and the number of employees of Debtor as Lender may from time to time request, and without request shall furnish to Lender a written report immediately upon any material increase in the number of employees of Debtor, the failure of Debtor to pay any wages when due to employees of Debtor or the imposition of any lien against the assets of Debtor for unpaid wages due employees of Debtor.

(g) **Inspection of Collateral.** At reasonable times Lender may examine the Collateral and Debtor's records pertaining to it, wherever located, and make copies of records, and Debtor shall assist Lender in so doing.

(h) **Service charge.** In addition to the required payments under the Obligations and this Agreement, Debtor shall pay Lender's then current service charges for servicing and auditing in connection with this Agreement.

(i) **Chattel paper.** Lender may require that chattel paper constituting Collateral shall be on forms approved by Lender. Unless it consists of electronic chattel paper, Debtor shall promptly mark all chattel paper constituting Collateral, and all copies, to indicate conspicuously Lender's interest and,

upon request, deliver them to Lender. If it consists of electronic chattel paper, Debtor shall promptly notify Lender of the existence of the electronic chattel paper and, at the request of Lender, shall take such actions as Lender may reasonably request to vest in Lender control of such electronic chattel paper under applicable law.

(j) **United States contracts.** If any Collateral arose out of contracts with the United States or any of its departments, agencies or instrumentalities, Debtor will notify Lender and execute writings required by Lender in order that all money due or to become due under such contracts shall be assigned to Lender and proper notice of the assignment given under the Federal Assignment of Claims Act.

(k) **Modifications.** Without the prior written consent of Lender, Debtor shall not alter, modify, extend, renew or cancel any accounts, letter of credit rights or chattel paper constituting Collateral or any Collateral constituting part of the Debtor's borrowing base.

(l) **Returns and repossessions.** Debtor shall promptly notify Lender of the return to or repossession by Debtor of goods underlying any Collateral and Debtor shall hold and dispose of them only as Lender directs.

(m) **Promissory Notes, Chattel Paper and Investment Property.** If Debtor shall at any time hold or acquire Collateral consisting of promissory notes, chattel paper or certificated securities, Debtor shall endorse, assign and deliver the same to Lender accompanied by such instruments of transfer or assignment duly executed in blank as Lender may from time to time request.

(n) **Change of name, address or organization.** Debtor shall not change Debtor's legal name or address without providing at least 30 days prior written notice of the change to Lender. Debtor if it is an organization shall not change its type of organization or state under whose law it is organized and shall preserve its organizational existence, and Debtor whether or not Debtor is an organization shall not, in one transaction or in a series of related transactions, merge into or consolidate with any other organization, change Debtor's legal structure or sell or transfer all or substantially all of Debtor's assets.

6. RIGHTS OF LENDER

(a) **Authority to perform for Debtor.** Upon the occurrence of an event of default or if Debtor fails to perform any of Debtor's duties set forth in this Agreement or in any evidence of or document relating to the Obligations, Lender is authorized, in Debtor's name or otherwise, to take any such action including without limitation signing Debtor's name or paying any amount so required, and the cost shall be one of the Obligations secured by this Agreement and shall be payable by Debtor upon demand with interest from the date of payment by Lender at the highest rate stated in any evidence of any Obligation but not in excess of the maximum rate permitted by law.

(b) **Charging Debtor's credit balance.** Unless a lien would be prohibited by law or would render a nontaxable account taxable, Debtor grants Lender, as further security for the Obligations, a security interest and lien in any deposit account Debtor may at any time have with Lender and other money now or hereafter owed Debtor by Lender, and agrees that Lender may, at any time after the occurrence of an event of default, without prior notice or demand, set-off all or any part of the unpaid balance of the Obligations against any deposit balances or other money now or hereafter owed Debtor by Lender.

(c) **Power of attorney.** Debtor irrevocably appoints any officer of Lender as Debtor's attorney, with power after an event of default to receive, open and dispose of all mail addressed to Debtor (and Lender shall not be required as a condition to the exercise of this power to prove the occurrence of an event of default to the Post Office); to notify the Post Office authorities to change the address for delivery of all mail addressed to Debtor to such address as Lender may designate; to endorse the name of Debtor upon any instruments which may come into Lender's possession; and to sign and make draws under any letter of credit constituting Collateral on Debtor's behalf. Debtor agrees that Obligations may be created by drafts drawn on Lender by shippers of inventory named in Section 3. Debtor authorizes Lender to honor any such draft accompanied by invoices aggregating the amount of the draft and describing inventory to be shipped to Debtor and to pay any such invoices not accompanied by drafts. Debtor appoints any employee of Lender as Debtor's attorney, with full power to sign Debtor's name on any instrument evidencing an Obligation, or any renewals or extensions, for the amount of such drafts honored by Lender and such instruments may be payable at fixed times or on demand, shall bear interest at the rate from time to time fixed by Lender and Debtor agrees, upon request of Lender, to execute any such instruments. This power of attorney to execute instruments may be revoked by Debtor only by written notice to Lender and no such revocation shall affect any instruments executed prior to the receipt by Lender of such notice. All acts of such attorney are ratified and approved and such attorney is not liable for any act or omission or for any error of judgment or mistake of fact or law. This power is a power coupled with an interest and is given as security for the Obligations, and the authority conferred by this power is and shall be irrevocable and shall remain in full force and effect until renounced by Lender except as otherwise expressly provided in this Section 6(c).

(d) **Non-liability of Lender.** Lender has no duty to determine the validity of any invoice, the authority of any shipper named in section 3 to ship goods to Debtor or compliance with any order of Debtor. Lender has no duty to protect, insure, collect or realize upon the Collateral or preserve rights in it against prior parties. Debtor releases Lender from any liability for any act or omission relating to the Obligations, the Collateral or this Agreement, except Lender's willful misconduct.

7. DEFAULT

Upon the occurrence of one or more of the following events of default:

(a) **Nonperformance.** Any of the Obligations are not paid when due, or Borrower or Debtor, as applicable, fails to perform, or rectify breach of, any warranty or covenant or other undertaking in this Agreement or in any evidence of or document relating to the Obligations or an event of default occurs under any evidence of or document relating to any other obligation secured by the Collateral;

(b) **Inability to Perform.** Borrower, Borrower's spouse, Debtor or a guarantor or surety of any of the Obligations dies, ceases to exist, becomes insolvent or the subject of bankruptcy or insolvency proceedings or any guaranty of the Obligations is revoked or becomes unenforceable for any reason;

(c) **Misrepresentation.** Any warranty or representation made to induce Lender to extend credit to Debtor or Borrower, under this Agreement or otherwise, is false in any material respect when made; or

(d) **Insecurity.** At any time Lender believes in good faith that the prospect of payment or performance of any of the Obligations or performance under any agreement securing the Obligations is impaired; all of the Obligations shall, at the option of Lender and without notice or demand, become immediately payable; and Lender shall have all rights and remedies for default provided by the Wisconsin Uniform Commercial Code and this Agreement, as well as any other applicable law, and under any evidence of or document relating to any Obligation, and all such rights and remedies are cumulative and may be exercised from time to time. With respect to such rights and remedies:

(e) **Repossession.** Lender may take possession of Collateral without notice or hearing, which Debtor waives;

(f) **Assembling collateral.** Lender may require Debtor to assemble the Collateral and to make it available to Lender at any place reasonably designated by Lender;

(g) **Notice of disposition.** Written notice, when required by law, sent to any address of Debtor in this Agreement at least 10 calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice;

(h) **Expenses and application of proceeds.** Debtor shall reimburse Lender for any expense incurred by Lender in protecting or enforcing its rights under this Agreement, before and after judgment, including, without limitation, reasonable attorneys' fees and legal expenses (including those incurred in successful defense or settlement of any counterclaim brought by Debtor or incident to any action or proceeding involving Debtor brought pursuant to the United States Bankruptcy Code) and all expenses of taking possession, holding, preparing for disposition and disposing of Collateral (provided, however, Lender has no obligation to clean-up or otherwise prepare the Collateral for sale). After deduction of such expenses, Lender shall apply the proceeds of disposition to the extent actually received in cash to the Obligations in such order and amounts as it

elects or as otherwise required by this Agreement. If Lender sells any Collateral on credit, Debtor will be credited only with payments that the purchaser actually makes and that Lender actually receives and applies to the unpaid balance of the purchase price of the Collateral; and

(i) **Waiver.** Lender may permit Debtor or Borrower to remedy any default without waiving the default so remedied, and Lender may waive any default without waiving any other subsequent or prior default by Borrower or Debtor. Lender shall continue to have all of its rights and remedies under this Agreement even if it does not fully and properly exercise them on all occasions.

8. WAIVER AND CONSENT

Each Debtor who is not also a Borrower expressly consents to and waives notice of the following by Lender without affecting the liability of any such Debtor: (a) the creation of any present or future Obligation, default under any Obligation, proceedings to collect from any Borrower or anyone else, (b) any surrender, release, impairment, sale or other disposition of any security or collateral for the Obligations, (c) any release or agreement not to sue any guarantor or surety of the Obligations, (d) any failure to perfect a security interest in or realize upon any security or collateral for the Obligations, (e) any failure to realize upon any of the Obligations or to proceed against any Borrower or any guarantor or surety, (f) any renewal or extension of the time of payment, (g) any allocation and application of payments and credits and acceptance of partial payments, (h) any application of the proceeds of disposition of any collateral for the Obligations to any obligation of any Debtor or Borrower secured by such collateral in such order and amounts as it elects, (i) any determination of what, if anything, may at any time be done with reference to any security or collateral, and (j) any settlement or compromise of the amount due or owing or claimed to be due or owing from any Borrower, guarantor or surety.

9. INTERPRETATION

The validity, construction and enforcement of this Agreement are governed by the internal laws of Wisconsin except to the extent such laws are preempted by federal law. All terms not otherwise defined have the meanings assigned to them by the Wisconsin Uniform Commercial Code, as amended from time to time, provided, however, that the term "**instrument**" shall be such term as defined in the Wisconsin Uniform Commercial Code-Secured Transactions Chapter 409. All references in this Agreement to sections of the Wisconsin Statutes are to those sections as they may be renumbered from time to time. Invalidity of any provision of this Agreement shall not affect the validity of any other provision. This Agreement is intended by Debtor and Lender as a final expression of this Agreement and as a complete and exclusive statement of its terms, there being no conditions to the enforceability of this Agreement. This Agreement may not be supplemented or modified except in writing.

10. PERSONS BOUND

Each person signing this Agreement is a Debtor. All Debtors are jointly and severally liable under this Agreement. This Agreement benefits Lender, its successors and assigns, and binds Debtor(s) and their respective heirs, personal representatives, successors and assigns and shall bind all persons and entities who become bound as a debtor to this Agreement. ☐ If checked here, this Agreement amends and replaces in their entirety the provisions of all existing General Business Security Agreements between Debtor and Lender; provided, however, that all security interests granted to Lender under those existing security agreements shall remain in full force and effect, subject to the provisions of this Agreement. Debtor acknowledges receipt of a completed copy of this Agreement.

11. OTHER PROVISIONS

(If none stated below, there are no other provisions.)

Address: _____
SEE SECTIONS 2(j) AND (k)

_____
STATE OF ORGANIZATION

_____ (SEAL)

_____
TYPE OF ORGANIZATION

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

Address: _____
SEE SECTIONS 2(j) AND (k)

_____
STATE OF ORGANIZATION

_____ (SEAL)

_____
TYPE OF ORGANIZATION

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

FORM OF SECURED PROMISSORY NOTE

EXHIBIT J

PIGGLY WIGGLY MIDWEST, LLC
SECURED PROMISSORY NOTE

FOR VALUE RECEIVED, _____ *[Name of Purchaser]*, a _____ *[name of State]* [corporation/citizen] ("Maker"), hereby promises to pay to the order of **PIGGLY WIGGLY MIDWEST, LLC**, a Wisconsin limited liability company ("Payee"), the principal sum of _____ Dollars ($_____), with interest, as provided herein.

Interest shall accrue daily on the outstanding principal amount hereof, and on any past due and unpaid interest provided for herein, at a per annum rate equal to the announced prime lending rate of JPMorgan Chase Bank, N.A., plus 2%. Such interest, including any interest on past due but unpaid interest, shall be due and payable monthly in arrears on the first day of each month commencing _____, 20____.

The principal amount hereof shall be repaid at the rate of ____ *[insert fraction with the denominator being the number of months in the term of the Note]* of the original principal amount hereof ($_____) per month, due and payable on the first day of each month commencing _____, 20____ and ending _____, 20____.

Principal and any accrued interest on this Note may be prepaid in whole or in part at any time or from time to time without premium, penalty or charge.

This Note is being issued pursuant to the _____ *[insert name of agreement]* ("Agreement") between Maker, Payee, and others, dated as of the _____ day of _____, 20____ and is secured by a security interest in _____

_____

[insert description of collateral as defined in the Agreement and any additional collateral].

If Maker fails to make any payment provided for herein within five days after such payment is due, the principal amount hereof and accrued interest provided for herein may, by delivering written notice thereof to Maker, be declared immediately due and payable. In the event Maker files for bankruptcy, a custodian or similar person is appointed for or takes charge of all or substantially all of the property of the Maker, or the Maker is bankrupt or insolvent or commences any other proceeding under any reorganization, dissolution, adjustment of debt, insolvency, liquidation or similar law of any jurisdiction, the principal amount hereof and accrued interest hereon shall immediately become due and payable.

The Maker waives presentment, demand, notice of dishonor and protest, and agrees to pay all costs of collection, before and after judgment, including attorneys' fees and legal expenses. This Note shall be construed in accordance with and be governed by the law of the State of Wisconsin.

*** SIGNATURES AND DATE ON FOLLOWING PAGE ***

IN WITNESS WHEREOF, the Maker has executed, issued and delivered this Note to Payee effective as of the day and year written below.

Dated: This _____ day of _____, 20____.

_____ **(PURCHASER)**

By: _____

Name: _____

DISPUTE RESOLUTION AGREEMENT

EXHIBIT K

PIGGLY WIGGLY MIDWEST, LLC
DISPUTE RESOLUTION AGREEMENT

This **DISPUTE RESOLUTION AGREEMENT** (this "Agreement") is made and effective as of this _____ day of _____, 20___ (the "Effective Date") by and among _____ *[name of stockholder]*, a stockholder of _____ *[name of franchisee]*, _____ *[name of stockholder]*, a stockholder of _____ *[name of franchisee]* (each a "Stockholder" and together the "Stockholders"), _____ *[name of franchisee]*, a [Wisconsin/Illinois] corporation (the "Company"), and **PIGGLY WIGGLY MIDWEST, LLC**, a Wisconsin limited liability company ("PWM").

W I T N E S S E T H

WHEREAS, Company desires to operate, as a franchisee of FBD, a retail grocery store under the Piggly Wiggly® name at _____ *[address of store]* (a "Store");

WHEREAS, Company desires to purchase the business and all of the operating assets of the Store, sublease the Store, operate the Store as a franchisee of PWM and become a wholesale customer of PWM, all upon the terms and conditions herein provided and pursuant to the separate Merchandise Supply Agreement, Sublease, Franchise Agreement, and Reimbursement Agreement, each of even date herewith (collectively, the "Store Agreements");

WHEREAS, PWM will have a substantial financial interest in the successful operation of the Store as a result of the Sublease and certain credit enhancements provided by PWM to third party creditors on behalf of the Company, as provided for in the Reimbursement Agreement;

WHEREAS, Stockholders together own all of the outstanding equity stock of the Company and will each be actively involved in the management of the Company and the day-to-day operation of the Store; and

WHEREAS, PWM believes and desires that any and all Shareholder disputes should be equitably settled by and between the Shareholders; however, in order to ensure the stability of the Company and its relationship with PWM and to provide for an equitable means of resolving disputes that have not been otherwise resolved between the Stockholders, PWM has requested, and Company and each Stockholder have agreed to enter into, this Agreement to create a mechanism to resolve such disputes between one or more of the Stockholders;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the sufficiency and adequacy of which is hereby expressly acknowledged, the Parties hereby agree as follows:

1. DISPUTES BETWEEN STOCKHOLDERS

1.1 **Arbitration**. Any dispute, controversy or claim between the Stockholders arising out of or relating to the Company's operation of Store or the inability of the Company to take action required to meet its obligations under any of the Store Agreements due to impasse among the Stockholders shall be settled by binding arbitration held at PWM's executive offices in Sheboygan, Wisconsin or such other location as PWM shall select.

1.2 **Arbitration Panel**. Three officers of PWM, at least one of whom is an executive officer, shall comprise the arbitration panel and shall be appointed by PWM in its sole discretion, unless PWM in its sole discretion determines otherwise.

1.3 **Procedures**. Any Stockholder or PWM may call for the arbitration of any dispute, controversy or claim by providing written notice thereof to PWM and the other Stockholder(s). PWM shall appoint an arbitration panel within 7 business days of receiving or providing such notice. The arbitration panel shall allow such discovery as it shall determine appropriate under the circumstances and shall resolve the dispute as expeditiously as practicable, and if reasonably practicable, within 30 days of the appointment of the arbitration panel. The arbitration panel may seek the advice or opinion of legal counsel (including PWM legal counsel) to assist in interpreting or resolving any dispute, claim or issue. The arbitration panel shall give the Stockholders written notice of the decision, with the reasons therefor set out and shall have 15 days thereafter to reconsider and modify such decision if either Stockholder so requests within 5 days of the decision. Thereafter, the decision of the arbitration panel shall be final, binding, and nonappealable with respect to all persons, including (without limitation) persons who have failed or refused to participate in the arbitration process.

1.4 **Authority**. The arbitration panel shall have authority to award relief under legal or equitable principles, including interim or preliminary relief, and to allocate responsibility for the costs of arbitration and to award recovery of attorneys' fees and expenses in such manner as is determined to be appropriate by the arbitration panel.

1.5 **Share Purchase**. PWM shall have the right, but is not obligated, to cause the purchase of all of such Stockholders' Equity Stock (the "Purchased Stock") by the Company and/or the remaining Stockholder(s); provided, however, that in exercising such right PWM agrees to finance such purchase as provided in Section 1.8. In the event that PWM exercises such right, the Stockholder(s) subject to such dispute (the "Selling Stockholder") shall sell, and the Company and/or the remaining Stockholder(s) (the "Purchaser") shall purchase, all of the Equity Stock owned by the Selling Stockholder as provided for in this Agreement.

1.6 **Procedures**. PWM may exercise its rights under Section 1.5 by providing written notice thereof to each Stockholder and the Company. The date such notice is sent is the "Notice Date." A certified public accounting firm shall be engaged by PWM to determine the aggregate cash purchase price for the Purchased Stock (the "Purchase Price"). Such accounting firm shall determine the Purchase Price in accordance with Section 1.7 as expeditiously as practicable, and if reasonably practicable, within 21 days of the Notice Date. The Purchase Price, when so determined, shall be immediately sent in writing, along with a copy of the Company's balance sheet as of the Notice Date, to each Stockholder, the Company and PWM. The date the Purchase

Price is sent is the "Determination Date." Such accounting firm's determination of the Purchase Price shall be final, binding and nonappealable with respect to all persons. Selling Stockholder shall sell the Purchased Stock, the Purchaser shall purchase the Purchased Stock and PWM shall finance such purchase, all as provided for in Section 1.8 within 5 business days of the Determination Date.

1.7 **Determination of Purchase Price**. In the event of any sale and purchase of Purchased Stock under Section 1.5, the Purchase Price for such Purchased Stock shall be an amount equal to the lesser of (i) the aggregate book value of such Purchased Stock determined as of the Notice Date in accordance with generally accepted accounting principles applied to the Company's financial records on a consistent basis, and (ii) the aggregate value of the consideration paid by the Selling Stockholder to acquire such Purchased Stock measured as of the date such Purchased Stock was acquired.

1.8 **PWM Financing**. PWM shall provide secured financing at the request of Purchaser up to the amount of the Purchase Price, such financing to be evidenced by a promissory note made by the Purchaser (and personally guaranteed by the remaining Stockholders if the Company is the Purchaser), substantially in the form of Exhibit A attached hereto. Such note shall be secured by a pledge of all of the Purchased Stock, and all of the certificates representing the Purchased Stock shall be delivered to PWM to perfect such pledge, together with a duly executed stock power. Such note shall also be secured by such other collateral as PWM may request.

2. MISCELLANEOUS.

2.1 **Continued Performance**. The fact that the dispute resolution procedures specified in this Agreement shall have been or may be invoked shall not excuse any party from performing its obligations under the Store Agreements and during the pendency of any such procedure all parties shall continue to perform their respective obligations in good faith, subject to any rights to terminate the Store Agreements provided for in such agreements that may be available to any party, and to the rights of PWM provided for in Article 1.

2.2 **Rights Cumulative**. No right conferred upon or reserved to PWM herein is intended to be exclusive of any other right conferred herein or of any right or remedy conferred upon or reserved to PWM under any of the Store Agreements or any related agreements, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or thereunder or now or hereafter existing at law or in equity or otherwise. The existence, assertion or employment of any right hereunder shall not prevent the assertion, concurrently or otherwise, of any other right or remedy conferred upon PWM under any of the Store Agreements or any related agreement, or otherwise.

2.3 **Confidentiality**. The transactions provided for in this Agreement and the documents referred to herein, including the existence and the terms and conditions thereof, shall be held strictly confidential (unless otherwise required by law) by Stockholders and Company. The timing and the consent of any disclosure by any party hereto to third parties and to the public

is subject to the approval of the other parties in all essential respects, except that no other party's approval shall be required as required by law.

2.4 **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of PWM and its successors and assigns, the Company and its successors and assigns, and each of the Stockholders and their respective spouses, heirs, legatees, executors, personal representatives, transferees and assigns. Shares of Equity Stock transferred to any person who is not a party to this Agreement shall continue to be subject to all of the terms and conditions of this Agreement and the Company shall require, as a condition to such transfer and the issuance or reissuance of certificates representing Equity Stock in the name of the transferee, that the transferee execute a written document, in form acceptable to PWM, expressly for the benefit of the other parties to this Agreement, that such transferee is to be deemed an additional signatory to this Agreement as though such transferee had been one of the Stockholders identified on the signature page hereof and that all Equity Stock then owned or thereafter acquired by the transferee shall be fully subject hereto. Upon execution of such document by a transferee, such person shall become a party to this Agreement and shall be bound hereby, together with all of the then parties to this Agreement as though such person were an original party hereto.

2.5 **Endorsement on Certificates**. All currently issued certificates representing shares of Equity Stock shall be returned to the Company and endorsed with a legend reading substantially as follows:

> "ANY SALE, ASSIGNMENT, TRANSFER, PLEDGE, OR ANY OTHER DISPOSITION OF THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND PROVISIONS OF A DISPUTE RESOLUTION AGREEMENT, DATED AS OF THIS _____ DAY OF _____, 20___ BETWEEN PWM AND _____ _____ *[INSERT NAME OF COMPANY]*. A COPY OF SUCH AGREEMENT AND ALL AMENDMENTS OR SUPPLEMENTS THERETO ARE ON FILE WITH _____ *[INSERT NAME OF COMPANY]*. BY ACCEPTANCE OF THIS CERTIFICATE, THE HOLDER HEREOF AGREES TO BE BOUND BY THE TERMS OF SAID AGREEMENT AND ALL AMENDMENTS OR SUPPLEMENTS THERETO."

All certificates representing shares of Equity Stock issued subsequent to the date hereof shall bear this same endorsement.

2.6 **Governing Law**. This Agreement shall be construed and interpreted according to the internal laws of the State of Wisconsin, excluding any choice of law rules that may direct the application of the laws of another jurisdiction.

2.7 **Amendment and Modification**. PWM, Stockholders and Company may amend, modify and supplement this Agreement in such manner as may be agreed upon by them in writing.

2.8 **Notice**. All notices, requests, demands and other communications hereunder shall be given in writing and shall be: (i) personally delivered; (i) sent by telecopier, facsimile

transmission or other electronic means of transmitting written documents; or (iii) sent to the parties at their respective addresses indicated herein by registered or certified U.S. mail, return receipt requested and postage prepaid, or by private overnight mail courier service. The respective addresses to be used for all such notices, demands or requests are as follows:

To PWM:	To Company:	To Stockholders:
Piggly Wiggly Midwest, LLC 2215 Union Avenue Sheboygan, WI 53081 Attn: President Fax: (920) 208-5190 (with a copy to) [Name] [Address] Attn: [Name] Fax: [Number]	_____ _____ _____ Attn: _____ Fax: _____	the addresses set forth on the signature page of this Agreement or such other person or address as the Stockholders shall furnish to PWM in writing.

or to such other person or address as PWM shall furnish to Company in writing.

If personally delivered, such communication shall be deemed delivered upon actual receipt; if electronically transmitted pursuant to this paragraph, such communication shall be deemed delivered the next business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier pursuant to this paragraph, such communication shall be deemed delivered upon receipt; and if sent by U.S. mail pursuant to this paragraph, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service, or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal. Any party to this Agreement may change its address for the purposes of this Agreement by giving notice thereof in accordance with this Section.

2.9 **Entire Agreement**. This Agreement, along with the other documents specifically referenced herein, embody the entire agreement between the parties hereto with respect to the transactions contemplated herein, and there have been and are no agreements, representations or warranties between the parties other than those set forth or provided for herein or therein.

2.10 **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

2.11 **Headings**. The headings in this Agreement are inserted for convenience only and shall not constitute a part hereof.

***** SIGNATURES AND ADDRESSES ON FOLLOWING PAGE *****

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

_____ **("Company")**	**PIGGLY WIGGLY MIDWEST, LLC**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
STOCKHOLDERS:	**STOCKHOLDERS:**
_____	_____
Name: _____, personally	Name: _____, personally
Address: _____	Address: _____
_____	_____
_____	_____

PIGGLY WIGGLY MIDWEST, LLC
SECURED PROMISSORY NOTE

FOR VALUE RECEIVED, _____ *[Name of Purchaser]*, a _____ *[name of State]* [corporation/citizen] ("Maker"), hereby promises to pay to the order of **PIGGLY WIGGLY MIDWEST, LLC**, a Wisconsin limited liability company ("Payee"), the principal sum of _____ Dollars ($_____), with interest, as provided herein.

Interest shall accrue daily on the outstanding principal amount hereof, and on any past due and unpaid interest provided for herein, at a per annum rate equal to the announced prime lending rate of JPMorgan Chase Bank, N.A., plus 2%. Such interest, including any interest on past due but unpaid interest, shall be due and payable monthly in arrears on the first day of each month commencing _____, 20____.

The principal amount hereof shall be repaid at the rate of ____ *[insert fraction with the denominator being the number of months in the term of the Note]* of the original principal amount hereof ($_____) per month, due and payable on the first day of each month commencing _____, 20____ and ending _____, 20____.

Principal and any accrued interest on this Note may be prepaid in whole or in part at any time or from time to time without premium, penalty or charge.

This Note is being issued pursuant to the _____ *[insert name of agreement]* ("Agreement") between Maker, Payee, and others, dated as of the _____ day of _____, 20____ and is secured by a security interest in _____

_____

[insert description of collateral as defined in the Agreement and any additional collateral].

If Maker fails to make any payment provided for herein within five days after such payment is due, the principal amount hereof and accrued interest provided for herein may, by delivering written notice thereof to Maker, be declared immediately due and payable. In the event Maker files for bankruptcy, a custodian or similar person is appointed for or takes charge of all or substantially all of the property of the Maker, or the Maker is bankrupt or insolvent or commences any other proceeding under any reorganization, dissolution, adjustment of debt, insolvency, liquidation or similar law of any jurisdiction, the principal amount hereof and accrued interest hereon shall immediately become due and payable.

The Maker waives presentment, demand, notice of dishonor and protest, and agrees to pay all costs of collection, before and after judgment, including attorneys' fees and legal expenses. This Note shall be construed in accordance with and be governed by the law of the State of Wisconsin.

***** SIGNATURES AND DATE ON FOLLOWING PAGE *****

IN WITNESS WHEREOF, the Maker has executed, issued and delivered this Note to Payee effective as of the day and year written below.

Dated: This _____ day of _____, 20____.

_____ **(PURCHASER)**

By: _____

Name: _____

MERCHANDISE SUPPLY AGREEMENT

EXHIBIT L

PIGGLY WIGGLY MIDWEST, LLC
MERCHANDISE SUPPLY AGREEMENT

This **MERCHANDISE SUPPLY AGREEMENT** (the "Agreement") is made and entered into this _____ day of _____, 20___ (the "Effective Date") by and between **PIGGLY WIGGLY MIDWEST, LLC**, a Wisconsin limited liability company (the "Supplier") and _____, a Wisconsin [corporation/limited liability company] (the "Buyer"). The Franchisor and the Operator are sometimes referred to in this Agreement as a "Party" or collectively as the "Parties."

W I T N E S S E T H

WHEREAS, Supplier is in the business of providing various Merchandise (as that term is below) for resale in corporate-owned, franchised and independent retail grocery stores and supermarkets;

WHEREAS, Buyer has entered into a Franchise Agreement (the "Franchise Agreement") and certain related agreements (together with all associated guarantees, the "Related Agreements"), pursuant to which Buyer will operate a Store (as that term is used in the Franchise Agreement) at _____ (the "Existing Location") as a franchised Piggly Wiggly® supermarket (the "Franchised Store").

WHEREAS, this Agreement shall apply to any successor or replacement store or location for the Franchised Store and that any such successor or replacement store of location shall be a Franchised Store;

WHEREAS, to facilitate Buyer's operation of the Franchised Store, Supplier has made significant economic accommodations with financial value approximating $_____ to minimize Buyer's out-of-pocket costs associated with converting the Existing Location to a Franchised Store;

WHEREAS, Supplier will advance $_____ in cash to Buyer, in return for a secured promissory note (the "Promissory Note"), payment of which will be both secured by adequate collateral and guaranteed by Buyer's owners;

WHEREAS, the accommodations and advances noted above (collectively the "Franchisee Arrangements") are being made at Buyer's request to enhance Buyer's working capital position for ongoing operation of the Franchised Store;

WHEREAS, Supplier is willing to provide the Franchisee Arrangements to Buyer only if Buyer enters into this Agreement (as well as the Franchise Agreement and the Related Agreements) establishing Supplier as Buyer's supplier of virtually all of the Franchised Store's requirements of the Merchandise that Supplier sells as wholesaler and supplies to its franchisee customers, all upon the terms and conditions herein stated.

NOW, THEREFORE, in consideration of the promises and mutual covenants and agreements contained herein, and other good and valuable consideration (including Supplier's provision to Buyer of the Franchisee Arrangements), the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. PURCHASE AND RETAIL PROGRAMS

1.1 **Purchase.** Buyer shall purchase from Supplier all of the items for the Franchised Store that are available from Supplier to its franchisee customers (the "Merchandise") at prices comparable to those set forth in the price list established from time to time by Supplier for the majority of its customers who are also Piggly Wiggly® franchisees, provided, however, that such purchase requirement for any particular category of items as established by Supplier (each a "Category") shall be in effect and binding upon Buyer only during the time(s) that the items in such Category are in the aggregate of substantially equal quality and not priced materially higher than such items in the aggregate are sold by competitors of Supplier. Notwithstanding the foregoing, Buyer shall, during each of its full fiscal quarters, purchase sufficient Merchandise to maintain a Purchase Factor equal to or exceeding _____. For purposes of this Agreement, the "Purchase Factor" shall equal a number, the numerator of which is the net dollar amount of the price paid by Buyer for all Merchandise purchased by Buyer from Supplier during a fiscal quarter as determined from Supplier's records (but not including any related charges such as freight, fuel surcharge, warehouse and services fees, etc.), and the denominator of which is Buyer's Gross Retail Sales, as such term is defined in Appendix I this Agreement, during the same fiscal quarter as determined from Buyer's records.

1.2 **Retail Accounting and Service Programs.** Buyer shall subscribe to Supplier's retail accounting and services programs at such prices as are established from time-to-time by Supplier. Buyer understands and agrees that Supplier may use the information obtained through the retail and accounting services program to counsel Buyer in the operation of the Franchised Store, as well as for other purposes consistent with Supplier's obligation under the Franchise Agreement to manage and promote the Piggly Wiggly System (as that term is used in the Franchise Agreement.)

1.3 **Standard Terms and Conditions of Sale.** All purchases from Supplier shall be subject to Supplier's then-current Standard Terms and Conditions of Sale, a current copy of which is attached as Appendix II hereto and hereby incorporated by reference, as such may be revised by Supplier in its sole discretion from time-to-time. These terms and conditions (as supplemented by this Agreement and the Franchise Agreement and Related Agreements) shall constitute the entire agreement between the parties with respect to the sale of such Merchandise to Buyer. No additional or different terms set forth in Buyer's purchase order, acknowledgement or other forms or correspondence shall govern any sales of such Merchandise to Buyer, and Supplier hereby objects to any such additional or different terms contained in any communication from Buyer. For the avoidance of doubt, the Parties hereby agree that a breach of Appendix II shall be a breach of this Agreement.

2. TERM AND TERMINATION

2.1 Term.

2.1.1 Initial Term. This Agreement shall commence on the Effective Date and, unless earlier terminated as provided herein, shall continue in full force and effect without interruption thereafter through the _____ day of _____, 20___ (the "Expiration Date"). If Buyer orders and/or purchases Merchandise hereunder from Supplier prior to the Effective Date, then the Effective Date shall automatically be amended to be the earliest date on which such order or purchase occurs.

2.1.2 Renewals. This Agreement shall automatically renew for successive terms of five (5) years each unless either Party gives written notice of non-renewal to the other Party at least one hundred eighty (180) days prior to the end of the then-current term. Supplier may require that Buyer sign Supplier's then-current form of merchandise supply agreement in connection with any renewal of this Agreement. Supplier may, at its option, elect to terminate the Franchise Agreement and any Related Agreements concurrent with the expiration of this Agreement.

2.2 Early Termination Due to Default or Breach.

2.2.1 Default Under this Agreement. If Buyer defaults on any of its obligations in this Agreement, including, without limitation, the Promissory Note, then Supplier may give Buyer written notice of such default. If Buyer shall fail to remedy such default within thirty (30) days from receipt of such notice, (except in the case of the Promissory Note, for which there is no opportunity to cure a default), Supplier shall have the right to terminate this Agreement and to exercise the rights and remedies provided for in this Agreement.

2.2.2 Cross-Default with Other Agreements. Any breach of this Agreement by Buyer shall constitute a breach of the Franchise Agreement, each of the other Related Agreements and any and all other agreements by and between Buyer (or its Affiliates) and Supplier, whether now in existence or hereafter entered into. Similarly, any breach by Buyer of any of the Franchise Agreement or any Related Agreement shall constitute a breach of this Agreement.

2.3 **Payment Due Upon Termination, Transfer or Expiration.** If this Agreement is terminated, transferred or expires for any reason prior to the "Sufficient Additional Consideration Date" as defined in the table below, Buyer shall pay to Supplier a cash payment in the amount set forth below as additional consideration to Supplier for Supplier providing to Buyer the Franchisee Arrangements:

EFFECTIVE TERMINATION, TRANSFER OR EXPIRATION DATE	CASH PAYMENT
Prior to the first anniversary of the Effective Date	$
Between the first anniversary of the Effective Date and the second anniversary of the Effective Date	$
Between the second anniversary of the Effective Date and the third anniversary of the Effective Date	$

EFFECTIVE TERMINATION, TRANSFER OR EXPIRATION DATE	CASH PAYMENT
Between the _____ anniversary of the Effective Date and the _____ anniversary of the Effective Date	$
Between the _____ anniversary of the Effective Date and the _____ anniversary of the Effective Date	$
On or after the _____ anniversary of the Effective Date (the Sufficient Additional Consideration Date)	$0

Buyer agrees that Supplier's losses in the event of termination, transfer or expiration of this Agreement will be real, yet difficult to ascertain, and that the foregoing additional consideration amount is the parties' reasonable estimate of Supplier's losses and other related damages and is not intended as a penalty. Buyer shall pay the additional consideration promptly upon demand by Supplier. Buyer's obligation to pay additional consideration, attributable to a period of time prior to the termination, transfer or expiration of this Agreement, shall survive the termination, transfer or expiration of this Agreement. All amounts due Supplier as additional consideration under this Agreement shall bear interest from the date due until the date paid at the rate per annum equal to the prime rate of interest as published from time to time by JPMorgan Chase Bank, N.A., plus two percent (2%), compounded daily. Buyer will pay the expense of collection and reasonable attorneys' fees if it becomes necessary for Supplier to employ an attorney to collect the additional consideration as above provided.

2.4 **Additional Consideration is in Addition to, not in Lieu of, any Termination Fee.** The parties acknowledge and agree that any additional consideration payable by Buyer pursuant to Paragraph 2(c) of this Agreement is in addition to, and not in lieu of, any termination fee payable pursuant to Section 17 of the Franchise Agreement. Buyer, therefore, may be liable for payment of both additional considerations under this Agreement and a termination fee under the Franchise Agreement.

2.5 **Termination Concurrent with Termination, Transfer or Expiration of Franchise Agreement.** Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate upon the termination, transfer or expiration of the Franchise Agreement.

3. STATE AND LOCAL TAXES

Buyer represents and warrants that all Merchandise purchased from Supplier under this Agreement shall be purchased for resale in the ordinary course of Buyer's business and that Buyer shall comply with all applicable state and local laws regarding the collection and payment of sales, use and other taxes applicable to all resale transactions. If any Merchandise is put to a taxable use by Buyer or is purchased by Buyer other than for resale, Buyer shall file a timely return with, and make timely payment to, the proper taxing authority of all sales, use and like taxes applicable thereto and shall indemnify Supplier against liability for payment of such taxes and all penalties, interest and costs related thereto.

4. EXTENSION OF TRADE CREDIT

Buyer agrees that, to the extent that Supplier provides Buyer with any trade credit in connection with this Agreement, this Agreement is a contract to extend financial accommodations for the benefit of Buyer pursuant to Section 365(c) of the Bankruptcy Code (and any similar provision in any successor statute).

5. SECURITY INTEREST

As security for payment and performance of all of Buyer's debts, obligations and liabilities to Supplier, whether arising previously, contemporaneously or hereafter, Buyer agrees to grant Supplier a security interest in such collateral as shall be reasonably required by Supplier, including collateral now owned or hereafter acquired by Buyer, and in all proceeds therefrom. Buyer shall take any action reasonably deemed advisable by Supplier to establish, perfect or continue perfected said security interest.

6. FINANCIAL AND ACCOUNTING RECORDS

Buyer shall keep and maintain books and records which accurately reflect its operations according to industry standards, generally accepted accounting practices, and all applicable terms of the Agreement. Buyer shall permit Supplier upon reasonable advance notice to audit and make copies of such books and records at any reasonable time upon reasonable notice. Buyer shall retain such books and records for at least three (3) years plus the current year from the date of creation or until any on-going audits have been settled, if longer.

7. CONFIDENTIALITY

Each Party agrees to keep all non-public information belonging to the other Party or such other Party's affiliates (the "Confidential Information") in strict confidence and to refrain from disclosing such Confidential Information except (a) as required in order to fulfill duties and obligations under this Agreement, or (b) with the express prior written consent of the other Party. This Agreement and its provisions are confidential and the Parties agree not to reveal internally (except for those employees who have a need to know this information) or externally. Neither Party shall be liable to the other Party for disclosure of Confidential Information if upon sufficient evidence that: (a) the Confidential Information is or becomes public without the fault of the receiving Party to whom it was entrusted, or (b) the Confidential Information was in the receiving Party's possession or was known by the receiving party prior to its receipt from the disclosing Party, or (c) the Confidential Information is or becomes available to the receiving Party from a source already in legitimate possession of said Confidential Information, such source being other than the Party to whom it relates, or (d) the Confidential Information is developed independently by the receiving Party, or (e) a Party is obligated to disclose the Confidential Information by order or regulation of any governmental entity; provided, however, the Party has given timely notification to the owner of the Confidential Information prior to the date of disclosure and the Party uses commercially reasonable efforts to obtain confidential

treatment of such information. Each Party's obligations with respect to the other party's Confidential Information shall continue throughout the term of this Agreement and for a period of three (3) years thereafter. The Parties agree that the terms of this Agreement and the prices charged by Supplier for Merchandise shall constitute Confidential Information under this Agreement regardless of whether such information otherwise meets the definition of Confidential Information.

8. ASSIGNMENT; SUCCESSION

This Agreement may not be assigned by either party without the prior written consent of the other party, and any attempted assignment without such written consent shall be null and void and without legal effect. Notwithstanding the foregoing, Supplier may assign any or all of its rights or obligations under this Agreement to an Affiliate of Supplier without the consent of Buyer. This Agreement shall be binding upon Buyer and Buyer's heirs, successors and assigns, and shall inure to the benefit of Supplier and its Affiliates, and their successors and assigns.

9. WAIVER

The failure by either party to exercise or enforce in any one or more instances, any of the terms or conditions of this Agreement shall not constitute or be deemed a waiver of that party's right thereafter to enforce the terms and conditions of this Agreement.

10. SURVIVAL

Any terms of this Agreement that would, by their nature, survive the termination of this Agreement will so survive, along with all representations, warranties, covenants and agreements made herein.

11. SEVERABILITY

If any provision of this Agreement is declared invalid or incapable of being enforced, all other provisions and conditions shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provisions except those expressed herein.

12. NOTICES

All notices for which provision is made in this Agreement must be given in writing either by (i) hand delivery; (ii) certified mail, return receipt requested; or (iii) nationally recognized overnight courier service, addressed as follows:

To Supplier:	**To Buyer:**
Piggly Wiggly Midwest, LLC	_____
2215 Union Avenue	_____
Sheboygan, Wisconsin 53081	_____
Attn: President	Attn: _____

All notices will be effective: (i) upon actual receipt; (ii) three (3) business days after being sent by certified mail; or (iii) the next business day after being sent by a nationally recognized overnight courier. Any party hereto may change the address to which each such notice shall be so mailed by giving written notice to all of the other parties hereto of such new address.

13. CONFLICT WITH RELATED AGREEMENTS

If any provision of this Agreement is inconsistent with any provisions of the Franchise Agreement, the provisions of the Franchise Agreement will govern. If any provision of this Agreement is inconsistent with any provisions of the other Related Agreements, the provisions of this Agreement will govern.

14. GOVERNING LAW; JURISDICTION

This Agreement shall be governed by and construed in accordance with the internal laws of the State of Wisconsin, without regard to its conflicts of laws rules. The Parties each agree that any action which relates to or arises out of this Agreement shall be brought only in either the Federal District Court for the Eastern District of Wisconsin or Sheboygan County Circuit Court, and hereby consent irrevocably to the jurisdiction of such courts. Each Party further waives any right to a jury trial in any action pertaining in any way to this Agreement.

15. ENTIRE AGREEMENT

This Agreement represents the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, policies, understandings, representations, warranties and negotiations between the parties with respect to said subject matter, and there are no conditions affecting this Agreement which are not expressed herein, provided, however, that nothing contained in this Agreement shall affect the parties' respective rights and obligations under the Franchise Agreement or the Related Agreements.

16. AMENDMENT

Except as otherwise provided herein, this Agreement may be amended only by a writing signed by both parties hereto.

17. PARAGRAPH HEADING

The paragraph headings contained in this Agreement are for references purposes only and shall not affect the meaning or interpretation of this Agreement.

18. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which when taken together shall be deemed to be one and the same instrument.

19. TIME OF THE ESSENCE

The parties agree that for the purpose of satisfying any conditions of this Agreement, time is of the essence of this Agreement.

20. EXECUTION

Each party represents that it has caused this Agreement to be executed on its behalf as of the date written below by a representative empowered to bind that party with respect to the undertakings and obligations contained herein.

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

_____ **(BUYER)**	**PIGGLY WIGGLY MIDWEST, LLC**
By: _____	By: _____
Title: _____	Title: _____

PIGGLY WIGGLY MIDWEST, LLC
GROSS RETAIL SALES DEFINED

Buyer's Gross Retail Sales shall mean: _____

_____

_____

_____

_____

_____.

PIGGLY WIGGLY MIDWEST, LLC
TERMS AND CONDITIONS OF SALE

1. PRICES AND PAYMENT

Buyer shall pay Supplier for all Merchandise purchased under the Agreement according to the following terms: _____

_____.

All prices are subject to change without notice, and the price of Merchandise on order but unshipped will be adjusted to the price in effect at the time of shipment. Notwithstanding the foregoing, at its sole option at any time, Supplier may require Buyer to make payment in advance or by irrevocable letter of credit, and may defer shipment or cancel any order if Buyer does not promptly provide such payment or a letter of credit. Any such letter of credit shall be issued for Supplier's benefit by a prime U.S. bank, and shall provide for payment against Supplier's invoice and bill of lading, and shall be in form and substance satisfactory to Supplier.

2. CANCELLATIONS

No order may be cancelled or altered by Buyer except upon terms and conditions acceptable to Supplier, as evidenced by Supplier's written consent. In the event of such an approved cancellation by Buyer, Supplier shall be entitled to payment of any charges, costs and expenses it incurs but cannot recover due to the cancellation (e.g., fuel and delivery charges, restocking costs, prices to Customer of Merchandise that cannot be allocated to another customer, losses due to sale of Merchandise to third party at lower price.)

3. DELIVERY

All delivery dates are approximate. Delivery of Merchandise to Buyer's store or Buyer's warehouse shall constitute delivery to Buyer; regardless of shipping terms or freight payment, all risk of loss or damage in transit shall be borne by Supplier. Supplier reserves the right to make delivery in installments, unless otherwise expressly stipulated herein; all such installments may be separately invoiced and paid for when due per invoice, without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve Buyer of its obligation to accept the remaining deliveries.

4. CLAIMS FOR SHORTAGES, DAMAGED MERCHANDISE OR OTHER ERRORS IN DELIVERY

Claims for shortages, damaged Merchandise or other errors in delivery of Merchandise must be made in writing to Supplier within three days (immediately in the case of perishable items) after receipt of delivery. Failure to give such notice in such time period shall constitute unqualified acceptance and a waiver of all such claims by Buyer.

5. FORCE MAJEURE

Supplier shall not be liable for any damage as a result of any delay or failure to deliver due to any cause beyond Supplier's reasonable control, including, without limitation, any act of God, act of the Buyer, embargo or other governmental act, regulation or request, fire, flood, accident, strike, slow-down, war, riot, delay in transportation, non-availability of Merchandise or other situations, whether similar or dissimilar to the foregoing, resulting from causes not within the control of Supplier, even if foreseeable in advance. In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost because of the delay, and in the event Supplier is unable to fulfill its total commitments, Buyer agrees to accept deliveries as and when allocated by Supplier.

6. WARRANTIES; LIMITATIONS; MERCHANDISE DESCRIPTIONS

6.1 **Limited Warranty.** Supplier covenants and agrees that all Merchandise, at the time of delivery to Buyer, will be of a grade and quality generally acceptable for use and resale by Buyer in accordance with generally accepted industry practice and standards. If any Merchandise shall be proved by Buyer (to Supplier's satisfaction) to have been damaged or defective at the time of delivery, such Merchandise shall be promptly replaced by Supplier at Supplier's cost and expense. Such replacement shall be Supplier's sole obligation and Buyer's exclusive remedy hereunder.

THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, AND SUPPLIER EXPRESSLY DISCLAIMS AND EXCLUDES ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE. SUPPLIER SHALL NOT BE SUBJECT TO ANY OTHER OBLIGATIONS OR LIABILITIES, WHETHER ARISING OUT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHER THEORIES OF LAW, WITH RESPECT TO MERCHANDISE SOLD OR SERVICES RENDERED BY SUPPLIER, OR ANY UNDERTAKINGS, ACTS OR OMISSIONS RELATING THERETO.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SUPPLIER SPECIFICALLY DISCLAIMS ANY LIABILITY FOR PROPERTY OR PERSONAL INJURY DAMAGES, PENALTIES, SPECIAL OR PUNITIVE DAMAGES, DAMAGES FOR LOST PROFITS OR REVENUES, LOSS OF USE OF MERCHANDISE, COST OF SUBSTITUTE MERCHANDISE, OR FOR ANY OTHER TYPES OF ECONOMIC LOSS, AND FOR CLAIMS OF BUYER'S CUSTOMERS OR ANY THIRD PARTY FOR ANY SUCH DAMAGES. SUPPLIER SHALL NOT BE LIABLE FOR AND DISCLAIMS ALL CONSEQUENTIAL, INCIDENTAL AND CONTINGENT DAMAGES WHATSOEVER.

6.2 **Description of Merchandise.** Any description of the Merchandise (whether in writing or made orally by Supplier or Supplier's agents), specifications, samples or similar

materials used in connection with Buyer's order are for the sole purpose of identifying the Merchandise and shall not be construed as an express warranty. Any suggestions by Supplier or Supplier's agents regarding use, application or suitability of the Merchandise shall not be construed as an express warranty unless confirmed to be such in writing by Supplier.

MASTER RETAIL TECHNOLOGY SYSTEM AGREEMENT

EXHIBIT M

PIGGLY WIGGLY MIDWEST, LLC
MASTER RETAIL TECHNOLOGY SYSTEM AGREEMENT

This **AGREEMENT** ("Agreement") is made this _____ day of _____, 20___ by and between Piggly Wiggly Midwest, LLC ("PWM," "We" or "Us"), and _____ _____ ("You").

WHEREAS, we and you are parties to that certain agreement dated the _____ day of _____, 20___ (the "Franchise Agreement") with respect to your store operated or to be operated under the Piggly Wiggly banner and located or to be located at _____ _____, _____ (the "Store"); and

WHEREAS, we and you desire to establish the terms and conditions by which we will provide you access to our retail technology system and certain other related software, hardware and networking capabilities which enable services for Store management, staff training, and Store operations (collectively, the "RTS") for the benefit of your Store; and

WHEREAS, the RTS will enable your Store to fully participate in the benefits of our integrated program, including advertising, promotion, card marketing, Catalina marketing system and customer rewards program, as well as our menu of services designed to support the efficiency of your Store operations including financial and accounting services, business systems, and team oriented operational support.

WHEREAS, you acknowledge that we shall acquire licenses or sub-licenses to use certain software and obtain and install certain equipment to exploit the RTS, and that you wish to obtain such hardware, software and training and maintenance services;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. SOFTWARE AND HARDWARE

1.1 **Site Survey.** In connection with conversion to a franchised Store, construction of a new market or replacement Store, or a major system upgrade, we will perform a site survey at your Store to determine the appropriate configuration of technology hardware and software required to operate the RTS at your Store (the "Site Survey"). We will provide you on Schedule 1 with an itemized estimate of the software cost, hardware cost, and installation cost, and, if necessary, training costs.

1.2 **Software.** The software (the "Software") listed on Schedule 1 shall be made available from or through us. You understand we may require that certain Software required for use and access to the RTS (the "Third Party Software") be licensed directly from licensors of the third party Software ("Licensors"), in accordance with a form of license (the "Third Party Software License") approved by such Licensors. You understand that you must execute and deliver each Third Party Software License attached to Schedule 1 in order to utilize the RTS, and

that your right to use and maintain possession of the Third Party Software shall be subject to each Third Party Software License, as well as this Agreement. You agree that you will not use any software, other than the Software referred to in this Section 1 with the RTS, without our prior written consent. You further agree that we may in our sole discretion and election disable, deny access, disconnect or otherwise remove any such unauthorized software from the RTS.

1.2.1 You agree that any Software, other than Software referred to in Section 1.2 above, connected to or used with the RTS, may be, at our sole discretion and election, disabled, denied access, disconnected or otherwise removed from the RTS.

1.2.2 You must acquire the Software from us upon the terms and conditions set forth in Schedule 1.

1.3 **Hardware.** You agree to obtain the computer hardware and peripheral equipment conforming to the specifications and configuration set forth on Schedule 1 (collectively the "Hardware") from us or an approved supplier, if any, no later than such date as we shall separately identify to you. You agree that only Hardware approved by us in writing shall be connected in any way to the RTS.

1.3.1 You agree that any devices or hardware, other than Hardware referred to in Section 1.3 above, connected to or accessing the RTS, may be, at our sole discretion and election, disabled, denied access, disconnected or otherwise removed from the RTS.

1.3.2 You must acquire the Hardware from us upon the terms and conditions set forth in Schedule 1.

1.4 **Installation of Software and Hardware.** We will coordinate with you to establish the projected installation date and will cause the Software and Hardware to be installed in your Store as we deem appropriate. You will pay us the agreed upon installation charge, and reimburse us for any cost overruns related to the installation. You shall be responsible for the time and expense, if any, of your employees assisting in the installation of the Software or Hardware. You shall be solely responsible for the expense related to electrical connections, local area network cable installation and installation of wireless data gathering and communication equipment, including alterations, that we, in our sole discretion, deem necessary to prepare the Store for installation and operation of the Software and Hardware.

1.5 **Software and Hardware Upgrades.** We may, in our sole discretion, at any time, require any upgrade to enhance the Software and/or Hardware and related operational equipment ("Operational Equipment") or any component thereof to improve and benefit the RTS generally. We may elect in our discretion to designate specifications for upgraded and/or enhanced Software, Hardware or Operational Equipment, which shall be acquired by you from us or a supplier approved by us and installed and maintained at your expense. We will notify you a reasonable time in advance of any upgrade required under this Section 1.5 and the reasons for such upgrade. In the event of an upgrade, all the terms and conditions of this Agreement shall remain in full force and effect as if the upgraded and/or enhanced Software, Hardware or Operational Equipment had been the original Software, Hardware or Operational Equipment subject of this Agreement.

1.6 **Operating Supplies.** You shall purchase and replace, from any source of your choosing, consumables and other essential operating supplies (e.g. media storage) as shall be required for the operation of the Hardware in accordance with manufacturer's specifications.

2. MAINTENANCE

2.1 **Maintenance and Support.** We will provide maintenance and support for the RTS, including Software and Hardware, in accordance with our Retail Technology Maintenance and Support Policy set forth on Schedule 2.1. The Policy may be modified from time to time as we in our sole discretion deem appropriate. We will maintain a help desk that you may call with questions and requests related to the operation or maintenance of the Software and Hardware. We will route your call to the appropriate person on our staff responsible for technology maintenance and support, or, in our sole discretion, to a third party service provider. Our maintenance and support program shall cover Software, Hardware, data and system recovery procedures.

2.2 **Payment for Maintenance and Support Services.** We will invoice you, and you agree to pay us, a reasonable charge for our maintenance and support services, including, without limitation, weekly, monthly and annual charges for maintenance and support. We, in our sole discretion, may elect to direct pay any invoice from a third party service provider for maintenance and support services provided to you, or to forward the invoice from such third party service provider to you for direct payment to that party. You will reimburse us the full amount for any payment that we make to a third party service provider for services provided to you, plus a reasonable handling charge or service fee upcharge, if any. You agree to pay the full amount of any third party service provider invoice sent to you for direct payment.

2.3 **Third Party Software Support.** When applicable, we have arranged for support of Third Party Software to be provided pursuant to the terms, conditions, and limitations set forth in any Third Party Software Support Agreement attached to Schedule 2.2. You must execute and deliver all such Third Party Software Support Agreements prior to installation of the Hardware.

3. FEES

Such fees and amounts as may be identified in the Site Survey or elsewhere in this Agreement or any other Schedule, whether currently existing or created in the future (collectively, the "Fees") shall be due and payable in accordance with terms of the invoice from us or our agent, or as otherwise specified by us. These Fees may be changed from time to time in our sole discretion.

4. SOFTWARE OWNERSHIP

4.1 **Ownership.** This Agreement shall convey no right, title or interest in or to the Software, except the rights of use specifically provided herein during the Term. The Software is and shall be proprietary information and a trade secret, regardless of whether any portion thereof is or may be licensed, copyrighted or patented by us or any Licensor to you or any third party.

4.2 **Software Use.** The Software shall be used only by you at and for the benefit of your Store and access to the RTS during the term of the Agreement. You shall not license or sublicense or make or allow others to make copies or reproductions of any Software except as may be required for backup copies. Distribution by you of Software or any copies thereof, including derivative modifications or enhancements or extensions, or use of Software for any purpose whatsoever at any time after expiration or termination of this Agreement, is expressly prohibited.

5. TRAINING

5.1 **RTS Coordination Personnel.** Based on the scope of your Store operations, you must at all times have a reasonable number of employees that are skilled in the operation of the essential functions of the RTS.

5.2 **Initial Training.** When applicable, as an integral component of a Site Survey, we and you will mutually review and approve a training program developed to ensure understanding and application skills of RTS related activities by appropriate Store level personnel. Training will either be at your Store, or at another location that we and you mutually deem appropriate. The initial training will occur prior to the time that any segment of the RTS at your Store becomes operational. We will estimate the amount of training that we believe is necessary as part of the Site Survey, and advise you of the same prior to beginning training. You are responsible for each of your employee's salary and the cost of travel, lodging, transportation and any other expenses incurred by your employee in attending and completing the initial training.

5.3 **Additional Training.** We will provide RTS related training for employees beyond initial training with scope and cost to be determined by mutual agreement prior to the provision of any such additional training. We may also provide additional training as a service to you, including training related to store operations, accounting, marketing and advertising, procedures and other store functions, as we may make available from time to time in our sole discretion. We reserve the right to assess a reasonable charge for all such additional training and to be reimbursed for the travel, lodging, transportation and other expenses incurred by our employees in providing such training. You are responsible for each of your employee's salary, and the cost of travel, lodging, transportation and any other expenses incurred by your employee in attending and completing the additional training.

6. WARRANTIES AND INSURANCE

6.1 **Warranty and Disclaimer of Warranties.** We warrant to you: (a) that so long as you shall not be in default of any of the provisions of this Agreement, the Franchise Agreement, or any other agreement with us or an affiliate, or except as otherwise provided herein, we will not disturb your quiet and peaceful possession and enjoyment of the Software and Hardware; and (b) that the Software will operate on the Hardware.

WE MAKE NO WARRANTY OTHER THAN CONTAINED IN THIS AGREEMENT, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR

CONDITION OF THE SOFTWARE, HARDWARE, OR OPERATIONAL EQUIPMENT, ITS MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, OR CAPACITY OR DURABILITY, THE QUALITY OR ADEQUACY OF ANY TRAINING, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE HARDWARE, OR CONFORMITY OF THE HARDWARE TO THE PROVISIONS AND SPECIFICATIONS OF ANY INVOICE, PURCHASE ORDER, OR ORDERS RELATING THERETO.

6.2 **Limitation of Liability.**

6.2.1 IN NO EVENT SHALL WE BE LIABLE FOR THE FOLLOWING, REGARDLESS OF CAUSATION: INDIRECT, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING LOST BUSINESS, LOST PROFITS, INTEREST, PENALTIES OR ASSESSMENTS IMPOSED UNDER APPLICABLE LAWS OR OTHERWISE, THIRD PARTY CLAIMS BY AFFILIATES, PARTNERS OR CUSTOMERS OF YOU OR YOUR STORE OR OTHERWISE, OR DAMAGES WITH RESPECT TO WHICH YOU CONTRIBUTED OR ACTED AS AN INTERVENING CAUSE, WHETHER FORESEEABLE OR NOT, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

6.2.2 We shall not be liable for any loss, cost, expense (including, without limitation, attorney fees) liability, damage, or claim (including strict liability in tort) for the selection, quality, condition, merchantability, suitability, fitness, operation, installation, repair, adjustment, or performance of the Software, Hardware or Operational Equipment or for the adequacy, quality, delay or suitability of the maintenance services provided by a third party pursuant to this Agreement or for any interruption, malfunction or loss of service or use of the Software, Hardware or Operational Equipment. Such liability, to the extent it may exist, rests solely with the sellers of the Hardware and/or supplier of the Software to us and third party maintenance services. We will transfer to you, to the fullest extent possible, all rights and warranties which we may have as a result of those transactions and contractual relationships. In no event shall our liability to you exceed payment, if any, actually collected and received by us for the Software, Hardware or Operational Equipment.

6.3 **Indemnity and Insurance.** You shall indemnify us, hold us harmless from and promptly reimburse us for and against any and all payments of money including fines, damages, legal fees and expenses incurred by us by reason of any claim, demand, liability, penalty or judicial or administrative investigation or proceeding arising out of your use of the Software, Hardware or Operational Equipment or your participation in training or any act, omission or obligation of yours or anyone associated or affiliated with you. At our election, you shall also defend us against same. In any event, we shall have the right, through counsel of our choice, to control any matter or defense to the extent it could directly or indirectly affect us. This indemnity shall survive any termination or expiration of this Agreement.

6.3.1 In order to meet your indemnity obligations set forth above, you shall maintain in full force and effect during the term of this Agreement and any extension

thereof, comprehensive general liability insurance in accordance with specifications set forth in the Franchise Agreement.

6.3.2 Excepting any claim arising from your misuse of the Software in violation of Section 6.3, above, we will defend or have a third party defend any suit brought against you based on a claim the Software infringes any patent or copyright of the United States, if notified promptly in writing of any claim of infringement and given authority, information and assistance (at our or such third party's expense) to handle the claim and for the defense of any suit or proceeding, and will pay all damages and costs awarded against you and arising from such claim.

7. TAXES

You are solely responsible for and shall indemnify us for any federal, state, county or municipal taxes, other than taxes based upon our income, including, but not limited to, sales, use or property taxes that may be assessed or imposed against us for the Software, Hardware or Operational Equipment, or the use thereof, or the training, or other services, or upon any payments made or due under this Agreement to us.

8. TERM

This Agreement shall become effective on the date first written above and shall remain in full force and effect until the earlier to occur of: (a) its termination as provided herein or (b) the termination or expiration of the Franchise Agreement (the "Term"). In the event of the termination or expiration of the Franchise Agreement, this Agreement shall automatically and without further action or notice on the part of any party hereto, terminate and only those terms or provisions hereof as shall be so specified shall survive such termination.

9. IRREVOCABILITY

You agree that this Agreement is irrevocable by you for the Term, that your obligations hereunder are absolute and shall continue without abatement, regardless of any disability you may incur regarding your use of the Software or the Hardware or any part thereof because of any reason including, but not limited to, war, act of God, government regulation, strike, loss, damage, destruction, obsolescence, termination by operation of law, or any other cause. You agree that in the event you designate a third party to pay any amounts set forth in this Agreement and such third party fails to pay such amounts as and when due and payable, you shall pay such amounts upon our demand.

10. DEFAULT AND REMEDIES

10.1 **Default.** If any one of the following events (each an "Event of Default") shall occur, then to the extent permitted by applicable law, we shall have the right to exercise any one or more of the remedies set forth below: (a) you fail to pay timely and in full any fees or amounts

due under the Franchise Agreement, this Agreement or any other agreement with us or an affiliate (specifically including, but not limited to Schedules 1 and 2.2), and such failure continues for 10 calendar days after issuance by us of written notice thereof; or (b) you breach any covenant, warranty or agreement under the Franchise Agreement, this Agreement or any other agreement with us or an affiliate, and such breach continues for 10 calendar days after issuance by us of written notice thereof; or (c) you become insolvent or make an assignment for the benefit of creditors; or (d) a petition is filed by or against you under the bankruptcy laws of any state or the United States Bankruptcy Code, or under any other insolvency law or laws providing for the relief of debtors; or (e) you voluntarily or involuntarily discontinue the operation of your Store as a Piggly Wiggly Store under the terms and conditions of the Franchise Agreement, or (f) you are in default of any of your obligations under any Third Party Software License, or (g) through your fault, the Software or Hardware is rendered inoperative, mechanical failure alone excepted; or (h) you assign or transfer or attempt to assign or transfer this Agreement or the Franchise Agreement without our express, separate, written agreement; or (i) you permit, cause, or undertake any action or omission violative of, or not in strict compliance with, Section 4 of this Agreement.

10.2 **No Waiver.** No delay, waiver, omission or forbearance on our part to exercise any right, option, or power arising out of any default by you shall constitute a waiver by us to enforce any such right, option or power against you as to any subsequent default by you.

10.3 **Remedies.** If an Event of Default shall occur, we may, at our option: (1) declare the entire amount of any fees or other payments due pursuant to this Agreement and a late charge from the date all late fees or payments were due at the rate per annum equal to the prime rate of interest as published by JPMorgan Chase Bank, N.A., plus two percent (2%) compounded daily thereon, immediately due and payable, whereupon you shall become obligated to pay to us forthwith the total amount thereof and, until such time as such payment is made, you shall cease use of the Software and Hardware; (2) limit, reduce, or terminate your use of or access to the RTS and any Software; (3) without demand or legal process enter any premises where the Software may be found, whether electronically or otherwise, and take possession of and remove the Software or render it inoperable without liability for suit, action or other proceeding, and any of your rights in or to the Software or access to the RTS shall terminate absolutely; and/or (4) terminate this Agreement. If you have failed to pay the full amount due for the Hardware, we may likewise enter and take possession of and remove the Hardware at your cost and expense without liability for suit, action or other proceeding. You hereby waive notice of, or hearing with respect to, any such retaking. No failure on our part to exercise and no delay in exercising any right or remedy shall operate as a waiver thereof or modify the terms of this Agreement. You agree to reimburse us for all costs and reasonable attorneys fees incurred by us should we, in our sole judgment, be required to take legal action to enforce any option provided by this Section 10.3.

10.4 **Removal of Software and Hardware.** In the event of a termination of this Agreement prior to expiration, in the event we have provided Software or Hardware to your Store under any lease or license, or any agreement of purchase and sale for which full payment has not been received by us, upon our election to remove the Software and/or Hardware from your Store, we will notify you of the same and you shall fully cooperate with us in the removal of such Software and/or Hardware.

11. NO ASSIGNMENT

You may not assign this Agreement or any part thereof and any attempted or purported assignment by you shall be void and of no effect.

12. APPLICABLE LAW AND JURISDICTION

This Agreement shall be governed and construed in accordance with the laws of the State of Wisconsin. You hereby consent to the jurisdiction of the courts of the State of Wisconsin with regard to any suit, action or proceeding concerning the terms, conditions, performance, operation or effect of this Agreement.

13. NOTICES

All notices required by this Agreement or deemed advisable by either party shall be in writing and shall be deemed to have been duly given: (i) when received if personally delivered; (ii) three (3) days after being deposited in the United States mail, certified or registered, postage pre-paid; and (iii) when delivered, as evidenced by written receipt thereof, into the custody of a commercial overnight courier delivery service such as Federal Express, for next day delivery and one (1) day has expired from said delivery into such custody and unless subsequently changed by either party in writing, to the following addresses:

To Us:	**To You:**
Piggly Wiggly Midwest, LLC	_____
2215 Union Avenue	_____
Sheboygan, Wisconsin 53081	_____
Attn: President	Attn: _____

14. LICENSES AND PERMITS

You shall identify and obtain any and all licenses and permits required by any public authorities to permit the RTS to become fully operational, and to continue in operation, at your Store. We assume no responsibility for payment of licenses or permits or for prevention of the revocation thereof.

15. THIRD PARTY BENEFICIARIES

This Agreement does not create any duties to or in persons or entities other than the parties to this Agreement. No third party beneficiaries are intended or implied, and no parties other than us or our affiliates, or you may file suit or otherwise recover damages for breach of any of the provisions of this Agreement.

16. SEVERABILITY

Should any part of this Agreement be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, that portion shall be deemed null and void and severed for all purposes and the remainder of this Agreement shall remain in full force and effect.

17. HEADINGS

The headings and titles of the articles and sections hereof are inserted for convenience only and shall not affect the construction or interpretation of any provision.

18. ACCESS TO THE RTS AND DATA

You understand that you will be required to transmit data to us and our affiliates, and that we and our affiliates will have access to certain reports and information relating to the Store and generated through the use of the Software and the RTS, including but not limited to information relating to revenues and Store customers. You and the Store shall comply with all policies and requests concerning access to the Software and the RTS, use of the Hardware, and transmission of data and reports to us and our affiliates. All information transmitted to us or our affiliates shall become our property upon receipt and we may, in our sole discretion, use it for such business purposes as we deem appropriate; however, neither we nor our affiliates will provide customer specific information obtained from you or the Store to any competing store in your Store's marketplace. You shall be responsible for ensuring adequate security and backup procedures to avoid unauthorized access to or inadvertent loss of data stored on the Hardware.

19. SCHEDULES, EXHIBITS, ATTACHMENTS.

All such Schedules, Exhibits, attachments or addenda hereto are incorporated herein by this reference.

20. COMPLETE AGREEMENT

This Agreement, together with any invoices to be submitted to you by us and any schedules referenced herein, constitutes a final written expression of all the terms of the agreement between the parties relating to the subject matter hereof, and is a complete and exclusive statement of those terms. It supersedes all prior understandings, discussions, writings, or negotiations concerning the matters specified in this Agreement. Any representations, promises, warranties or other statements made by either party that differ in any way from the terms of this written Agreement shall be unenforceable and accorded no force or effect. We and you specifically represent, each to the other, that there are no additional or supplemental agreements between the parties, other than the Franchise Agreement between the parties related to matters covered under this Agreement. Except for notifications from us of changes in the Software and Hardware and changes in fees as allowed in this Agreement, no addition,

modification or waiver of any provision of this Agreement shall be binding upon either party unless made in writing and signed by duly authorized representatives of both parties. Any attempted addition, modification or waiver not complying with this Section shall be and is deemed void, and of no force or effect.

Any and all rights granted to you in this Agreement are subordinate to the Franchise Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

_____ **(COMPANY)**	**PIGGLY WIGGLY MIDWEST, LLC**
By: _____	By: _____
Title: _____	Title: _____

SCHEDULE 1

PIGGLY WIGGLY MIDWEST, LLC
RETAIL TECHNOLOGY SITE SURVEY

SOFTWARE CHARGES:

Retail Technology Software Cost:	$ _____
Software Installation:	$ _____
Hardware Charges:	$ _____
Communication Equipment Installation Fee:	$ _____
TOTAL ESTIMATED SYSTEM CHARGES:	$_____ (Includes on site Training)

Franchisee hereby offers to purchase the above described Hardware and related equipment at the price set forth above. Franchisee acknowledges and agrees that any Hardware or other component price listed on this Schedule is subject to change at any time prior to issuance of an invoice for the Hardware or other component by PWM due to changes in market prices, manufacturer changes to Hardware specifications, Hardware availability, delays in the Store opening, or other factors beyond the control of PWM, which may result in an adjusted Hardware price. The Hardware price shall become final (the "Final Hardware Price") only upon issuance of PWM's invoice to Franchisee. Upon Franchisee's failure to reject any Final Hardware Price within five (5) business days of receipt by Franchisee of PWM's invoice, the Final Hardware Price shall be due and payable in full to PWM within ten (10) days of receipt of PWM's invoice. Failure to pay the entirety of the Final Hardware Price as and when due shall be an Event of Default (as defined in Section 10 of the Agreement) and all terms of Section 10 shall apply.

Acknowledged and agreed:

_____ **(COMPANY)**	**PIGGLY WIGGLY MIDWEST, LLC**
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

Exhibit A – Third Party Software License(s)

SCHEDULE 2.1

PIGGLY WIGGLY MIDWEST, LLC
RETAIL TECHNOLOGY MAINTENANCE AND SUPPORT POLICY

All supported equipment listed on The PC Support Hardware/Software Inventory and or the Front End System Support/Inventory Attachments will be serviced by Piggly Wiggly Midwest, LLC Retail Technology Department, under a Self-Maintenance Plan. This plan will provide regular service during normal working hours and emergency service outside of normal working hours. If emergency service is performed the store will be charged a fee in addition to the current daily fee for the emergency service.

Normal Service Hours: 7:30 AM to 4:30 PM Monday through Friday

Emergency Service Hours: 4:30 PM to 7:30 AM Monday through Friday and anytime Saturday, Sunday or Holidays.

The following procedures are designed to put your store in contact with the Retail Technology analyst who can immediately impact the resolution of your service call. Please follow these procedures when you have a need to initiate a service call.

INITIAL CALL

Call the Piggly Wiggly Midwest HELP DESK at extension 4357. Be prepared to provide the following information:

1. Your store number and telephone number, including area code.
2. The name of a contact person at the store.
3. Indicate how long the contact person will be available.
4. Indicate the lane number or register location.
5. Describe the problem and the piece(s) of equipment involved.
6. Indicate when the problem first started.
7. Provide a model number and/or serial number for the equipment involved.

The Help Desk will resolve the problem during the initial call, if possible. If the problem requires further attention, the call will be passed on to a Retail Technology analyst.

FIRST CALLBACK

The Retail Technology analyst assigned to the call will respond by contacting the store. The analyst will discuss the problem with the contact person in greater detail to determine an appropriate course of action. The analyst will assign a priority to the call based on the information provided during the callback.

CALL ASSESSMENT AND PRIORITY

System hardware problems will be passed on to a Piggly Wiggly Midwest support analyst. Priority levels are:

(a) Immediate

(b) Next day

(c) 1-3 days

Other hardware or software problems will be resolved by phone, if possible. Unresolved problems will be referred to the analyst's supervisor.

PROBLEM RESOLUTION

If unable to resolve the problem by telephone, the Help Desk will forward the problem to an Analyst. The Analyst will evaluate the service call in one or more of the following ways:

1. Problem can be solved by phone with more information from the office.
2. Problem requires shipment of replacement parts from Piggly Wiggly Midwest office to the store.
3. Problem requires that replacement parts be ordered for delivery to the store.
4. Problem requires an on-site service call to repair or replace equipment.
5. Problem requires third party intervention.
6. Analyst will schedule or contact a 3rd party for on-site service.

SCHEDULE 2.2

PIGGLY WIGGLY MIDWEST, LLC
MAINTENANCE AND SUPPORT

STORE ADDRESS: _____

SOFTWARE	MONTHLY AMOUNT
	$
	$
HARDWARE MAINTENANCE	**MONTHLY AMOUNT**
	$
	$
TOTAL MONTHLY MAINTENANCE FEE	$

Hardware monthly Maintenance Fees are based on the Hardware configurations and manufacturers described in Schedule 1, and are subject to change based on changes in Hardware configurations or manufacturers.

Maintenance and Support services shall be supplied to Franchisee under this Agreement only for so long as all of the following conditions are satisfied:

1. Franchisee has maintained, or caused to be maintained, its Hardware and Software in accordance with current manufacturer and PWM specifications;

2. Franchisee has complied with all changes, upgrades or enhancements in Hardware and Software required by this Agreement and/or necessary to continue accessing the RTS;

3. Franchisee has paid all due and owing charges, amounts, and fees to PWM or its affiliate as provided in this Agreement, the Franchise Agreement, or any other agreement between Franchisee and any of these entities; and

4. If Franchisee is utilizing a third-party interface to the RTS, said interface has remained in compliance with applicable PWM specifications.

Exhibit B - Third Party Software Support Agreement(s)

Acknowledged and agreed:

_____ **(COMPANY)** **PIGGLY WIGGLY MIDWEST, LLC**

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

LIST OF REGISTERED AGENTS

EXHIBIT N

LIST OF REGISTERED AGENTS

ILLINOIS:

CT CORPORATION SYSTEM
208 SOUTH LASALLE STREET, SUITE 814
CHICAGO, IL 60604

WISCONSIN:

CT CORPORATION SYSTEM
301 S. BEDFORD STREET
SUITE 1
MADISON, WI 53073

LIST OF STATE FRANCHISE LAW ADMINISTRATORS

EXHIBIT O

LIST OF STATE FRANCHISE LAW ADMINISTRATORS

ILLINOIS

Franchise Bureau
Illinois Attorney General
500 S. Second Street
Springfield, IL 62706
(217) 782-4465

WISCONSIN

Wisconsin Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, WI 53705
(608) 266-0448

RECEIPT FOR FRANCHISE DISCLOSURE DOCUMENT OF
Piggly Wiggly Midwest, LLC

THIS DISCLOSURE DOCUMENT SUMMARIZES PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF PWM OFFERS YOU A FRANCHISE, IT MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 DAYS BEFORE YOU SIGN A BINDING AGREEMENT OR MAKE A PAYMENT WITH PWM OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.

IF PWM 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, D.C. 20580 AND THE STATE AGENCY LISTED IN EXHIBIT O.

SEE EXHIBIT N FOR OUR REGISTERED AGENTS AUTHORIZED TO RECEIVE SERVICE OF PROCESS.

The Franchisor is Piggly Wiggly Midwest, LLC. The business address and business telephone number are: Piggly Wiggly Midwest LLC, 2215 Union Avenue, Sheboygan, WI 53081. Telephone # (920) 457-4433.

PWM authorizes the respective state agencies listed in EXHIBIT O to receive service of process for PWM in that particular state.

I have received a franchise disclosure document issued June 24, 2026. This disclosure document included the following EXHIBITS:

A.....List of Franchisees
B..... Piggly Wiggly Franchise Agreement
C.....Form of Sublease
D.....Financial Statements of Piggly Wiggly Midwest, LLC
E..... Generalized Projection for 35,000 Square Foot Store
F..... Form of Reimbursement Agreement
G..... Form of Personal Guaranty of Payments and Performance of Agreements
H.....Form of Corporate Guaranty Agreement
I..... Form of General Business Security Agreement
J..... Form of Promissory Note
K.....Dispute Resolution Agreement
L..... Merchandise Supply Agreement
M.....Master Retail Technology System Agreement
N.....List of Registered Agents
O.....List of State Franchise Law Administrators

Name of Prospective Franchisee:

_____
(Print corporate, partnership or limited liability company name, if any; otherwise, print name of sole proprietor)

By: _____
(Signature)

_____
(Print name of signatory)

Title: _____
(Print Title, if any)

Date: _____

Address of Prospective Franchisee:

_____

_____

_____
(Please Print)