

FRANCHISE DISCLOSURE DOCUMENT



Dash In Food Stores, Inc.
(A Maryland Corporation)
102 Centennial Street
La Plata, Maryland 20646
1.866.612.3274

www.dashinfoodstores.com
www.facebook.com/DashInFS

You will operate a convenience store, identified by the DASH IN service mark, offering quality branded products under the DASH IN service mark, other food and beverage items, tobacco, and, in some stores, beer, wine, state-approved lottery games, and other approved products. If the Store premises offers gasoline, you will manage gasoline operations according to a separate agreement under which we pay you Manager Compensation for the management services you provide. If the Store premises features a car wash, you will operate car wash operations according to a separate agreement under which we will pay you a Management Fee for management of the car wash operations.

The total investment necessary to begin operation of a DASH IN franchise ranges from \$119,600 to \$680,300. This includes \$103,700 to \$617,000 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your franchise disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jim Tisack, at jtisack@willsgroup.com, (301)542-8108, or 102 Centennial Street, La Plata, Maryland 20646.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information.

There may also be laws on franchising in your state. Ask your state agencies about them.

Date of Issuance: January 18, 2023

Dash In Food Stores 2023 FDD

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How to Use This Franchise Disclosure Document

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

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



What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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



Special Risks to Consider About *This* Franchise

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

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

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

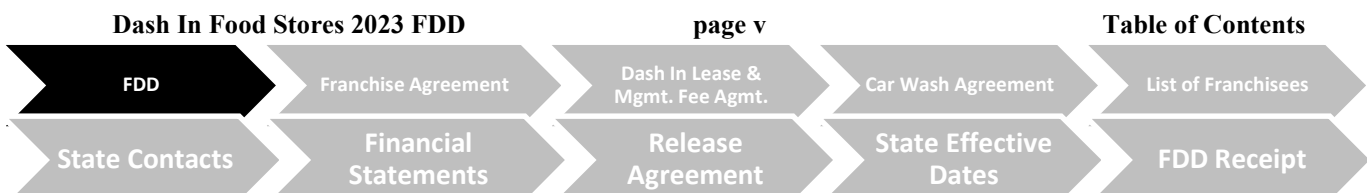


DASH IN FOOD STORES, INC.

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

In this disclosure document, we refer to Dash In Food Stores, Inc. as “we” or “us” and to the person buying the franchise, the franchisee, as “you.” If the franchisee will be a corporation, a limited liability company or other business entity, the term “you” does not include the entity’s principals unless otherwise stated.

The Franchisor and any Parents, Predecessors and Affiliates

We were incorporated in Maryland on June 30, 1986. We do business only under our corporate name and maintain our principal place of business at 102 Centennial Street, La Plata, Maryland 20646. Our agents for service of process are listed in Exhibit E to this disclosure document.

We began franchising the type of business described in this disclosure document in March 2003. We have been operating DASH IN convenience stores, many of them similar to those described in this disclosure document, at gas stations or petroleum marketing locations that we own or lease since 1981. We have never offered franchises in any other line of business. Other than these activities, we do not engage in any other business.

We are a wholly-owned subsidiary of The Wills Group, Inc. (“TWGI”). TWGI was incorporated in Maryland on July 31, 1986, and also maintains its principal place of business at 102 Centennial Street, La Plata, Maryland 20646. TWGI owns the DASH IN Marks and has granted us the right to use and sublicense the Marks. TWGI also provides executive and administrative support to us and our affiliates. TWGI never operated a business of the type described in this disclosure document and has never offered franchises in any line of business.

We are affiliated with SMO, Incorporated (“SMO”), which is 100% owned by TWGI. SMO, a Maryland corporation formed on July 1, 1946, sells motor fuel products to independent dealers through a combination of owned, leased, and dealer controlled facilities. SMO serves as the landlord for certain franchised DASH IN Store locations.

We are also affiliated with Potomac Energy Holdings, LLC (“PEH”), a Maryland limited liability company formed on October 7, 2008, which is 100% owned by SMO. PEH distributes motor fuel products to independent dealers through a combination of owned, leased, and dealer controlled facilities. PEH serves as the landlord for certain franchised DASH IN Store locations.

We are also affiliated with Splash In ECO Car Wash, Inc. (“Splash In”), a Maryland corporation formed on September 12, 2013, which also is a wholly-owned subsidiary of TWGI. In 2013, Splash In previously offered franchises for the operation of car washes under the trade name and service mark “SPLASH IN ECO CAR WASH” but ceased the offer and sales of these franchises. As of September 30, 2022, there were 27 SPLASH IN car washes, all of which were company or affiliate-owned; no franchises had yet been awarded. The company or affiliate-owned SPLASH IN car washes provide car washing services on the premises of certain franchised DASH IN Store locations.

Each of our affiliates maintains its principal offices at the same location as our principal office. None of our affiliates has ever offered franchises in the business described in this disclosure document and none of our affiliates, except SMO and PEH, has offered franchises in any other line of business. SMO and PEH have granted gasoline or motor fuel service station dealerships, but these dealerships did not operate under the DASH IN mark. SMO and PEH have sold gasoline and motor fuels to independent operators and petroleum marketers, who may ultimately become our franchisees. Except as disclosed above, none of our affiliates has offered franchises in any other line of business.



Description of Franchise

We franchise the right to operate DASH IN convenience stores (“DASH IN Stores” or “Stores”) using our proprietary business system (“System”) and proprietary marks (“Marks”), described below. DASH IN Stores feature the sale of quality branded products that use our Marks (“Proprietary Products”) as well as other food and beverage items, tobacco, and, in some stores, beer, wine, state-approved lottery games (if authorized by governmental authorities), ATM services, car wash services (if we approve), and other products and services that we approve.

Our proprietary System includes a distinctive interior and exterior décor, color scheme, and design; uniform standards, specifications, and procedures for management, operations, and inventory control; and training and assistance; all of which we may change, improve and further develop. Our Marks currently include the service marks DASH IN, DASH IN EXPRESS™, and such other trade names, service marks and trademarks that we may otherwise designate in writing for use with the System.

You will operate your DASH IN Store at an agreed-upon location (the “Approved Location”) on property that we own or for which we hold the primary lease. We will construct or remodel the premises to our specifications, and lease to you a turn-key DASH IN Store. A typical newly constructed DASH IN Store will be approximately 2,100 to 3,200 square feet in size. Because we intend to retrofit many of our existing locations, however, the size of our stores may vary significantly in size and structure. Smaller locations may operate on a smaller scale under the Mark DASH IN EXPRESS™. You will offer and sell all products and services that we designate for sale. You will lease the Store facility and equipment from us or our affiliate (see Exhibit B-1) (the “Lease”). You also must arrange for utility services in your own name; however, we will pay 30% toward your utility expenses.

You will operate the Store according to the terms of the Franchise Agreement and the standards, specifications, policies and procedures described in our confidential operating manuals and various other confidential communications prepared by us for your use in operating the Store (the “Manuals”), a copy of which we will lend you for the term of the Franchise Agreement.

If the store premises offers gasoline services, you will sign the “Management Fee Agreement”, which governs the sale of gasoline and petroleum products (see Exhibit B-2). Under the Management Fee Agreement, we pay you Manager Compensation for the gasoline management services that you provide. If the Store premises features a car wash, you will manage the car wash operation according to our “Car Wash Agreement” (see Exhibit C). Under the Car Wash Agreement, we pay you a Management Fee for the car wash management services you provide.

Competition

You will compete in your market with locally-owned independent convenience stores (including other DASH IN convenience stores), gas stations, fast-food and quick-service restaurants, and car wash businesses, as well as similar outlets owned, affiliated, or franchised by national and regional chains. In addition, many supermarkets and drug stores offer many of the same products as those that are sold at DASH IN Stores. The market for products sold at or by convenience stores and gas stations is well-established and highly competitive. Convenience stores and gas stations compete on the basis of factors such as price, service, store location, and product quality. These businesses are often affected by other factors as well, such as changes in consumer taste, economic conditions, population, and travel patterns but are generally not seasonal.



Industry-Specific Regulations

Federal, state or local laws may limit the hours of operation or the sale of certain products in some of our Stores. The most significant of these laws limit the sale of alcoholic beverages, but laws also limit the sale of tobacco products, possible inhalants and lottery tickets.

To the extent that you sell beer and wine, you will have to obtain a license required by the jurisdiction in which the Store is located. Beer and wine and other alcoholic beverage licensing regulations vary considerably from jurisdiction to jurisdiction. We recommend that you consult with your own counsel to determine all laws and licensing requirements imposed by your jurisdiction.

There are a variety of laws and regulations that govern the use, generation, storage, and disposal of hazardous materials, and which may require you to file periodic reports and comply with a variety of operating restrictions and duties and obtain environmental risks insurance. You must also comply with all federally mandated Environmental Protection Agency (“EPA”) regulations.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and state and local health departments administer and enforce laws and regulations that govern food preparation and service and food service sanitation conditions. State and local agencies inspect food service operations to ensure that they comply with these laws and regulations.

In addition, the Menu Labeling Provisions of the Patient Protection and Affordable Health Care Act require certain retail food establishments to post caloric information on menus and menu boards and to provide additional written nutrition information available to consumers upon request. State and local governments also may have their own regulations. For example, the city of New York recently passed legislation requiring certain food service establishments to identify, with a tiny salt shaker symbol, menu items with high sodium content.

You also must comply with all laws relating to the operations of businesses generally. These include local, state, and federal laws including health, sanitation, no smoking, EEOC, OSHA, employment laws (including wage and hours requirements, anti-discrimination laws and laws prohibiting sexual harassment), immigration laws, and tax laws (including those requiring payment of payroll taxes). The Americans with Disabilities Act of 1990 (“ADA”) requires readily accessible accommodations for disabled people and may affect the building construction, site design, entrance ramps, doors, bathrooms, etc. You must also obtain and maintain any and all business and operational licenses that may be required.

Commencing in December 2019 and continuing through the issue date of this Disclosure Document, the COVID-19 virus began spreading throughout the world, including the first outbreak in the United States in February 2020. COVID-19 has disrupted and continues to significantly disrupt local, regional and global economics and businesses. Most, if not all, states that implemented shelter-in-place restrictions mandated closure of non-essential businesses for a certain period. It is uncertain whether there will be additional closure periods. Pandemic restrictions may cause additional operating restrictions, limitations on customer capacity, additional sanitary precautions, greater spacing and changes in employee availability and other consequences of the outbreak. You also must comply with all applicable laws, rules and orders of any government authority concerning the outbreak and your response.

It is your sole responsibility to research the applicability of these laws to your Store and ensure compliance with any applicable laws, rules or regulations.



ITEM 2

BUSINESS EXPERIENCE

Chairman, President and Chief Executive Officer: Julian B. Wills, III

Julian B. (Blackie) Wills has served as our Chairman, President, and Chief Executive Officer since October 2017. Mr. Wills has also served as Vice President of TWGI since October 2016. From October 2013 to September 2016, Mr. Wills served as Director of Real Estate and Development for TWGI.

Vice President: Mark Samuels

Mr. Samuels has served as our Vice President since October 2012. Mr. Samuels has also served as Vice President of Retail Marketing Operations for TWGI since October 2012. Mr. Samuels previously served as Vice President and General Manager of both SMO Inc. and PEH, LLC from October 2012 to July 2019.

Treasurer: J.B. “Lock” Wills, Jr.

Mr. Wills has served as our Treasurer since our inception in 1986. Mr. Wills has served in a variety of positions at TWGI and several of its affiliates since 1978. He currently serves as TWGI’s Chairman, President and CEO, and has served as Treasurer of our affiliate, Splash In, since its inception in 2013.

Assistant Secretary: Kenneth J. Halperin

Mr. Halperin has served as our Assistant Secretary since March 2011. Mr. Halperin has also served as Executive Vice President – Finance & Administration for TWGI since March 2011.

Director of Operations: Brian Chase

Brian Chase has served as our Director of Operations since August 2018. Mr. Chase previously served as the Director of Franchise Operations for California Tortilla Group, Inc. from November 2006 to August 2018.

Franchise Development Manager: Jim Tisack

Jim Tisack has served as our Franchise Development Manager since June 2019. From May 2011 to June 2019, Mr. Tisack served as Vice President of Franchise Development for California Tortilla Group, Inc., located in Rockville, Maryland.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

Initial Franchise Fee

When you sign the Franchise Agreement, you will pay us a \$25,000 initial franchise fee. The initial franchise fee is uniform for all franchisees.



Site Fee

When you sign the Lease for the Approved Location, you will pay us a site fee in a variable amount, ranging from \$25,000 to \$475,000. We determine the site fee based on an internal sales projection that takes into consideration several factors, including size of the store, neighborhood, and demographics. During the last fiscal year, we collected site fees ranging from \$50,000 to \$95,000.

Open Account and Deposit

When you sign the Franchise Agreement, you must deposit \$10,000 into an account that we maintain for you (“Open Account”). The initial deposit will be used to fund the minimum credit balance required in your Open Account.

Refund Policy

The initial franchise fee, initial deposit and site fee are fully earned when paid and generally are not refundable. If you or your Key Person fails to complete our initial training program to our satisfaction or voluntarily leaves our initial training program, however, we may terminate the Franchise Agreement. If we terminate the Franchise Agreement and Lease solely for this reason and you and your principals sign a general release in our favor, we will refund fifty percent (50%) of the initial franchise fee and fifty percent (50%) of the site fee that you actually paid. In this circumstance, we also will refund to you the Open Account Deposit less any funds that we actually expended on your behalf for initial or pre-opening operating expenses.

Initial Inventory, Cash Register Fund and Store Supply Items

Additionally, you also must pay to us, which we will pay to the applicable supplier on your behalf, an amount necessary for the purchase of the DASH IN Store’s inventory, store supplies and cash register change fund (“Cash Register Change Fund”). We estimate that the total cost of your initial inventory will range from \$40,000 to \$100,000 and that the total cost of store supplies will range from \$3,000 to \$5,000. The value of the Cash Register Change Fund will range from \$700 to \$2,000. DASH IN Store supply items include such items as (a) store maintenance items, cleaning supplies, paper products, and safety supplies, and (b) food items that are not sold in the DASH IN Store (but the cost of which is calculated in costs of goods sold), such as cheese sauce, chili sauce, CO₂, coffee creamers, syrups, food buns, mayonnaise, mustard, and ketchup packets. Payment for the initial inventory, DASH IN Store supplies and Cash Register Change Fund is due on the day you take possession of the DASH IN Store (the “Changeover Date”), as outlined on the Summary Page of the Franchise Agreement. The cost for the initial inventory, Cash Register Change Fund, and store supply items is fully earned and nonrefundable upon payment. (See Items 7 and 10 for more information).



ITEM 6
OTHER FEES

Name of Fee	Amount	Date Due	Remarks
DASH IN Charge	30% of Gross Profit (see Note 2)	Monthly	“Gross Profit” means all revenue from the sale of services and products and all other income related to the DASH IN Store (including all income from the redemption value of gift certificates and stored value cards at the time purchases are made), less: (a) the actual cost of goods sold at the DASH IN Store; (b) sales or other taxes; and (c) lottery revenues received from customers and transmitted to the state lottery authorities. The Gross Profit is outlined on the operating statement provided to you no later than the 15th of each month for the prior month’s financial results.
Required Minimum Credit Balance	\$10,000, which can increase each year by an amount not to exceed \$2,500 per year (the “Required Minimum Credit Balance”)	Must be maintained throughout the term	We provide you accounting and bill payment services through this Open Account.
Penalty Fee for Failure to Maintain Funds in Open Account	Varies, based on amount below \$0	As incurred	You must maintain the Required Minimum Credit Balance of \$10,000 in your Open Account. For each month your Open Account is below \$0, we will charge you a penalty fee based on the amount of the Open Account that is below \$0. (See Note 3). We will charge the penalty fee for each month the Open Account remains below \$0 until you replenish the Open Account so that it contains at least the Required Minimum Credit Balance of \$10,000.
Audit	Cost of audit	Upon request	If an audit or inspection discloses an understatement of payments or revenue in any report of 4% or more, then in addition to our other remedies, we may require you to reimburse us for the costs of our audit, such as auditor’s fees.



Name of Fee	Amount	Date Due	Remarks
Second Audit	Cost of second audit	Upon request	If you receive an unsatisfactory report from any inspection of the DASH IN Store, and we deem it necessary, in our sole discretion, to conduct a second inspection regarding the unsatisfactory report, you will reimburse us for the costs we incur in connection with the second audit.
Transfer Fee	50% of our then-current initial franchise fee	Before transfer	We do not charge a fee if the transfer of the Store is made to an immediate family member. See Item 17 for more information about restrictions and conditions on transfers.
Renewal Fee	50% of our then-current initial franchise fee	Upon execution of our then-current form of Franchise Agreement	See Item 17 for more information about conditions on renewal.
Administrative Enforcement Fee	\$150 per event of default	Upon demand	At our option, we may assess, and you must pay, a \$150 fee upon an event of default under the Franchise Agreement to cover our administrative expenses with respect to the default.
Costs and Attorneys' Fees	Will vary under circumstances	Upon request	Payable only if you fail to pay amounts due or if you default under the Franchise Agreement.
Store Maintenance	Will vary under circumstances (See Note 3)	As incurred	You must maintain, or contract with others to maintain, certain equipment and fixtures of the DASH IN Store, except for those that we agree to maintain under the Franchise Agreement. If you do not perform required maintenance for which you are responsible, we may pay for the maintenance on your behalf and charge you our costs. (See Note 4)
Indemnification	Will vary under circumstances	Upon request	You must reimburse us for the costs we incur if we are sued, or held liable for claims, that arise from your operation of the Store, and for costs we incur in defending claims that you used the Marks in an unauthorized manner. See Items 9 and 13 for



Name of Fee	Amount	Date Due	Remarks
			additional discussion of your obligation to indemnify us.
Liquidated Damages	Present value of average Dash In Charges calculated through the lesser of (a) 24 months; or (b) the remaining months in the initial term	On demand	Payable only if you prematurely close the Store or if we terminate the Franchise Agreement on account of your material breach.
Supplier Inspection and Testing Fee	Cost of inspection or test	When billed	If you ask us to approve an alternative product or supplier, we may require you to pay for the cost of inspection or testing.
Additional Training Fee	Reasonable per diem fee, plus your costs and expenses	On demand	We do not charge for the initial training program or any refresher training (except that we may impose a reasonable per diem charge if we must train more than one replacement Key Person per year), and we will provide, at no charge to you, instructors and training materials. You will be responsible for all other expenses which you or your employees incur during the initial training and any refresher training, including, among other things, the cost of transportation, lodging, meals, and wages.

Notes:

Note 1. Except as noted above, we impose and collect all fees. All fees are uniformly imposed and are non-refundable.

Note 2. Each month you will pay us the DASH IN Charge. If a state or local law in the area in which the DASH IN Store is located prohibits or restricts in any way your right to pay, or our right to collect, the DASH IN Charge on amounts derived from the sale of alcoholic beverages, the DASH IN Charge will increase by five percentage points (*e.g.*, the DASH IN Charge will increase to 35% of Gross Profit if the DASH IN Store operates on a 24-hour basis). If a state or local law in the area in which the DASH IN Store is located prohibits or restricts in any way your right to pay, or our right to collect, the DASH IN Charge on amount derived from the sale of lottery tickets or other products or services offered at the DASH IN Store, then we will renegotiate the amount of the DASH IN Charge and other provisions to provide the same basic economic effect to both of us as otherwise provided in the Franchise Agreement, with a corresponding change to the definition of Gross Profit.

Note 3. We will charge you a penalty fee for each month your Open Account is below \$0. The amount of the penalty fee will be noted in the monthly operating statement and will be as follows:



Amount Below 0 (\$)	Monthly Fee (\$)
0 - 10,000	100
10,001 - 20,000	200
20,001 - 30,000	300
30,001 - 40,000	400
40,001 - 50,000	500
50,001 - 60,000	600
60,001 - 70,000	700
70,001 - 80,000	800
80,001 - 90,000	900
90,001 - 100,000	1,000
100,001 - 110,000	1,100
110,001 - 120,000	1,200
120,001 - 130,000	1,300
130,001 - 140,000	1,400
140,001 - 150,000	1,500
150,001 - 160,000	1,600
160,001 - 170,000	1,700
170,001 - 180,000	1,800
180,001 - 190,000	1,900
190,001 - 200,000	2,000

Note 4. Under the Franchise Agreement, you must maintain certain fixtures and equipment in the DASH IN Store. You must maintain those fixtures and equipment which are your responsibility in a high degree of sanitation, repair, and condition, and make any alterations or repairs (subject to our written consent) that may be required, including any periodic repainting or replacement of old signs and décor that we direct. Except for those fixtures or equipment which are our responsibility under the Franchise Agreement, you are responsible for the cost of maintaining all fixtures and equipment. The list of fixtures and equipment, and your and our respective maintenance obligations, are listed in the Manuals.



ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Estimated Cost	Method of Payment	When Due	To Whom Payment Made
Initial Franchise Fee (See Note 1)	\$25,000	Lump Sum	When you sign the Franchise Agreement	Us
Site Fee (See Note 1)	\$25,000 to \$475,000	Lump Sum	When you sign the Franchise Agreement	Us
Initial Deposit (See Note 2)	\$10,000	Lump Sum	When you sign the Franchise Agreement	Us
Initial Inventory, Cash Register Fund and Store Supply Items (See Note 3)	\$43,700 to \$107,000	Lump Sum	On the Store Changeover Date	Us, Suppliers
Training Expenses (See Note 4)	\$3,000 to \$5,000	As Arranged	As Arranged	Third Parties
Insurance (See Note 5)	\$900 to \$1,800	As Arranged	As Incurred	Insurers
Professional Fees (See Note 6)	\$1,000 to \$5,000	As Arranged	As Incurred	Professionals
Business Licenses (See Note 7)	\$1,000 to \$1,500	As Arranged	As Incurred	Government Agencies
Additional Funds (See Note 8) (for first three months)	\$10,000 to \$50,000	As Arranged	As Needed	Various
TOTAL	\$119,600 to \$680,300			

Notes:

Note 1. You will pay a \$25,000 initial franchise fee upon signing the Franchise Agreement. You must also pay us a site fee in an amount that we determine, based on various factors, upon signing the lease for the Approved Location. See Item 5. All payments to us must be made in certified funds or in another manner that we designate and, except under limited circumstances outlined in Item 5, may not be refundable.

Note 2. The figure in the chart represents the Initial Deposit which will be used to fund the Required Minimum Credit Balance in your Open Account. (See Item 5.)

Note 3. These figures represent: (a) your initial inventory, which will range between \$40,000 and \$100,000; (b) the cost of your cash register fund, which will range between \$700 and \$2,000; and (c) the cost of Store supplies, condiments and paper products which will range from \$3,000 to \$5,000.

Note 4. We do not charge a tuition or other fee for initial training, but you must pay for your and your attendees' transportation to and from the training site, lodging, food, and wages. These costs will depend



on the distance you must travel to the training location, the type of accommodations you choose, and the personnel to be trained. Our estimates are only for out-of-pocket costs. We cannot predict, and our estimate does not account for, personal or incidental items, nor does it include an estimate for compensation (such as salary and benefits that you may pay to yourself and/or your personnel). If your chosen mode of transportation or accommodations are more expensive than indicated in our assumptions, then your costs will be higher than those in the estimate that we have provided.

Note 5. See Item 8 for more information about your obligation to maintain insurance. While you may be able to pay premiums on a monthly, quarterly, or semi-annual basis, in some circumstances, you may need to pay the entire annual premium in one payment. This estimate assumes that you will be required to pay premiums on a monthly basis.

Note 6. The figures in the chart represent the estimated cost of engaging an attorney, accountant, and/or other advisors to help you evaluate the franchise opportunity, including all agreements, and for new business set up.

Note 7. Local, municipal, county and state regulations vary on what licenses and permits are required by you to operate a Store. If the Store will sell alcohol, you may also be required to obtain a liquor license. These fees are paid to governmental authorities before commencing business, and can vary significantly from jurisdiction to jurisdiction. This estimate assumes you will be selling beer, liquor and wine from your Store.

Note 8. You will need to support ongoing expenses, such as rent, payroll, utilities, and ongoing inventory, to the extent these costs are not covered by sales revenue. This estimate assumes you will not take an owner's draw. New businesses often generate negative cash flow. We estimate that the amount stated will be sufficient to cover ongoing expenses for the initial phase of the business, which we calculate to be three months. This estimate assumes you will be earn a certain amount of revenue to cover certain of your operating expenses. This is only an estimate, however, and we cannot assure you that you will not need additional working capital during or after this initial phase.

We relied upon our and our affiliates' collective experience in the convenience store industry when preparing these estimated figures, including the amount of additional funds needed. You should review these figures carefully with an attorney and an accountant before making any decision to purchase this franchise.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We and our affiliates have spent considerable time, effort and money to develop the System. You must conform to our high and uniform standards of quality, safety, appearance and service. We may change, supplement, improve, or modify the System at any time, as we deem appropriate. You are expected to adhere to these changes. These changes may include, among others, the adoption or use of new or different services and products services, equipment and furnishings for Stores; development of new techniques and methods for the promotion and sale of products and services at Stores; and the use of new marks or copyrights. You must, upon reasonable notice, adopt any change to the System we may make. There are no limits on our right to make changes. To ensure that you maintain the highest degree of consistency, quality and service, you must operate and develop your Store in strict conformance with our methods, standards and specifications and obtain certain goods, services, supplies, materials, equipment and other products, including your certain of your retail merchandise, paint and vinyl only from us, our affiliates or the suppliers to be designated or approved by us. Our methods, standards and specifications (the "System Standards") are prescribed in the Manuals. We reserve the right to establish a "mystery shopper" program and if we do, you must participate in the program.

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Designated and Approved Suppliers and Specifications and Standards

You will purchase from us all inventory items and supply items, as further described in Item 5. You must only use the cash register system and required software that we designate.

You must purchase from suppliers we designate (which may include a particular commissary or combined distribution center (“CDC”)) (“Designated Distributors”) all Proprietary Products and/or ingredients for the Proprietary Products (such as soft drink syrup), and all containers and supplies bearing our Marks (such as cups, napkins, and other paper products). If any Designated Distributor has established minimum purchase orders (across the System or for individual Stores), delivery criteria or methods of payment, you comply with those requirements. We may change the number of Designated Distributors at any time and may designate ourselves, an affiliate, or a third party as the exclusive source for any particular item. We may profit from your purchases from Designated Distributors, and we and/or our affiliate may receive payments, fees, commissions or reimbursements from approved suppliers or any other supplier in respect of your purchases. We will provide you notice upon revocation of approval of any Designated Distributors.

Except as outlined above, neither we nor any of our affiliates are approved suppliers or the only approved suppliers for any goods or services. None of our officers own an interest in any privately-held suppliers, or a material interest in any publicly-held suppliers, of the DASH IN franchise system. Occasionally, our officers may own non-material interests in publicly-held companies that may be suppliers to our franchise system.

We also have designated vendors for ATM services, pay telephones and air and vacuum services, and may designate vendors for other services offered to Store customers. To the extent that you offer these services, we may require that you work with our designated vendors. We have the right to maintain on the DASH IN Store premises all equipment necessary to provide such services and you will treat the equipment with a reasonable degree of care.

If we require that an item be purchased from a Designated Distributor and you wish to purchase it from a supplier we have not approved, you must submit to us a written request for approval. You must not purchase or lease the item from the supplier until and unless we have approved the supplier in writing. We have the right to inspect the supplier’s facilities and have samples from the supplier delivered to us for testing. We may re-inspect the facilities and products of any approved supplier, and may revoke our approval upon the supplier’s failure to continue to meet any of our then-current criteria. You must reimburse us for the costs we incur in the supplier approval process. Nothing requires us to approve any particular supplier. We will approve or disapprove a proposed supplier within thirty (30) days of the date on which we receive all information we request about the proposed supplier. The supplier is deemed rejected if we do not respond within that timeframe. We do not maintain criteria for approving alternative suppliers and do not provide it to any additional suppliers.

You may offer for sale at the Store only merchandise and services that we have authorized for sale (“Authorized Products and Services”).

Except as otherwise described above, you have no obligation to purchase or lease from us, our affiliate or other designated third-party suppliers any of the products, services, supplies, or inventory used in establishing or operating the Store.

You must maintain your Store in a high degree of sanitation, repair, appearance, condition and security and in the manner required by the Franchise Agreement and other guidance provided by us.



Insurance Requirements

You must purchase and maintain insurance policies protecting you, us, and our respective officers, directors, and other employees against any claim arising out of or occurring from your operation of the Store, including, among other things, general liability insurance, property insurance, workers' compensation insurance, product liability insurance, and an umbrella policy. You must maintain the types of insurance that we specify in the Manuals or otherwise in writing, and they must be written by an insurer who is acceptable to us. We must be named as an additional named insured under the policies. The policy must also contain a waiver of all subrogation rights against us, our affiliates, and their successors and assigns, and must provide for 30 days' prior written notice to us of any material modifications, cancellations, or expirations. You must provide us with evidence of your compliance with these requirements. If you fail to purchase or maintain any required insurance policy, we may, at our option, purchase the policy and require you to reimburse our cost, plus reasonable expenses. We may change the required policy limits from time to time.

We have developed our standards and specifications based on our experience in operating businesses of the type described in this disclosure document. We will communicate to you our standards and specifications, and all revised standards and specifications, through the Manual or changes to the Manual and/or otherwise in writing.

Revenue or Material Consideration Derived From Franchisee Purchases or Leases

In the year ending September 30, 2022, we derived \$6,215,160.00, or 1.34% of our total revenues of \$464,097,384, from franchisee purchases and leases. This figure includes monies received for inventory and supply purchases related to the sale of company-owned stores. It also included an annual payment that we received from our designated food distributor and a percentage-based payment we receive from our dairy supplier.

Except as described above, neither we nor any of our affiliates receive direct payments from any supplier or CDC based upon your purchases or leases. However, we may receive consideration from these suppliers in the form of negotiated discounts. We expect that any of these discounts will be offered to franchisees and any company-owned DASH IN Stores on a consistent or comparable basis. We do not currently provide any material benefits to franchisees based on a franchisee's use of designated or approved sources.

We estimate that your purchase of products, supplies, or services from suppliers that we have approved or that comply with our specifications will represent approximately 25% to 75% of your costs to establish the Store, and approximately 55% to 90% of your costs in the ongoing operation of the Store.

Negotiation of Supplier Purchase Arrangements

We negotiate discounts with Designated Distributors and other approved suppliers on your behalf. Approximately 30 of these arrangements exist, providing discounts ranging from 1% to 10%. Nothing in the Franchise Agreement, however, prohibits you from negotiating different or better terms with any supplier.

We do not provide any material benefits to you (e.g., the right to renew the Franchise Agreement or to purchase additional franchises) based solely upon your purchases from designated or recommended suppliers. There are currently no purchasing or distribution cooperatives in existence for the franchise system.



ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in Franchise Agreement	Item(s) in disclosure document
a. Site selection and acquisition/lease	Article 1 and Summary Page	Items 1, 7, and 11
b. Pre-opening purchases/leases	Articles 3, 4, 6, and 7	Items 5, 7, and 8
c. Site development and other pre-opening requirements	Articles 3, 5, 6, and 7	Items 8 and 11
d. Initial and ongoing training	Article 5	Item 11
e. Opening	Article 4	Item 11
f. Fees	Article 3 and Summary Page	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Articles 7 and 11	Items 8, 11, and 14
h. Trademarks and proprietary information	Article 8	Items 13 and 14
i. Restrictions on products/services offered	Articles 6 and 7	Items 8 and 16
j. Warranty and customer service requirements	Articles 6 and 7	Item 16
k. Territorial development and sales quotas	Not Applicable	Item 12
l. Ongoing product/service purchases	Articles 3, 4, 6 and 7	Item 8
m. Maintenance, appearance and remodeling requirements	Articles 4, 6, and 7	Item 8
n. Insurance	Article 12	Items 7 and 8
o. Advertising	Article 9	Items 6, 8, and 11
p. Indemnification	Article 19	Items 6 and 13
q. Owner's/ participation/ management/ staffing	Articles 5 and 7	Item 15

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Obligation	Section in Franchise Agreement	Item(s) in disclosure document
r. Records/reports	Article 13	Item 6
s. Inspection/audits	Article 13	Items 6 and 11
t. Transfer	Article 14	Item 17
u. Renewal	Article 2	Item 17
v. Post-termination obligations	Article 16	Item 17
w. Non-competition covenants	Article 17	Item 17
x. Dispute resolution	Article 22	Item 17
y. Taxes/permits	Article 18	Items 1 and 7
z. Guaranty	Article 7	Item 15

ITEM 10 **FINANCING**

Neither we nor any of our affiliates offer direct or indirect financing. Neither we nor any of our affiliates will guarantee your note, lease or other obligation.

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

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

Pre-Opening Obligations

If you sign a Franchise Agreement, we will agree to:

1. Provide you with the site of the DASH IN Store and the building for the DASH IN Store to be leased from us. (Franchise Agreement, Section 3.1.)
2. Lend you a copy of the Manuals, for the duration of the Franchise Agreement. (Franchise Agreement, Section 3.2.)
4. Provide an initial training program, at a location we designate. We will provide training for two people, the Key Person and one employee. If two individuals (e.g., husband and wife) execute the Franchise Agreement, both must attend training. Your Key Person and employee must complete the training to our satisfaction before you may open the DASH IN Store. We will be responsible for the cost of instruction and materials, subject to the terms of the Franchise Agreement; you will pay all other costs (e.g., transportation) incurred to attend training. (See Items 6 and 7 above) (Franchise Agreement, Sections 3.3, 5.3, 6.1 and 6.3.)
5. Conform the premises to local ordinances and building codes, acquire business permits for operation of the Store at the premises (but not your business permits or licenses to sell certain products), and purchase and install all leasehold improvements, equipment, and fixtures necessary

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to operate the DASH IN Store. We will also obtain or arrange for the provision of certain services (e.g., credit card processing services, environmental services, utilities, telephones (data lines only), and security devices and security system). (Franchise Agreement, Section 3.4 and 3.5; Attachment A to the Franchise Agreement.)

6. Provide you with a list of Approved Products to be purchased from approved suppliers for the initial inventory of the DASH IN Store. We will assist you in the selection, purchasing, merchandising, and display of the initial inventory. We will pay for initial inventory using funds in the Open Account and will arrange for delivery of the items. After the initial inventory delivery, you must schedule delivery of additional items directly with the supplier. (Franchise Agreement, Sections 3.6 and 4.5.)
7. Provide you with on-site, pre-opening assistance and supervision as we deem advisable, including, training of your employees upon request. (Franchise Agreement, Section 3.8.)

We do not provide assistance with respect to the hiring of your employees.

Continuing Obligations

During the operation of the franchised business, we will:

1. Conduct or designate a third party to conduct, as we deem advisable, periodic inspections of the DASH IN Store, and may provide evaluations of the products sold and services rendered by the DASH IN Store. (Franchise Agreement, Section 3.10.)
2. Maintain your Open Account and, from available funds in your Open Account, pay sales tax to the appropriate taxing authority and pay all other expenses for which you are responsible on your behalf. We will provide you with a monthly accounting of expenditures from the Open Account, handle payment of invoices and disburse monthly draws to you based on availability of funds in the Open Account. (Franchise Agreement, Sections 3.5 and 4.5.)
3. Provide periodic and continuing advisory assistance to you as to operating and promoting the DASH IN Store, as we deem advisable. (Franchise Agreement, Section 3.11.)
4. Make available additional training programs, as we deem appropriate, and provide assistance in training your employees upon request. (Franchise Agreement, Section 6.2.)
5. Make certain advertising and promotional materials available to you at our discretion and expense. (Franchise Agreement, Section 9.1.)
6. If you manage gasoline operations, we will compensate you for your services. (Management Fee Agreement, Exhibit B-2 to this disclosure document.)
7. If you manage car wash operations, we will compensate you for your services. (Car Wash Agreement, Exhibit C to this disclosure document.)
8. Periodically, develop products or services you will offer to your customers, as we deem appropriate. (Franchise Agreement, Section 3.10.)
9. Periodically, provide you with updates and improvements to the Store, as we deem appropriate. (Franchise Agreement, Section 3.10.)
10. Provide you with recommended and maximum prices for products sold at the Store. (Franchise Agreement, Section 3.10.)
11. Provide you with guidance on establishing and using administrative, bookkeeping, accounting, and inventory control procedures, as we deem appropriate. (Franchise Agreement, Section 3.10.)

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We do not provide assistance with respect to the hiring of your employees.

Advertising

We encourage, but do not require, that you advertise and promote the Store on a local level. Any local advertising must be conducted in the media, type, and format that we have approved, must be conducted in a dignified manner, and must conform to our standards and requirements, as we may specify in the Manuals or otherwise in writing. You may not use any advertising or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans and materials (unless, within the previous six months, we prepared or already approved the plans or materials). We will ordinarily provide you with our response (whether approval or disapproval) to the proposed plans or materials within 14 days, but if we do not give our approval within 14 days, we will have been deemed to disapprove the plans or materials.

We may periodically make available to you, for purchase, certain advertising plans and promotional materials for your use in Local Advertising and Promotion.

We do not require you to contribute to an advertising fund or to an advertising cooperative. There is no advertising council in existence but we reserve the right to form one.

Computer Systems

Currently, the required hardware for the Computer System includes a Verifone, NCR or Gilbarco cash register, whose main function is to record sales and other transactions.

We will supply, and maintain in working condition, your Computer System. We may modify, upgrade, or replace the Computer System at any time, and you must promptly confirm to all changes. We will have independent access to the data collected by your Computer System. There are no contractual limitations on our right to access this information. Currently, you do not have to pay any initial or on-going payments required in connection with the Computer System.

We reserve the right to have immediate, independent access to information in the data that is monitored by the Computer System and that is electronically collected. There are no contractual limitations to our right to access the information and data. All data that you provide, that we obtain from the Computer System, or that we otherwise collect from you, is owned exclusively by us, and we will have the right use that data for any reasonable business purpose that we deem appropriate without compensating you.

You must use our designated internet service provider in connection with the Computer System and your operation of the Store and ensure that the Computer System is connected to the internet at all times. In addition, you must use the equipment and participate in the cash control processes as we may require periodically. These requirements currently include using a designated “smart safe” program that works in conjunction with our designated banking institution and coordinates the delivery and pick up of funds from the Store.

Manuals

We will allow you to inspect a copy of our Manuals before signing the Franchise Agreement. We will require you to sign a confidentiality agreement before reviewing the Manuals; a copy of this agreement is attached to the Franchise Agreement as Attachment E.

Site Selection

We choose the location of your DASH IN Store, and the Approved Location for your DASH IN Store will be specified in the Franchise Agreement when you sign it. We own or will acquire or lease the Approved Location for the DASH IN Store. We will construct or remodel the premises to our specifications for DASH IN Stores and will authorize you to operate a fully-equipped DASH IN Store at the Approved Location.



Our standard site selection criteria include demographic characteristics, traffic patterns, parking, character of neighborhood, competition from other businesses within a site search area, the proximity to other businesses, the nature of other businesses in proximity to the site and other commercial characteristics, zoning restrictions, and the size, appearance and other physical characteristics of the premises.

Our selection of the Approved Location is not a representation or a promise by us that your DASH IN Store will achieve a certain sales volume or a certain level of profitability. Our selection only indicates our willingness to have a DASH IN Store at that site.

Opening the Store

We estimate that the typical length of time between signing the Franchise Agreement and opening the DASH IN Store will be approximately 90 to 120 days for pre-existing locations, and 180 to 360 days for new locations. Factors which may affect this time period include the availability of the site for renovation, completing construction and obtaining permits and licenses for the construction of the DASH IN Store.

Training

Before opening the DASH IN Store, the Key Person and an additional employee who are both approved by us must attend and complete to our satisfaction our initial training program. You are solely responsible for training the remainder of your employees. If you (or, if the franchisee is not a sole proprietorship, the Key Person) stop being actively involved in the management of the DASH IN Store, you must enroll a qualified replacement, who is acceptable to us, in our initial training program. The replacement must attend and complete the training program to our satisfaction as soon as possible. We will conduct our initial training program as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training¹	Hours of On-the-Job Training¹	Location
Safety and Food Handling Courses	9	0	La Plata, Maryland and/or a nearby company-owned DASH IN Store
Employee Safety and Risk Management	3	0	La Plata, Maryland and/or a nearby company-owned DASH IN Store
Store Maintenance	4	4	La Plata, Maryland and/or a nearby company-owned DASH IN Store
Food Handling, Service and Preparation	32	32	La Plata, Maryland and/or a nearby company-owned DASH IN Store
Gasoline	Varies	Varies	La Plata, Maryland and/or a nearby company-owned DASH IN Store
SPLASH IN ECO CAR WASH™ Car Wash Facility operations	Varies	Varies	La Plata, Maryland and/or a nearby company-owned SPLASH IN ECO CAR WASH™ Car Wash Facility

Note 1: The length of the class will vary based upon the participant's previous experience and ability to learn the "Dash In" System and services you choose to offer, but, in general, the aggregate length of the training program will be approximately three (3) weeks, which includes five (5) days of on-site training during the opening of the Store. You must complete the training program to our satisfaction no later than



the opening of the Store. Training classes are held on an as-needed basis. We use the Manuals and other PowerPoints and confidential materials in the provision of the initial training program.

We may from time to time increase the number of your employees who must attend and successfully complete training. Currently, all of your employees must attend our “Employee Empowerment . . . Customer Focus” training program, which you will provide to your employees. We conduct our training program as needed. Our initial training program will be supervised by our Operations Training Manager. Our current Operations Training Manager is Alison LaPointe, Director of Learning and Development, who has 25 years of experience in the hospitality industry and 1 year of experience with us and our parent.

Our classroom training will take place at our training center in La Plata, Maryland, and on-the-job training may take place at a nearby company-owned DASH IN Store. When in the Store environment, adherence to all policies and personal appearance standards is mandatory. You or the Key Person and your employees must also attend additional refresher courses, seminars, and training programs that we periodically and reasonably may require. We do not charge for the initial training program or any refresher training (except that we may impose a reasonable per diem charge if we must train more than one replacement Key Person per year), and we will provide, at no charge to you, instructors and training materials. You will be responsible for all other expenses which you or your employees incur during the initial training and any refresher training, including, among other things, the cost of transportation, lodging, meals, and wages.

ITEM 12 **TERRITORY**

You will operate a DASH IN Store from a specified location, which we will select, and which will be designated in the Summary Page to the Franchise Agreement. You may not relocate the DASH IN Store without our consent. There are no restrictions on our ability to solicit or accept orders from customers anywhere including, without limitation, our and our affiliates’ ability to use alternate channels of distribution. Unless you have our prior written approval to use third-party delivery applications, which may be administered by us, you may not use alternate channels of distribution to make sales to customers but can otherwise make sales to all customers that visit your Store.

We do not provide you any territorial protections. You will not receive an exclusive territory. You may face competition from other franchisees, from stores that we own, or from other channels of distribution or competitive brands that we control.

Except for the rights granted to you under Section 1.2 of the Franchise Agreement, during the term of the Franchise Agreement, we and our affiliates retain the rights, among others, on any terms and conditions we deem advisable, and without granting you any rights: (a) to use and to license others to use, the System and the Marks for the operation of convenience stores, which stores and marks may be the same as, or similar to, or different from the Store, at any location other than the Approved Location, without regard to the proximity of such stores to the Store, or the impact that such stores might have on your sales; (b) to operate or license others to operate convenience stores or other businesses, under any name or mark, other than the Marks, notwithstanding such convenience store’s or other business’ proximity to the Approved Location; (c) to use and license others to use the Marks in connection with the operation of other businesses, other than DASH IN at any location, notwithstanding such stores’ proximity to the Approved Location; (d) to sell and distribute directly or indirectly, or to license others to sell and to distribute directly or indirectly, any products under the Marks or other names or marks, from any location, to any purchaser by any method or channel of distribution, other than through retail convenience store sites at the Approved Location (such as the Internet, catalog sales, telemarketing, or other direct marketing, to deliver products and services to customers anywhere under the Marks or otherwise), (e) to advertise, promote and market DASH IN Stores,

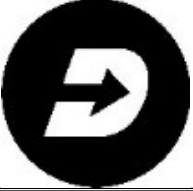


or the Marks, in any medium or media, and to any prospective customers, wherever they may be located; and (f) to acquire or merge with any existing business located anywhere and operate that business using the Marks and System.

You will not receive the right to acquire additional franchises in your area, unless approved by us. We are not required to compensate you for any sales solicited near your Store.

ITEM 13 **TRADEMARKS**

The Franchise Agreement allows you to use our Marks during your operation of the Store. TWGI owns and has registered the following Marks on the Principal Register of the United States Patent and Trademark Office, as indicated below:

Mark	Registration No.	Registration Date
	2,978,044	July 26, 2005
LIFE . . . MADE BETTER (Standard Characters)	2,767,599	September 23, 2003
	4,620,882	October 14, 2014
DASH IN (Standard Characters)	3,060,794	February 21, 2006
	6,227,454	December 22, 2020

All required affidavits and renewals have been filed. There are no currently effective determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There is no pending infringement, opposition, or cancellation proceeding. There is no pending material litigation involving the trademarks which may be relevant to their use in this state or in any other state. We do not know of any superior prior rights or infringing uses that could materially affect your use of the Marks.

TWGI owns and has granted us the right to use, and sublicense the use of, Marks in connection with the franchising of DASH IN Stores and the operation of company-owned Stores. Our agreement with TWGI is perpetual in the United States unless otherwise terminated by mutual agreement or due to our breach and failure to cure said breach within the applicable cure period. We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you.

You must promptly notify us of any unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use,



the Marks. We have the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We may, at our election, defend you against any third-party claim, suit, or demand arising out of your use of the Marks. If we determine that you have used the Marks as described in the Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement. If we determine that you have not used the Marks as described in the Franchise Agreement, you must bear the cost of defense, including the cost of any judgment or settlement. If there is any litigation due to your use of the Marks, you must execute all documents and do all things as may be necessary to carry out a defense or prosecution, including becoming a nominal party to any legal action.

We reserve the right to substitute different marks for use in identifying the System and the businesses operating under it if we, in our sole discretion, determine that substitution of different marks as Marks will be beneficial to the System. You must promptly implement any substitution of new Marks; however, we will pay the cost of implementing any new signage at the Approved Location. You must execute any documents we require to protect the Marks or to maintain their continued validity and enforceability. In addition, you may not directly or indirectly contest the validity of your ownership, right or interest, of the Marks.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or registered copyrights which are material to the franchise. We claim copyright protection, however, in many elements of our System including the design and content of our website and advertising, the design element of our Marks, and our Manuals (the “Copyrighted Works”).

There are no currently effective determinations of the United States Patent and Trademark Office, Copyright Office, or any court regarding design patent or copyright. There are no currently effective agreements pursuant to which we derive our rights in the design patent or copyright which could limit your use of them. We are not obligated under the Franchise Agreement to protect any of the rights that you have to use any design patent or copyright, and we do not have any other obligation under the Franchise Agreement regarding the design patents and copyrights. We are not aware of any infringements that could materially affect your use of any design patent or copyright in any state.

You may not, during or after the term of the Franchise Agreement, divulge or use for the benefit of anyone else any confidential information concerning the System and the methods of operation of the Store. You may divulge confidential information only to those employees who must have access to it in order to operate the Store. Any and all information, knowledge, and other data which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement. The Manuals remain our sole property and must be kept in a secure place on the Store premises.

We may revise the contents of the Manuals and you must comply with each new or changed standard. You must also ensure that the Manuals are kept current at all times. If there is a dispute as to the contents of the Manuals, the terms of the master copy maintained by us at our home office will be controlling. You are required to return to us all pages that are replaced in the Manuals.

You must promptly notify us of any apparent infringement of, or challenge to, your use of any of the Copyrighted Works or Confidential Information. We are not required to take affirmative action when notified of a claim, or to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving any of the Copyrighted Works or Confidential Information, or if the proceeding is resolved unfavorably to you, but will take whatever action we determine to be appropriate under the circumstances. We have the right to control all administrative proceedings or litigation involving the Copyrighted Works, and we will control administrative proceedings or litigation



involving Confidential Information. If we or our affiliate undertakes the defense or prosecution of any litigation pertaining to any of the Copyrighted Works or Confidential Information, you must sign all documents and perform such acts and things as may, in the opinion of our counsel, be necessary to carry out the defense or prosecution.

All ideas, concepts, products, other items, techniques and other newly developed information or materials relating to the operation of a Store, whether or not constituting protectable intellectual property, and whether created by or on behalf of you or your owners, managers, officers, directors or employees, must be promptly disclosed to us, will be considered our property and part of the System and will be considered to be works made-for-hire for us. You and your owners must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in these ideas, concepts, techniques or materials. You will not receive any form of compensation or consideration in exchange for ideas, concepts, techniques, designs and other newly developed information relating to a Store which you develop.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE

ACTUAL OPERATION OF THE FRANCHISE BUSINESS

During the term of the Franchise Agreement, except as we otherwise approve in writing, your Key Person must devote full time and best efforts to the management and operation of the Store and the management of gasoline and car wash operations (if applicable). Your Key Person must, at all times, provide on-site supervision and management of the Store. Your Key Person and one additional employee must successfully complete all our required training, including the initial training program, for franchisees prior to opening the Store. Your Key Person does not have to be an owner of the franchisee entity.

If the franchisee is a corporation or other legal entity, all owners, including your Key Person (if an owner), must guarantee the obligations of the franchisee under the Franchise Agreement (see Guaranty, Indemnification and Acknowledgment attached as Attachment C to the Franchise Agreement), and agree to personally be bound by the confidentiality and noncompete covenants contained in the Franchise Agreement. As it is the intent that individual persons guarantee the obligations of the franchisee under the Franchise Agreement, the owners of each entity in franchisee's chain of ownership will also execute the Guaranty, Indemnification and Acknowledgment. If franchisee is one or more individuals, each individual's spouse will also be required to execute the Guaranty, Indemnification and Acknowledgment.

Any owner or Key Person not required to sign a Guaranty, Indemnification and Acknowledgment must sign a confidentiality agreement in a form we prescribe, a form of which is attached to the Franchise Agreement as Attachment E. We may in the future, but do not currently, require that your employees sign confidentiality agreements in a form acceptable to us.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the DASH IN Store premises only to operate the DASH IN Store. You must keep the DASH IN Store open and in normal operation 24 hours a day, 7 days a week, 365 days a year (including all holidays), unless we agree otherwise in writing. You must not use the premises for any other purpose or activity without first obtaining our written consent. Even though the days and times during which the DASH IN Store may be open and in operation, and the products and services that must be sold at the DASH IN Store, may conflict with and/or violate religious, ethical, or moral principles you may hold (for example, operating the DASH IN Store during a religious holiday, or serving food prohibited by certain religions), you agree, under the Franchise Agreement, to keep the DASH IN Store open and in operation in compliance with our standards.

You must sell only those, and all of the, items, products, and services, including without limitation, the

Dash In Food Stores 2023 FDD **page 22**



Approved Products, Proprietary Products, ATM services, pay telephones, and air and vacuum services, that we have expressly approved in writing and which meet our current standards as established in the Manuals or otherwise in writing. You may not sell any other kind of service or product without first obtaining our written consent. You must discontinue selling or offering for sale any items, services or products which we, in our sole discretion, disapprove in writing at any time. You must sell all of the Proprietary Products that we specify. However, while you are not required to sell all Approved Products at your DASH IN Store, you must sell products in each of the general category and class of Approved Products. Also, if permitted by government authorities, you may offer lottery games and tickets. We are a party to certain agreements for the provision of money orders, state lottery and prepaid calling cards (“Special Services Agreements”). You have the right to offer such services at the DASH IN Store pursuant to the terms of such Special Services Agreements, and, in connection therewith.

You must not use the DASH IN Store for any unlawful, offensive, hazardous, unsightly or other objectionable purpose, including, among other things, the sale or display of items with dominant themes of sex, nudity, prurient interest, or pornography, as we determine.

We have the right to establish maximum or other retail pricing requirements to the extent permitted by law.

You must participate in and offer to your customers: (1) all customer loyalty and reward programs; (2) all contests, sweepstakes and other prize promotions, and (3) gift card or stored value programs or sales promotions which we may develop periodically. We will provide you the details of each program and promotion, and you must promptly display all point-of-sale advertising and promotion-related information.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

These tables list important provisions of the Franchise Agreement. You should read these provisions in the agreement attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Term of the franchise	Article 2, Summary Page	The 10 th anniversary of the Changeover Date.
b. Renewal or extension of the term	Section 2.2	One additional, consecutive term of 10 years.
c. Requirements for franchisee to renew or extend	Section 2.2	You must provide written notice of your intent to renew, be in compliance with then-current training and operational standards, not be in breach of any agreement with us or our affiliates; execute the then-current franchise agreement (which may differ materially from original contract), pay the renewal fee, execute a general release, and conform to any required remediation.
d. Termination by franchisee	Not applicable	Not applicable.



Provision	Section in Franchise Agreement	Summary
e. Termination by franchisor without cause	Not applicable	Not applicable.
f. Termination by franchisor with cause	Section 15.1	We can terminate the Franchise Agreement if you become insolvent or make a general assignment for the benefit of creditors, if you file a petition for bankruptcy or if one is filed against you and you do not oppose it, if you are adjudicated bankrupt or insolvent, if a receiver or custodian of your assets is appointed by a court, if a final judgment remains unsatisfied for more than 30 days, if you are dissolved, if the real or personal property of the Store is sold after levy by sheriff, and others. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).
g. “Cause” defined – curable defaults	Section 15.1.3	Failure to comply with Franchise Agreement and other grounds.
h. “Cause” defined –non-curable defaults	Sections 15.1.5. and 15.1.2	Failure to open the Store within the time specified, if you lose the right to possession of the Approved Location, if you or the Key Person cease active employment at the Store, conviction of felony, threat to public safety, transfer without our consent, violation of non-competition covenants, disclosure of confidential information, maintaining or submitting false records or reports, bankruptcy, foreclosure, insolvency, or committing the same default twice in 12 months, and others.



Provision	Section in Franchise Agreement	Summary
i. Franchisee's obligations on termination/ nonrenewal	Articles 2 and 16	Cease operating the DASH IN Store, cease use of any confidential methods, procedures and techniques associated with the System, cease use of all Marks, distinctive forms, slogans, signs, symbols and devices associated with the System, cancel any assumed name or equivalent registration related to System, assign telephone numbers, payment of amounts due, de-identify the Store premises, return all leased equipment, payment for all damage, costs and expenses incurred by us in obtaining injunctive or other relief, compliance with covenants, and others. If the Franchise Agreement terminates because you have closed the Store or because of your material default, you must pay us liquidated damages calculated through the end of the franchise term.
j. Assignment of contract by franchisor	Section 14.1	There are no limits on our right to assign the Franchise Agreement.
k. "Transfer" by franchisee – definition	Section 14.2	Includes transfer of any interest in the Franchise Agreement, or any principal's interest in the franchisee, if the franchisee is a corporation or other business entity.
l. Our approval of transfer by franchisee	Sections 14.2 and 14.3	The Franchise Agreement is generally not transferrable except in such cases where Franchisee or owner of Franchisee dies or becomes disabled. In such cases, we have the right to approve the transfer.
m. Conditions for franchisor approval of transfer	Section 14.3	Execution of release by transferor and all owners; acknowledgment of post-term covenants; transferee assumes your obligations; transferee executes guaranty; transferee meets our educational, managerial, and business standards; transferee is of good moral character, business reputation, credit rating, and has adequate financial resources and capital to operate business; execution of new Franchise Agreement (the terms of which may be materially different than the terms of our current Franchise Agreement); payment of transfer fee (unless the transferee is an



Provision	Section in Franchise Agreement	Summary
		immediate family member); our approval of the transfer terms as related to the post-transfer viability of the Store; upgrade the DASH IN Store to then-current standards and specifications; and others.
n. Our right of first refusal to acquire franchisee's business	Section 14.7	We can match any offer, or the cash equivalent.
o. Our option to purchase franchisee's business	Section 14.7	See "n" above.
p. Death or disability of franchisee	Sections 14.5 and 14.6	Interest must be transferred to a third-party we have approved within six (6) months.
q. Non-competition covenants during the term of the franchise	Section 17.3.1	Includes prohibition on engaging in any other business which is the same as or similar to the DASH IN Store.
r. Non-competition covenants after the franchise is terminated or expires	Section 17.3.2	Includes a two-year prohibition similar to "q" above within a one-mile radius of the DASH IN Store or any other DASH IN Store using the System.
s. Modification of the agreement	Article 22	Must be in writing executed by both parties.
t. Integration/merger clause	Section 21.2	Only the terms contained in the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Sections 22.2 and 22.3	All disputes are subject to non-binding mediation. Any disputes not resolved through mediation are subject to binding arbitration (except for controversies involving your unauthorized use of the Marks, unauthorized use or disclosure of confidential information, or our enforcement of non-competition agreements).



Provision	Section in Franchise Agreement	Summary
v. Choice of forum	Section 22.2	We may, and you must, arbitrate only in the state and judicial district in which we have our principal place of business (subject to state law).
w. Choice of law	Section 22.1	Maryland law will apply. Claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101 *et seq.*).

ITEM 18 **PUBLIC FIGURES**

We do not use any public figures to promote our franchise.

ITEM 19 **FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jim Tisack, 102 Centennial Street, La Plata, Maryland 20646, phone (301) 542-8108, the Federal Trade Commission, and the appropriate state regulator agencies.



ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS ENDING SEPTEMBER 30, 2020, 2021, and 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	46	44	-2
	2021	44	43	-1
	2022	43	42	-1
Company-Owned	2020	12	12	0
	2021	12	12	0
	2022	12	14	+2
Totals	2020	58	56	-2
	2021	56	55	-1
	2022	55	56	+1

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS ENDING SEPTEMBER 30, 2020, 2021, and 2022

State	Year	Number of Transfers
Delaware	2020	0
	2021	0
	2022	0
Maryland	2020	8
	2021	1
	2022	2
Virginia	2020	1
	2021	0
	2022	0
Totals	2020	9
	2021	1
	2022	2



Table No. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS ENDING SEPTEMBER 30, 2020, 2021 and 2022

Outlets	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Delaware	2020	7	0	0	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
Maryland	2020	36	2	3	0	1	0	34
	2021	34	1	0	0	0	2	33
	2022	33	0	0	0	0	0	33
Virginia	2020	3	1	1	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	1 ¹	0	2
Totals	2020	46	3	4	0	1	0	44
	2021	44	1	0	0	0	2	43
	2022	43	0	0	0	1	0	42

¹Store was reacquired from franchisee and closed temporarily for remodel.

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Table No. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS ENDING SEPTEMBER 30, 2020, 2021, AND 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to franchisee	Outlets at End of the Year
Delaware	2020	2	1	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	1	0	0	0	4
Maryland	2020	8	1	0	0	1	8
	2021	8	0	0	0	0	8
	2022	8	0	0	0	0	8
Virginia	2020	2	0	0	0	1	1
	2021	1	0	0	0	0	1
	2022	1	0	1	0	0	2
Totals	2020	12	2	0	0	2	12
	2021	12	0	0	0	0	12
	2022	12	1	1	0	0	14

Table No. 5
PROJECTED OPENINGS DURING DASH IN'S
FISCAL YEAR ENDING SEPTEMBER 30, 2023

State	Franchise Agreements Signed But Outlets Not Open	Projected New Franchised Outlets in the next Fiscal Year	Projected New Company-owned Outlets in the next Fiscal Year
Virginia	0	0	2
Totals	0	0	2

The names, addresses, and telephone numbers of our franchisees as of September 30, 2022, are listed in Exhibit D to this Disclosure Document.

The names, addresses, and telephone numbers (or, if unknown, the last known home telephone number) of former franchisees who left the system who had a franchised business terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the 12-month period ending September 30, 2022, or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document are listed in Exhibit D. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have signed confidentiality clauses with one or more of our current and/or former franchisees. In some instances, current and former franchisees sign provisions restricting



their ability to speak openly about their experience with Dash In Stores. 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.

In October 2016, we created a Franchise Business Advisory Council, which is a body that we created and continue to administer. This council is unincorporated and its contact information is the same as ours. Except for this organization, we have not created, sponsored or endorsed any franchisee association, and we are not aware of any independent franchisee associations in existence for the system.

ITEM 21

FINANCIAL STATEMENTS

Attached to this franchise disclosure document as Exhibit F are consolidated financial statements as of September 30, 2022, 2021, and 2020, and the related consolidated statements of income, stockholder's equity, and cash flows for the years then ended and the related notes to the consolidated financial statements. These financial statements have been consolidated with our parent and affiliates.

Our fiscal year end is on September 30 of each year.

ITEM 22

CONTRACTS

The following contracts are attached to the disclosure document in the following order:

Exhibit A	Franchise Agreement and Attachments
	Attachment A: Leasehold Improvements, Fixtures, And Equipment
	Attachment B: Pre-Opening Report
	Attachment C: Guaranty, Indemnification, and Acknowledgement
	Attachment D: Confidentiality Agreement
Exhibit B-1	Dash In Lease
Exhibit B-2	Management Fee Agreement
Exhibit C	Car Wash Agreement
Exhibit G	General Release Agreement (Sample Form)

ITEM 23

RECEIPTS

The last page of this disclosure document (following the exhibits and attachments) is a document acknowledging receipt of this disclosure document by you. One copy of the document is for you and one is for Dash In Food Stores, Inc. Included in the receipt is the name, address and telephone number of our franchise seller.



STATE APPENDIX TO DISCLOSURE DOCUMENT

Maryland- Addendum to the Disclosure Document

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. Item 17.h. is modified to also provide, “The provision in the Franchise Agreement that provides that we may terminate the agreement upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).”
3. Item 17.u. is modified to also provide, “A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”
4. Item 17.v. is modified to also provide, “Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”



Maryland – Addendum to the Franchise Agreement

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

2. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

FRANCHISEE:

[Entity Name]

By:

Name:

Title:

Date:

FRANCHISOR:

Dash In Food Stores, Inc.

By:

Name:

Title:

Date:

New York- Addendum to the Disclosure Document

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT 1 OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NYS DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, N.Y. 10005.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE SET THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

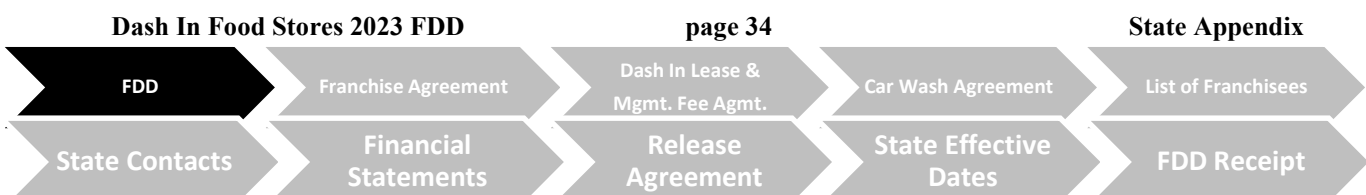
Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.



3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The Initial Franchise Fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

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

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum,”** and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.



Virginia- Addendum to the Disclosure Document

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17: Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any rights given to him by any provision contained in the franchise.

This provision supersedes any conflicting provisions in the Disclosure Document.



EXHIBIT A
FRANCHISE AGREEMENT





**DASH IN FOOD STORES, INC.
FRANCHISE AGREEMENT**

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page i

Franchise Agreement Cover Page

FDD

Franchise Agreement

Dash In Lease &
Mgmt. Fee Agmt.

Car Wash Agreement

List of Franchisees

State Contacts

Financial
Statements

Release
Agreement

State Effective
Dates

FDD Receipt

FRANCHISE AGREEMENT

SUMMARY PAGE

EFFECTIVE DATE: «Prepare _Date»

FRANCHISEE: «Entity Name»

RESIDENCE OR FORMATION: _____

TYPE OF ENTITY: _____

ADDRESS FOR NOTICES: _____

Telephone: _____

Email: _____

STORE NAME: «dba»

STORE NUMBER: «Loc»

APPROVED LOCATION: «Address» «City» «County», «State» «Zip»

KEY PERSON: _____

CHANGEOVER DATE: «Changeover _Date»

EXPIRATION DATE: «Contract _End»

INITIAL FRANCHISE FEE: \$25,000

DASH IN CHARGE: 30% of Gross Profit, or as adjusted pursuant to Section 4.2.3.

INITIAL DEPOSIT TO OPEN ACCOUNT: \$10,000 (refer to Section 4.3)

FRANCHISEE'S OWNERS: The following is a list of all shareholders, partners, members, or other investors owning a direct or indirect interest in Franchisee and a description of the nature of their interest:

Name	Address	Ownership
		%
		%
		%
		%

**IMMEDIATE FAMILY MEMBERS
IN ORDER OF PRIORITY:**

(refer to Section 14.2)

- 1) _____
- 2) _____
- 3) _____

Franchisor Initial

Franchisee Initial

Dash In Food Stores 2023 FDD

page i

Franchise Agreement Summary Page

FDD

Franchise Agreement

Dash In Lease &
Mgmt. Fee Agmt.

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FRANCHISE AGREEMENT

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ATTACHMENTS

ATTACHMENT A:	LEASEHOLD IMPROVEMENTS, FIXTURES, AND EQUIPMENT
ATTACHMENT B:	PRE-OPENING REPORT
ATTACHMENT C:	GUARANTY, INDEMNIFICATION AND ACKNOWLEDGMENT
ATTACHMENT D:	FORM OF CONFIDENTIALITY AGREEMENT
ATTACHMENT E:	TELEPHONE LISTING AGREEMENT



DASH IN FOOD STORES, INC.
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into on the “**Effective Date**”), by and between Dash In Food Stores, Inc., a Maryland corporation with its principal offices at 102 Centennial Street, La Plata, Maryland 20646 (the “**Franchisor**”), and the Franchisee identified in the Summary Page.

RECITALS:

A. Franchisor owns a distinctive format and system (the “**System**”) relating to the establishment and operation of convenience stores (“**DASH IN Stores**”) that operate under the Marks (as defined below) and are primarily engaged in the sale of quality branded products that use our DASH IN Marks (as defined below) (the “**Proprietary Products**”) as well as other food and beverage items, tobacco, and, in some stores, beer, wine, state-approved lottery games (if authorized by governmental authorities), ATM services, and other products approved by Franchisor for sale in DASH IN Stores, all that must be made, offered and sold in accordance with Franchisor’s System (collectively, the “**Approved Products**”).

B. The distinguishing characteristics of the DASH IN Stores and System include, without limitation, distinctive interior and exterior décor, color scheme, and design; uniform standards, specifications, procedures for management, operations, and inventory control; and training and assistance; all of which may be changed, improved, and further developed by Franchisor from time to time.

C. Franchisor identifies the DASH IN Stores by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the mark “DASH IN”, “DASH IN (and design)” “LIFE . . . MADE BETTER”, and such other trade names, service marks, and trademarks as are now designated (and may hereinafter be designated by Franchisor in writing) for use in connection with the DASH IN Stores (the “**Marks**”). The Marks may also include “DASH IN, SPLASH IN” or “DASH IN” for car wash services and/or other marks as specified by Franchisor. Franchisor continues to develop, use, and control the use of the Marks in order to identify for the public the source of products and services marketed thereunder and at DASH IN Stores, and to represent Franchisor’s high standards of quality, appearance, and service.

D. Franchisor operates Dash In Stores and franchises the right for others to operate DASH IN Stores (each, a “**Franchised Store**” and collectively, the “**Franchised Stores**”).

E. Franchisee understands and acknowledges the importance of Franchisor’s high standards of quality, cleanliness, appearance, and service, has read and understands Franchisor’s mission statement, and understands Franchisor’s goals for providing good customer service and value to customers, and the necessity of operating the business hereunder in conformity with Franchisor’s standards and specifications.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, and for other good and valuable consideration which is deemed to be sufficient, hereby agree as follows:

1. GRANT

1.1. Grant. Franchisor grants to Franchisee the right, and Franchisee undertakes the obligation, to operate a Franchised Store under the Marks at the location specified in the Summary Page (the “**Approved Location**”).

1.2. Limited Grant. Franchisee’s rights under this Agreement are limited to offering and selling Approved Products from the Approved Location to retail customers for personal use or consumption, and not for wholesale distribution or resale and not for sale through any other channel of distribution, including,



without limitation, through any Website (as defined herein) or any third-party application. Franchisee shall not, without the prior written approval of Franchisor, engage in any other type of sale or distribution of Approved Products or any other products at or from the Approved Location, or under the Marks. Franchisee's rights under this Agreement are limited to the sale of Approved Products at the Approved Location, and Franchisor does not grant Franchisee any protected territory, territorial rights, or exclusivity hereunder. If approved, Franchisor reserves the right to restrict the methods by which Franchisee offers Approved Products through a Website or third-party application.

1.3. **Retained Rights.** Except for the rights granted to Franchisee under Section 1.2, during the term of this Agreement, Franchisor and its affiliates retain the rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Franchisee any rights therein: **(a)** to use and to license others to use, the System and the Marks for the operation of convenience stores, which stores and marks may be the same as, or similar to, or different from the Franchised Store, at any location other than the Approved Location, without regard to the proximity of such stores to the Franchised Store, or the impact that such stores might have on Franchisee's sales; **(b)** to operate or license others to operate convenience stores or other businesses, under any name or mark, other than the Marks, notwithstanding such convenience store's or other business' proximity to the Approved Location; **(c)** to use and license others to use the Marks in connection with the operation of other businesses, other than DASH IN at any location, notwithstanding such stores' proximity to the Approved Location; **(d)** to sell and distribute directly or indirectly, or to license others to sell and to distribute directly or indirectly, any products under the Marks or other names or marks, from any location, to any purchaser by any method or channel of distribution, other than through retail convenience store sites at the Approved Location (including, without limitation, the Internet, wholesale venues, or supermarkets), **(e)** to advertise, promote and market DASH IN Stores, or the Marks, in any medium or media, and to any prospective customers, wherever they may be located, and **(f)** to acquire or merge with any existing business located anywhere and operate that business using the Marks and System.

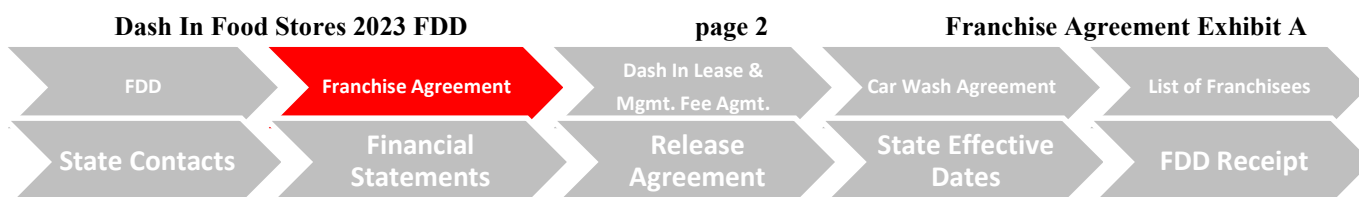
2. TERM AND RENEWAL

2.1. **Initial Term.** The initial term of this Agreement is for the lesser of 10 years from the Changeover Date (defined in Section 5.1 below). The initial term of this Agreement will begin on the Effective Date, and unless sooner terminated in accordance with the provisions hereof, shall expire on the date set forth in the Summary Page. Franchisee shall not commence operation of the Franchised Store until the Changeover Date, and only if Franchisee has completed all of the pre-opening obligations as specified herein or in the Manuals.

2.2. **Renewal Term.** Franchisee, at its option, may enter into one (1), consecutive successor franchise agreement for a term equal to 10 years or, if when this Agreement expires, Franchisor leases the Approved Location premises from a third party, for the term of the successor lease term, whichever is shorter. Franchisor shall have the sole and absolute right to require that any or all of the following conditions must be met prior to each renewal:

2.2.1. Franchisee shall give Franchisor written notice of Franchisee's election to renew not less than fifteen (15) months nor more than 18 months prior to the end of the Initial Term;

2.2.2. Franchisee shall not be in default of any provision of this Agreement, or any other agreement between Franchisee and Franchisor or its affiliates and Franchisee shall have complied substantially with all the terms and conditions of this Agreement, other agreements between Franchisor and Franchisee and have satisfied all monetary obligations Franchisee owes Franchisor, its affiliates, and our approved/designated suppliers and vendors;



2.2.3. Franchisor shall, within six (6) months following receipt of Franchisee's notice specified in Section 2.2.1 hereof, conduct a review and evaluation of Franchisee's operation of the Franchised Store, and provide to Franchisee a written report that includes any problems, deficiencies, or defaults in, or related to, Franchisee's operation and maintenance of the Franchised Store, which report shall include a description of remedial measures that Franchisee shall undertake to bring the Franchised Store and Franchisee's operation of the Franchised Store into compliance with Franchisor's then-current standards. Franchisee shall undertake such remedial measures as directed by Franchisor to cure such deficiencies and shall complete such remedial actions by no later than six (6) months following Franchisor's delivery of such report. Franchisee may be required, as part of its remediation efforts, to make or provide for, in a manner satisfactory to Franchisor, such maintenance of the Franchised Store as Franchisor may reasonably require, and Franchisee and its personnel shall attend and satisfactorily complete Franchisor's then-current training requirements and comply with Franchisor's then-current operational requirements;

2.2.4. Franchisee shall execute and deliver to Franchisor its then-current form of franchise agreement, which may materially differ from this Agreement;

2.2.5. Franchisee shall pay to Franchisor the renewal fee in an amount equal to 50% of our then-current initial franchise fee; and

2.2.6. Franchisee, guarantors, and, if Franchisee is a corporation or other business entity, each person holding an equity interest in Franchisee ("**Franchisee's Principal**" or "**Principal**") shall execute a general release, in a form prescribed by Franchisor, by which Franchisee releases Franchisor from any and all claims Franchisee and Franchisee's Principals may have against Franchisor, its affiliates, and their respective officers, directors, agents, and employees.

3. FRANCHISOR'S DUTIES

3.1. Site Control; Site Plans. Prior to or in connection with the execution of this Agreement, Franchisor shall acquire, by purchase or lease, the right to operate the Franchised Store and a motor fuel retail business at the Approved Location, with the right to sublease and to permit Franchisee to operate the Franchised Store in accordance with this Agreement. In addition, Franchisor shall provide, at no charge to Franchisee, certain of Franchisor's plans and specifications for the design and configuration of the Franchised Store, to which Franchisee must adhere. . Such plans shall be utilized by Franchisee during the operation of Store and Franchisee shall not alter the look, trade dress or operation of Store from the plans, without Franchisor's prior written consent.

3.2. Manuals. Franchisor shall provide Franchisee, at no charge to Franchisee, on loan, one copy of the confidential operations manuals and other manuals, instructional materials, and written policies and correspondence (collectively, the "**Manuals**"), as more fully described in Article 11 hereof.

3.3. Training. Prior to the Changeover Date, Franchisor shall provide, at no charge to Franchisee, initial training as set forth in Article 6 for up to two (2) individuals, one of whom shall be the Key Person (defined in Section 5.3 below).

3.4. Establishment of the Franchised Store; Fixtures, Equipment and Leasehold Improvements. In connection with the construction and development of the Franchised Store, Franchisor shall purchase and install at the Franchised Store such fixtures, equipment, and leasehold improvements that Franchisor, in its sole discretion, specifies as required for the establishment and/or operation of DASH IN Stores. Such fixtures, equipment, and leasehold improvements may include, without limitation, cash registers; the Computer System (defined below); equipment for the storage and display of food, beverages, and other products; fixtures; and signage. Franchisor's current requirements for fixtures, equipment, and leasehold improvements for the establishment of Stores, and the allocation of expenses for these items as between



Franchisor and Franchisee, are set forth in Attachment A to this Agreement and in the Manuals. These requirements may be revised by Franchisor from time to time upon 90 days' prior written notice to Franchisee. Said fixtures, equipment, and leasehold improvements shall be solely owned by Franchisor and Franchisee shall receive no ownership interest in said items pursuant to this Agreement or otherwise.

3.5. Franchised Store Maintenance. Franchisor shall arrange for, or ensure arrangement of, the provision of the following services and supplies to be offered at, or utilized in connection with the operation of, the Franchised Store by it or a designated third party: credit card and credit processing services; environmental services; landscape services; communications connections and access; security services including mechanical/surveillance security devices and security personnel; bookkeeping and payroll services; monthly and permanent point-of-purchase materials; certain equipment maintenance services as described in Section 7.8.; lighting maintenance services, and such other services and supplies as Franchisor deems appropriate, in its sole discretion. The cost of such services and supplies shall be paid by the responsible party, as provided in Section 4.9.

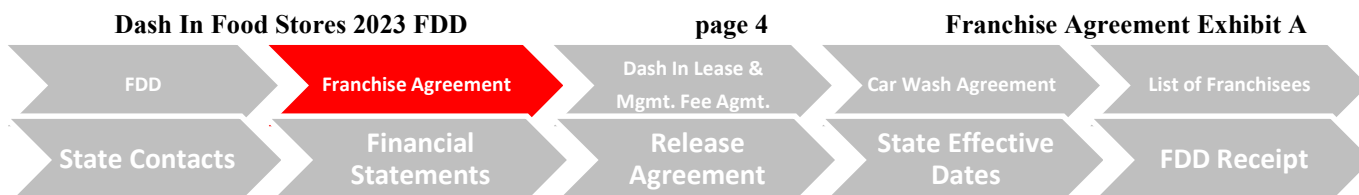
3.6. Initial Inventory, Supplies and Cash Register Fund. Franchisee shall pay Franchisor, and Franchisor shall pay the applicable vendor on Franchisee's behalf for an initial inventory of Approved Products, store supplies and the initial cash register fund. The applicable supplier shall deliver the subject Approved Products and store supplies in accordance with its terms as scheduled by Franchisee. The purchase price for initial inventory and store supplies shall be established by Franchisor, and shall represent Franchisor's approximate cost of goods. The purchase price for the cash register fund shall be the actual amount on the fund on the Changeover Date. Payment for the inventory, supplies and the cash register fund shall be due on the Changeover Date.

3.7. Opening Assistance. Following the Changeover Date, Franchisor shall provide to Franchisee such on-site opening supervision and assistance as Franchisor deems advisable at Franchisor's cost. This on-site supervision shall not exceed two (2) weeks in duration.

3.8. Lease Payments; Property Taxes. Franchisor shall pay the rent and other payments due as the owner or the lessee of the Approved Location, including real estate/property taxes.

3.9. Inspections. Franchisee understands the importance of maintaining the high standards of quality, appearance, service, and sanitation of the DASH IN Stores, and to that end, Franchisor or its designee, which may be an unrelated third party, may conduct, as it deems advisable, periodic inspections of the Franchised Store and may provide reporting procedures regarding the inspections and Approved Products sold and services rendered at the Franchised Store. Franchisee shall implement any guidance provided by Franchisor or its designee in the reporting procedures within the time period outlined therein. If Franchisee receives an unsatisfactory report from any inspection of its Franchised Store, and Franchisor deems it necessary, in its sole discretion, to conduct a second inspection regarding said unsatisfactory report, Franchisee shall reimburse Franchisor for the costs it incurs in connection with said second audit. The reimbursement will be withdrawn from the Open Account upon demand by Franchisor to Franchisee.

3.10. Continuing Advice. Franchisor shall provide to Franchisee periodic and continuing advisory assistance, as Franchisor deems advisable, as to the operation of the Franchised Store, including required and/or suggested inventory of the Approved Products, required and/or approved suppliers or sources of inventory, additional or replacement suppliers or sources of inventory and equipment, new developments in Approved Products and promotional programs, and suggested retail prices, including, without limitation, maximum pricing.



4. FEES AND PAYMENTS

4.1. Initial Franchise Fee. Upon execution of this Agreement, Franchisee shall pay to Franchisor the initial franchise fee that is set forth in the Summary Page.

4.2. Dash In Charge.

4.2.1 During the initial term of this Agreement, Franchisee shall pay Franchisor the Dash In Charge in the amount set forth in the Summary Page of this Agreement.

4.2.2 “**Gross Profit**,” for purposes of calculating the Dash In Charge and for all other purposes of this Agreement, means all revenue from the sale of all products and services sold from the Franchised Store, including, without limitation, Approved Products, and all other income of every kind and nature related to, derived from, or originating from the Franchised Store, whether for cash or credit, and regardless of collection in the case of credit, less: **(a)** the actual cost of the goods sold at or from the Franchised Store; **(b)** any sales taxes or other taxes collected from customers and actually transmitted to the appropriate taxing authorities; and **(c)** the lottery revenues collected from the customers and transmitted to the appropriate lottery authorities.

4.2.3 If the entire Franchised Store, including, without limitation, the kitchen of the Franchised Store, is not open and in operation 24 hours a day, seven days a week, 365 days a year, which whether or not Franchisee has received Franchisor’s permission to limit the Franchised Store’s hours of operation, the Dash In Charge shall be adjusted as set as set out in the chart below, for the entire month in which the Franchised Store operated less than 24 hours a day, seven days a week.

Hours of Operation (per day)	Dash In Charge
Greater than 20 hours, but less than 24 hours	32%
Greater than 15 hours, but equal to or less than 20 hours	34%
Greater than 12 hours, but equal to or less than 15 hours	36%
Less than 12 hours	38%

4.2.4 If a state or local law in the area in which the Franchised Store is located prohibits or restricts in any way the ability of Franchisor to collect the Dash In Charge, or other amounts, derived from the sale of alcoholic beverages offered at the Franchised Store, then the Dash In Charge shall increase, at Franchisor’s election, by five percentage points (e.g., the Dash In Charge will increase to 35% of Gross Profit if the Franchised Store operates on a 24-hour basis). If a state or local law in the area in which the Franchised Store is located prohibits or restricts in any way the ability of Franchisor to collect the Dash In Charge, or other amounts, derived from the sale of lottery tickets or other products or services offered at the Franchised Store, then Franchisor may adjust the Dash In Charge, and other provisions, in its sole discretion to provide the same basic economic effect to both Franchisor and Franchisee as otherwise provided in this Agreement, with a corresponding change to the definition of Gross Profit.

4.3. Open Account. In connection with, and as part of, the bookkeeping and other records maintained by Franchisor on behalf of the Franchised Store, Franchisor shall establish and maintain an open account for Franchisee (the “**Open Account**”). Upon execution of this Agreement, Franchisee shall pay Franchisor Ten Thousand Dollars (\$10,000), which amount shall represent Franchisee’s Initial Deposit (the “**Initial Deposit**”). The Initial Deposit shall be credited to Franchisee’s Open Account, but may be commingled with other similar funds from other franchisees and with Franchisor’s other monies and funds. The Initial Deposit shall represent the required minimum credit balance in the Open Account (“**Required Minimum Credit Balance**”). Franchisee shall maintain the Required Minimum Credit Balance of Ten Thousand Dollars (\$10,000) in the Open Account at all times during the term of this Agreement. Franchisor reserves

Dash In Food Stores 2023 FDD

page 5

Franchise Agreement Exhibit A

FDD

Franchise Agreement

Dash In Lease &
Mgmt. Fee Agmt.

Car Wash Agreement

List of Franchisees

State Contacts

Financial
Statements

Release
Agreement

State Effective
Dates

FDD Receipt

the right to increase the Required Minimum Credit Balance in the Open Account each year during the term of this Agreement, provided that each such increase shall not be more than Two Thousand Five Hundred Dollars (\$2,500), upon 30 days' notice to Franchisee. On a monthly basis, Franchisor shall deduct from the Franchisee's Open Account the Dash In Charge and other amounts described in Section 4.5. Franchisor may also deduct from Franchisee's Open Account monies owed to Franchisor under any other agreement Franchisee, or its affiliate, has entered into with Franchisor. Except as provided in Section 6.1 below, the Initial Deposit is non-refundable.

4.4. Use of Funds in Open Account. Franchisor shall use monies in the Open Account to make payments on Franchisee's behalf for Franchisee's designated expenses for the Franchised Store, including, without limitation, to vendors, suppliers of products to the Franchised Store (including any minimum order requirements across the System), and for other expenses of Franchisee (including, but not limited to, certain maintenance and repairs that are the responsibility of Franchisee; payroll costs for Franchisee's employees, including taxes, workers' compensation insurance, and benefits; janitorial, laundry and waste hauling expenses; and insurance). Franchisee shall be responsible for stocking, and shall pay for, all inventory and other products and services offered for sale in or from the Franchised Store, provided, however, that Franchisor shall make such payments for inventory on behalf of Franchisee utilizing Franchisee's funds available in the Open Account. The Franchisee Draw, Excess Draw (both defined below), other expenses, and amounts owed by Franchisee to Franchisor shall be debited to the Open Account. Revenues received and deposited into the Designated Bank Account(s) (defined below) that are not allocated or utilized for other purposes, as described herein and in the Manuals, and any amounts due by Franchisor to Franchisee, shall be credited to the Open Account in accordance with this Agreement, Franchisor's policies, and the Manuals.

4.5. Replenishment of Open Account; Penalty Fee. Franchisor shall establish and maintain Franchisee's Open Account as described in Sections 4.4 and 4.5 above. Franchisee shall maintain at least the Required Minimum Credit Balance in the Open Account. If, in any particular month, the amount Franchisor pays on Franchisee's behalf exceeds the amount available in Franchisee's Open Account causing Franchisee to have a negative balance in the Open Account or otherwise owe Franchisor any money hereunder, Franchisee shall promptly replenish the Open Account so that it contains at least the Required Minimum Credit Balance and any other amounts due to reimburse Franchisor. Should the condition above cause Franchisee to have a negative balance in its Open Account or otherwise owe Franchisor any money as of the end of a calendar month, then, in addition to replenishing the Open Account and/or reimbursing Franchisor, Franchisee shall pay a penalty fee based on the amount in the Open Account and other amounts owed to Franchisor below \$0 as follows:

Amount Below 0 (\$)	Monthly Fee (\$)
0 - 10,000	100
10,001 - 20,000	200
20,001 - 30,000	300
30,001 - 40,000	400
40,001 - 50,000	500
50,001 - 60,000	600
60,001 - 70,000	700
70,001 - 80,000	800

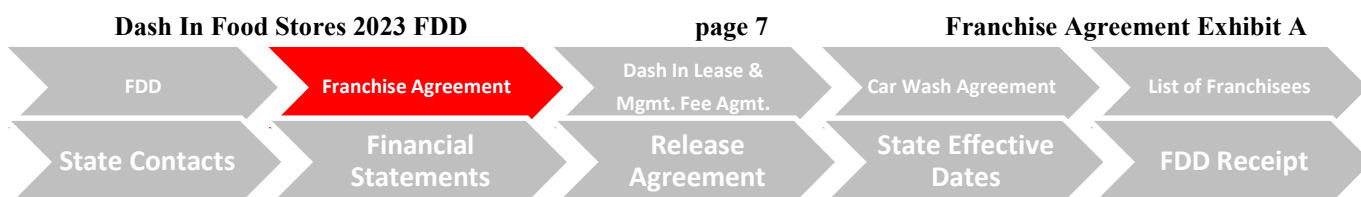


80,001 - 90,000	900
90,001 - 100,000	1,000
100,001 - 110,000	1,100
110,001 - 120,000	1,200
120,001 - 130,000	1,300
130,001 - 140,000	1,400
140,001 - 150,000	1,500
150,001 - 160,000	1,600
160,001 - 170,000	1,700
170,001 - 180,000	1,800
180,001 - 190,000	1,900
190,001 - 200,000	2,000

Franchisee may avoid penalty fees at any time by increasing Franchisee's balance in the Open Account to the Required Minimum Credit Balance and paying Franchisor any amounts due before the end of the calendar month. Franchisor shall not be obligated to pay interest to Franchisee for the credit balance in the Open Account at the end of any month.

4.6. Designated Bank Account(s). Franchisor shall establish and maintain one or more bank accounts for the Franchised Store and other DASH IN Stores operating under the System (the “**Designated Bank Account(s)**”). Franchisee shall deposit the Franchised Store's daily receipts into the Designated Bank Account. Franchisor may commingle funds of more than one franchisee, more than one DASH IN Store, and/or Franchisor in one or more such accounts, and Franchisor shall maintain records of Franchisee's deposits into, and Franchisor's withdrawals or debits from, the Designated Bank Account(s). The principal purposes of the Designated Bank Account(s) are to serve as: *(a)* an account for the deposit of revenues received from the Franchised Store and all other revenues received at, or by Franchisee in conjunction with the operation of the Franchised Store (as described in Section 4.9 below); and *(b)* an account from which Franchisor shall charge transactions involving Franchisee and the Franchised Store, transfer funds to Franchisee, Franchisor, the Open Account, and/or pay the expenses of and accounts payable of Franchisee, Franchisor and the DASH IN Stores, subject to the rules, requirements, and minimum deposits set forth by Franchisor in this Agreement, the Manuals, or otherwise in writing. Franchisor may use the monies in the Designated Bank Account(s) to credit the Open Account in accordance with the terms of Section 4.5 hereof, and to pay Franchisor's designated expenses hereunder, as described in Articles 3 and 7 hereof. Franchisee shall not disclose account information for the Open Account or Designated Bank Account to any third parties, including, without limitation, any of the Approved Suppliers or other suppliers or vendors of the Franchised Store.

4.7. Franchisee's Draw. Provided that Franchisee is not in default under this Agreement, Franchisor shall remit to Franchisee, from any funds available to Franchisee in the Open Account, on a schedule determined by Franchisor, a draw against Franchisee's Open Account in an amount not to exceed the amount set forth in the Summary Page (“**Franchisee Draw**”). Franchisor shall provide Franchisee a monthly and quarterly accounting of the Franchisee Draw. Franchisor may, in its sole discretion, and after



written request from Franchisee, remit to Franchisee an amount greater than the Franchisee Draw (the “**Excess Draw**”). Franchisor shall reconcile all Franchisee Draw payments, Excess Draw payments and Franchisee’s Open Account each month.

4.8. Deposits, Bookkeeping and Records. Each day during the term hereof, Franchisee shall deposit into the Designated Bank Account(s) all revenues received at or from the Franchised Store on the previous day, exclusive of revenue which, under state or local law, may not be shared between Franchisor and Franchisee (as discussed in Section 4.8 below). Franchisor shall provide monthly and annual accounting statements to Franchisee of expenses incurred, paid, and payable, of the Designated Bank Account(s) associated with the Franchised Store, the Open Account, and the Dash In Charge, and such other information as Franchisor, in Franchisor’s sole discretion, may provide.

4.9. Effect of State and Local Laws. If a state or local law in the area in which the Franchised Store is located prohibits or restricts in any way the ability of Franchisor to collect the Dash In Charge, or other amounts, derived from the sale of alcoholic beverages offered at the Franchised Store, then the Dash In Charge shall increase, at Franchisor’s election, by five (5) percentage points (*e.g.*, the Dash In Charge will increase to 35% of Gross Profit if the Franchised Store operates on a 24-hour basis). If a state or local law in the area in which the Franchised Store is located prohibits or restricts in any way the ability of Franchisor to collect the Dash In Charge, or other amounts, derived from the sale of lottery tickets or other products or services offered at the Franchised Store, then Franchisor may adjust the Dash In Charge, and other provisions, in its sole discretion to provide the same basic economic effect to both Franchisor and Franchisee as otherwise provided in this Agreement, with a corresponding change to the definition of Gross Profit.

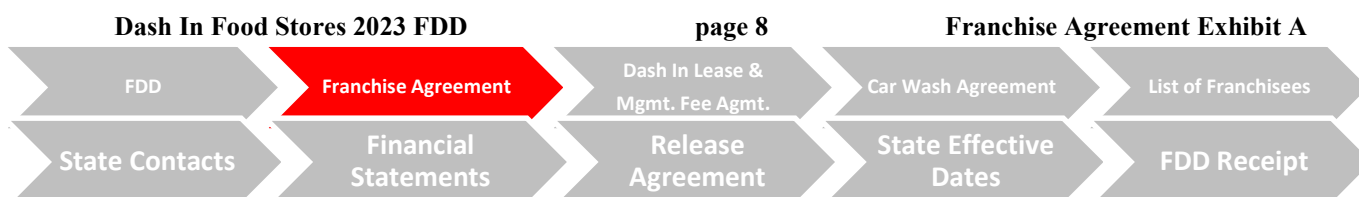
4.10. Franchisee’s Ongoing Expenses; Allocation of Costs.

4.10.1. Franchisee shall pay 70%, and Franchisor shall pay 30% of all utility costs (such as electric, water/sewer, and gas, propane, heating oil (as applicable)).

4.10.2. Franchisor shall be responsible and shall pay the following expenses: **(a)** lease and real estate payments and real estate taxes; **(b)** all costs relating to maintaining Motor Fuels dispensing equipment; **(c)** all costs relating to maintaining canopy lighting and the Motor Fuels price panel; **(d)** all costs relating to maintaining the Franchised Store’s HVAC System; **(e)** the cost of all bookkeeping and payroll services provided to Franchisee under the terms of this Agreement; **(f)** the cost of all point-of-purchase materials; **(g)** the cost of one audit per calendar quarter; **(h)** credit card expenses; **(i)** check cashing fees; and **(j)** the cost of installing and maintaining three telephone data lines.

4.10.3. Subject to Section 4.10.4. below, Franchisee shall be responsible for and shall pay all other expenses necessary to maintain and operate the Franchised Store in accordance with the terms of this Agreement including, without limitation, **(a)** personal property taxes, **(b)** facility maintenance costs, such as electrical, plumbing, and sewer (excluding HVAC system), **(c)** exterior facility maintenance costs, such as snow removal, lawn maintenance, and landscaping (any mandatory maintenance or service programs), **(d)** equipment maintenance costs, **(e)** the cost of obtaining and maintaining necessary business and health permits and licenses, **(f)** employee payroll, payroll taxes, **(g)** inventory and supply expenses, **(h)** insurance premiums for general liability, property, employment practices, and all other insurance coverages, **(i)** bad debt, and cash and inventory variation costs, and **(j)** other expenses described in Section 3.5.

4.10.4. If from time to time, Franchisor prescribes any mandatory maintenance or service programs concerning areas for which Franchisee is fiscally responsible (such as equipment maintenance, landscaping, etc.,) Franchisee shall pay 70% of mandatory program costs and Franchisor shall pay 30% of mandatory program.



4.11. Administrative Enforcement Fee. Upon any breach of, or event of default under, this Agreement, Franchisee shall pay to Franchisor a One Hundred Fifty Dollars (\$150) administrative fee to reimburse Franchisor for expenses, administrative, legal, or otherwise, incurred with respect to such breach or default, and not as a penalty. This Administrative Enforcement Fee shall be imposed in addition to, and not in lieu of, any other right or remedy available under this Agreement or applicable law.

5. OPENING OF STORE; FRANCHISOR'S RIGHT TO REBUILD AND REMODEL

5.1. Date of Opening. Franchisor and Franchisee shall mutually agree upon the date upon which the Franchised Store will open for business as a DASH IN Store (the "**Changeover Date**"), which date shall be specified in the Summary Page to this Agreement. Franchisor shall have the right to extend the Changeover Date, in its sole discretion, if the Franchised Store is not ready to open due to circumstances beyond the control of Franchisee.

5.2. Pre-Opening Requirements. Franchisor shall prepare and provide to Franchisee, a pre-opening report, in a form substantially similar to the model report attached hereto as Attachment B, which shall describe many of Franchisee's pre-opening obligations and procedures that must be followed. Franchisee shall complete all pre-opening requirements set forth on the pre-opening report, and under this Agreement, before opening the Franchised Store, and shall comply with Franchisor's pre-opening guidelines and instructions. Prior to Franchisee commencing operations of the Franchised Store pursuant to this Agreement, Franchisor shall conduct a pre-opening inspection and evaluation of the Franchised Store facilities and Franchisee's and its employees' operating abilities and standards. Franchisee shall not open for business under this Agreement until Franchisor has provided its written approval.

5.3. Key Person. Franchisee shall designate and retain an individual to serve as Franchisee's Key Person. The Key Person as of the date of this Agreement is identified in the Summary Page. Unless waived in writing by Franchisor, the Key Person shall meet all of the following qualifications: *(a)* the Key Person, at all times, shall have full control over the day-to-day activities of the Franchised Store, including, without limitation, the Franchised Store's operations; *(b)* the Key Person shall devote full time and best efforts to supervising the operation of the Franchised Store (and any other DASH IN Stores owned and operated by Franchisee pursuant to a valid franchise agreement with Franchisor) and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitment; *(c)* the Key Person shall successfully complete the initial training program and any additional training (including food safety training) required by Franchisor; and *(d)* Franchisor shall have approved the Key Person as meeting its then-current qualifications for such position, and shall not have later withdrawn such approval. If the Key Person ceases to serve in, or no longer qualifies for, such position, Franchisee shall designate another qualified person to serve as Franchisee's Key Person within 30 days after the date the prior Key Person ceases to serve or no longer qualifies to serve. Any proposed replacement Key Person must successfully complete the initial training program and such other training (including food safety training) required by Franchisor before assuming his or her position as Key Person. Franchisee shall require that the Key Person execute a form of confidentiality agreement approved by Franchisor prior to receipt of any of Franchisor's Confidential Information, a template form of which is attached as Attachment D hereto, and shall provide said executed document to Franchisor upon its request.

5.4. Franchisor's Right to Rebuild and Remodel. At any time during the term of this Agreement, Franchisor may elect to demolish and rebuild, or to remodel, the Franchised Store. During the rebuild or remodel, this Agreement will remain in full force and effect, provided, however, that Franchisee will not be obligated to operate the Franchised Store as required under Section 1.1 and Franchisor will amend this Agreement to add to the current term the number of days which Franchisee was required to cease operations of the Franchised Store as a result of the rebuild or remodel. Franchisor is not obligated to make any payment to compensate Franchisee for Franchisee's losses, including loss of revenue, during the rebuilding



or remodeling described in this Article 5. Franchisor will be responsible for all costs and expenses related to the rebuild or remodel.

6. TRAINING

6.1. Initial Training. Prior to opening the Franchised Store, the Key Person and one employee of Franchisee (which employee must be approved in advance by Franchisor) or, if two (2) individuals sign this Agreement both individuals, shall attend and successfully complete, to Franchisor's satisfaction, the initial training program offered by Franchisor at a location designated by Franchisor. Franchisor may, at its option, terminate this Agreement if the Key Person or Franchisee's employee fails to satisfactorily complete the initial training program. In such event, and if Franchisee executes a general release, in a form prescribed by Franchisor by which Franchisee releases any and all claims it has against Franchisor and its affiliates, and their respective successors, assigns, directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement and any other agreement between Franchisee and Franchisor or its affiliates, Franchisor shall refund to Franchisee: **(a)** 50% of the initial franchise fee paid; and **(b)** the Initial Deposit, less any funds actually expended by Franchisor for initial or pre-opening operating expenses. If, for any reason, changeover fails to take place, Franchisee shall reimburse Franchisor for the cost of pre-opening expenses. In the event that the Key Person ceases active management of the Franchised Store (which event shall be a default under this Agreement), and Franchisor does not terminate this Agreement, Franchisee shall enroll a qualified replacement who is acceptable to Franchisor in Franchisor's training program reasonably promptly following cessation of employment of said individual. The new Key Person shall attend and complete the initial training program as soon as is practicable.

6.2. Additional Training. The Key Person, and/or other employees of Franchisee, shall attend such refresher courses, seminars, and other training programs as Franchisor may reasonably require from time to time. Franchisor may, from time to time, increase or decrease the number of employees required to attend and successfully complete training.

6.3. Training Costs. Franchisor shall provide, at no cost to Franchisee, instructors and materials for the initial and all refresher training required under this Agreement (except training of replacements for the Key Person, for which Franchisor may assess a reasonable per diem training charge, in the event Franchisee requests, or is required by Franchisor, to send more than one replacement Key Person to attend a replacement initial training program in any calendar year). Franchisee shall bear the cost of all other expenses for the Key Person and others with respect to all training hereunder, including, without limitation, the costs of transportation, lodging, meals, wages, and worker's compensation insurance. Franchisee and its employees may be required to comply with certain federal, state, and/or local operating requirements related to, among other things, food service operations and environmental issues, and may be required to attend training classes or obtain certifications. All training and classes required by or performed by third parties and/or government agencies shall be undertaken at Franchisee's sole cost and expense. Franchisor shall not be responsible for the cost of any training programs not conducted by Franchisor or its staff.

7. OPERATOR'S DUTIES

7.1. System Standards. Franchisee understands and acknowledges that every detail of operating a DASH IN Store is important to Franchisor, Franchisee, and other owners and operators of such DASH IN Stores in order to develop and maintain high operating standards, to increase the demand for the services and products sold at DASH IN Stores, and to protect Franchisor's reputation and goodwill.

7.2. Store Premises. Franchisee shall **(a)** use the Franchised Store premises solely for the operation of the business authorized hereunder; **(b)** keep the business open and in normal operation for 24 hours a day, seven (7) days a week, 365 days a year, including all holidays, except as Franchisor may otherwise approve



in writing; and (c) refrain from using or permitting the use of the Approved Location for any other purpose or activity at any time without first obtaining the written consent of Franchisor. Franchisee acknowledges and agrees that the days and times in which the Franchised Store must be open and in operation, and the products and services that must be offered from the Franchised Store, may not be consistent with, may conflict with, and/or may violate certain religious, ethical or moral principles, beliefs or practices of Franchisee, including for example, operating the Franchised Store during a religious holiday, or serving certain foods that are not permitted under certain religions. Franchisee agrees that it shall ensure that the Franchised Store shall remain open and in operation in compliance with Franchisor's standards, but may be staffed by employees at such times to avoid conflicts with Franchisee's religious, ethical or moral beliefs.

7.3. **Staffing.** Franchisee shall (a) maintain a competent, conscientious, trained staff (who shall have been adequately trained by Franchisee) in numbers sufficient to service customers promptly and properly, including at least a manager or shift leader on duty at all times at which the Franchised Store is open (including daily Store opening and closing procedures) (b) ensure that cashiers are of legal age to sell tobacco products, lottery, and alcoholic beverages (if applicable), and (c) take such steps as are necessary to ensure that its employees preserve good customer relations and comply with such dress code as Franchisor may prescribe. In addition, Franchisee and its employees shall handle all customer complaints, refunds, returns or other adjustments in accordance with Franchisor's policies as set forth in the Manuals or otherwise in writing. The parties acknowledge and agree that (i) these requirements are necessary to preserve the goodwill identified by the Marks; and (ii) Franchisor neither dictates nor controls labor or employment matters for Franchisee or Franchisee's employees. Franchisee is exclusively responsible for hiring personnel, for determining the number of jobs offered or job vacancies to be filled, for determining and changing employee wages and benefits and work hours, for training personnel in accordance with Franchisor's standards for disciplining and discharging Franchisee's employees and for all other labor relations with its employees. Franchisee shall be responsible for income and other taxes required to be withheld and hereby assume full responsibility for payment of the employer's portion of any social security, federal and state taxes and any other taxes required to be withheld for Franchisee's personnel. Franchisee shall also pay and/or withhold taxes and premiums for unemployment and workman's compensation insurance for Franchisee's personnel, as required by state and/or federal law. Franchisee shall indemnify Franchisor, hold Franchisor harmless from, and defend Franchisor against any and all liabilities, losses, expenses, and obligations that Franchisor may incur related to any of Franchisee's personnel (or any person assisting or working on behalf of the Franchised Store) arising out of any claim, cause of action, complaint, proceeding (in litigation, arbitration, mediation, administrative process, regulatory proceeding or otherwise) relating to Franchisee's obligations to pay them any compensation or remuneration or otherwise relating to an employment relationship. Franchisee understands and acknowledges that Franchisor is under no obligation or liability to any of Franchisee's personnel for any remuneration, compensation, commission, employment or any other duty, responsibility, liability or obligation. Franchisee's indemnification obligations: (1) include reimbursement to Franchisor of any and all of Franchisor's attorneys' fees and costs in defending any such claim from Franchisee's personnel, and (2) survive expiration or termination of this Agreement.

7.4. **Purchase of Approved Products.** Franchisee shall only purchase Approved Products from suppliers designated and approved by Franchisor ("Approved Suppliers"). Franchisee may utilize, or request Franchisor to utilize, funds in Franchisee's Open Account that are in excess of the Initial Deposit to purchase Approved Products for resale at the Franchised Store. If Franchisee desires to purchase unapproved products, or Approved Products from other than Approved Suppliers, Franchisee shall submit to Franchisor a written request to approve the proposed product or supplier, together with such evidence of conformity with Franchisor specifications as Franchisor may reasonably require. Franchisor reserves the right to limit the number of Approved Products and Approved Suppliers. Franchisee shall not sell or offer



for sale any products of an unapproved supplier until written approval by Franchisor of the proposed supplier is received. Franchisor shall have the right to designate in writing one (1) or more combined distribution centers (“**CDC(s)**”) as an Approved Supplier, or as the only Approved Supplier of Approved Products and/or Proprietary Products for a given geographic area, and Franchisee shall purchase all designated Approved Products or Proprietary Products from such designated CDC(s).

7.5. Offer and Sale of Approved Products. In order to protect the goodwill and reputation of Franchisor and the DASH IN Stores and to ensure the quality, uniformity, and distinctiveness of the Approved Products, Franchisee shall:

7.5.1. maintain in sufficient supply, sell, and carry at all times a selection of Approved Products (including, without limitation, all of the Proprietary Products), as specified or designated by Franchisor, including, without limitation, those products and services that comprise Franchisor’s core brand products and services, and those that promote Franchisor’s value policies and programs;

7.5.2. comply with Franchisor’s inventory and purchasing requirements, which requirements may be modified by Franchisor, in writing, from time to time;

7.5.3. handle, store and prepare the Approved Products (including Proprietary Products) solely in the manner directed by Franchisor in writing;

7.5.4. Not sell, offer for sale or sample any Approved Product which it knows, or should know through the exercise of reasonable care, to be adulterated, tainted, contaminated, spoiled, unsafe, or otherwise unfit for human consumption, and to destroy immediately any such Approved Products in accordance with procedures set forth in writing by Franchisor;

7.5.5. Not sell, or offer for sale, any product or service that is not approved by Franchisor, including, without limitation, check cashing services; and

7.5.6. Not to use the Franchised Store for any unlawful, offensive, hazardous, unsightly, or other objectionable purpose, including, but not limited to, the sale or display of materials with dominant themes of sex, nudity, prurient interest, or pornography, as determined by Franchisor. Franchisee shall not display or offer for sale merchandise or paraphernalia that is morally offensive or distasteful to the general public, as determined by Franchisor, including but not limited to, drug paraphernalia and “adult” or pornographic magazines. Franchisor shall have the sole and absolute right to determine which products may or not be sold, or put on display at the Franchised Store.

7.6. Products and Supplies Bearing the Marks. Franchisee shall ensure that all advertising and promotional materials, signs, paper goods (including disposable food containers, napkins, and all forms and stationery used in the Franchised Store), Proprietary Products, and other items specified by Franchisor bear the Marks in the form, color, location, and manner prescribed by Franchisor in writing. Franchisor shall have the right to revise the list of such items and their presentation of the Marks from time to time in the Manuals or otherwise in writing. Further, all signs and displays used in, at or in connection with the operation of the Franchised Store shall comply in all respects with Franchisor’s instructions and policies as set forth in writing, including, among other things, a prohibition on all hand-made and hand-written signs and displays.

7.7. Store Layout, Fixtures, and Equipment.

7.7.1. Franchisee shall operate the Franchised Store in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in writing.

7.7.2. Franchisee shall adhere to the layout and footprint of the Franchised Store in accordance with Franchisor’s standards and specifications.



7.7.3. Franchisee shall utilize all fixtures, furnishings, equipment, signs and décor specified by and installed at the Franchised Store by Franchisor and Franchisee shall refrain from installing or permitting to be installed on or about the Franchised Store premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, signs, décor, or other items not previously approved as meeting Franchisor's standards and specifications.

7.7.4. With respect to all Store equipment (including equipment owned by or leased from Franchisor or a third party) Franchisee shall participate in, and ensure conformance with, such equipment maintenance programs as Franchisor may direct periodically. To this end, Franchisee shall enter into maintenance contracts with designated or approved service providers as Franchisor may require from time to time, and pay all fees imposed thereunder (subject to any shared expense, as described in [Section 4.9.3.](#)), and shall ensure that the Franchised Store equipment is neither serviced by, nor tampered with, any unauthorized person or service provider.

7.8. Repairs and Alterations. Franchisee shall at all times maintain the Franchised Store in a high degree of sanitation, repair, and condition, and in connection therewith shall make such repairs thereto (but no others without Franchisor's prior written consent) as may be required for that purpose, including, without limitation, such periodic maintenance and replacement of obsolete signs and décor as Franchisor may reasonably direct. Franchisor shall provide, generally in the Manuals, and, with particularity in [Attachment A](#) to this Agreement, a list of fixtures, equipment, signs, and décor, and the maintenance and repair obligations for all such items. Except to the extent that Franchisor has agreed to share the cost of certain maintenance, as provided in [Section 4.9.](#), or otherwise in writing, Franchisee shall be responsible for, and shall pay for, all necessary and required facility and equipment repair and maintenance.

7.9. Computer System. Franchisor shall provide Franchisee for its use at the Franchised Store all cash registers and computer hardware and related accessories and peripheral equipment (collectively, "**Computer System**") that Franchisor prescribes for use by DASH IN Stores, and may not use any cash registers or computer hardware, accessories or peripheral equipment that Franchisor has not approved for use by DASH IN Stores. Requirements may include, among other things, connection to remote servers, off-site electronic repositories, and high speed Internet connections. Franchisor may designate providers for any such requirements. Franchisee shall: **(a)** use any proprietary software programs, system documentation manuals and other proprietary materials provided to Franchisee by Franchisor in connection with the operation of the Franchised Store; **(b)** input and maintain in the Computer System such data and information as Franchisor prescribes; **(c)** purchase new or upgraded software programs, system documentation manuals and other proprietary materials at then-current prices whenever Franchisor adopts such new or upgraded programs, manuals and materials system-wide; **(d)** contract with and use any help desk or Computer System maintenance services designated by Franchisor and pay all associated costs (as applicable); **(e)** maintain the Computer System, keep the same in working order at all times, and insure that Franchisor has remote access to the Computer System at all times; and **(f)** participate in Franchisor's gift card program, loyalty program and any other promotional programs. Franchisee shall enter into all software license agreements, "terms of use" agreements and software maintenance agreements, in the form and manner as Franchisor prescribes, and pay all fees charged by third party software and software service providers thereunder. Franchisee acknowledges that Franchisor may independently access from a remote location, at any time, all information input to, and compiled by, the Computer System or an off-site server, including information concerning Gross Sales, and Franchisee shall at all times cooperate with Franchisor and do all things necessary to facilitate such access. Franchisor has the right to modify or replace the Computer System at any time, and Franchisee shall utilize and maintain any new or modified Computer System. Furthermore, Franchisee agrees that Franchisor may, from time-to-time, specify in writing the information that Franchisee shall collect and maintain on the Computer System installed at the Franchised Store, and Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so

collected and maintained in a timely manner. Franchisee shall utilize a commercially reasonable degree of care in use of the Computer System and shall be responsible for any damage or repair caused by failure to comply with this Section.

7.10. Payment Systems; Privacy and Credit Card Protection; Cash Controls.

7.10.1. Franchisee shall accept debit cards, credit cards, stored value cards, and other non-cash systems (including, for example, APPLE PAY, GOOGLE WALLET, and/or BITCOIN) that Franchisor specifies periodically to enable customers to purchase authorized products, and Franchisor shall acquire and install all necessary hardware and/or software used in connection with these non-cash systems.

7.10.2. The parties acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System. Accordingly, Franchisee shall cause the Franchised Business to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Standards Council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information. Franchisee is solely responsible for its own education concerning these regulations and standards and for achieving and maintaining applicable compliance certifications. Franchisee shall defend, indemnify, and hold Franchisor harmless from and against all claims arising out of or related to Franchisee's violation of the provisions of this Section 7.10. If Franchisee knows or suspects a security breach, Franchisee must immediately notify both the credit card transaction acquirer and Franchisor. Franchisee shall assume all responsibility for providing notice of breach or compromise, along with duties and costs associated with fraudulent transactions, penalties, and ongoing fees for monitoring customer credit card histories and/or transactions for affected customers of the Franchised Store.

7.10.3. Franchisee shall utilize such equipment and participate in such cash control processes as Franchisor may require from time to time. These may include, without limitation, using a designated "smart safe" program that works in conjunction with a Franchisor-designated banking institution and coordinates the delivery and pick up of funds from the Franchised Store.

7.11. Data. Franchisee acknowledges that all data, including data provided by Franchisee to Franchisor whether downloaded from Franchisee's Computer System or otherwise collected from Franchisee by Franchisor, will be owned exclusively by Franchisor, and Franchisor shall have the right to use such data on any reasonable business-related manner Franchisor deems appropriate without compensation to Franchisee. Franchisee shall cooperate with Franchisor, and shall execute in a timely manner all documents required by Franchisor to permit access to the Computer System and any data therein. Franchisee shall at all times maintain a point-of-sale (or POS) scan data rate at such levels designated by Franchisor to maintain the data in the automated data retrieval system. Any information on customers, prospects or similar persons of the Franchised Store that identifies or can be used to identify, contact, locate, or be traced back to the specific person to whom such information pertains, or from which identification or contact information of an individual person can be derived, including but not limited to, personally identifiable information ("Customer Data") and all information, mailing lists and data bases of Customer Data from whatever source derived, industry standards must be used only in connection with the Franchised Store in accordance with this Agreement. Franchisee shall comply with all applicable laws, regulations and industry standard best practices with respect to Customer Data; in addition Franchisee shall comply with all data privacy and security requirements Franchisor may establish from time to time and to exert Franchisee's best efforts to prevent the unauthorized use, dissemination or publication of Customer Data, subject in all instances to applicable laws. It is Franchisee's responsibility to determine the data privacy laws applicable to Franchisee and the Franchised Store. Franchisor expressly disclaims knowledge of the data privacy laws applicable to Franchisee. Franchisee shall promptly notify Franchisor if Franchisee becomes aware of or suspect any unauthorized access to the Customer Data, or if Franchisee becomes the subject of any governmental,



regulatory or other enforcement or private proceeding relating to Franchisee's data handling practices. Franchisee shall promptly carry out any request from Franchisor with respect to Customer Data that is reasonably necessary to allow Franchisor to comply with data privacy laws applicable to Franchisor regarding processing, storage, handling, collection, use, transfer and transmission of Customer Data.

7.12. Inspections. Franchisee grants Franchisor and its agents at Franchisor's expense the right to enter upon the premises of the Franchised Store at any time for the purpose of conducting inspections which may include, without limitation, interviewing Franchisee's personnel, observing, photographing and videotaping the operations of the Franchised Store, and inspecting and copying any books, records, computer data and documents relating to the operation of the Franchised Store. Franchisee shall cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, Franchisee shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection in a timely manner as outlined in the written notice.

7.13. Compliance with Laws. Franchisee shall comply with all federal, state, and local laws, rules, and regulations, including, without limitation, all government regulations relating to occupational hazards and health, safety, privacy, workers' compensation insurance, unemployment insurance, workplace safety, data protection (such as credit card data protection under the FACTA) and privacy laws and withholding and payment of federal and state income taxes, social security taxes and sales taxes, and shall timely obtain, in its own name, any and all permits, certificates, or licenses necessary for the full and proper conduct of the business licensed under this Agreement, including, without limitation, licenses to do business, health certificates, food handler's permits, fictitious name registrations, sales tax permits, and environmental and fire clearances (the "Required Licenses"). Franchisee shall promptly and diligently do all things necessary to facilitate obtaining the Required Licenses prior to the Changeover Date and maintain and renew such Required Licenses when needed. Franchisee shall, in all dealings with customers, personnel, suppliers, brokers, Franchisor and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee shall refrain from any business or advertising practice which may be injurious to Franchisor's business and the goodwill associated with the System, the Marks and other DASH IN Stores.

7.14. Health Standards. Franchisee shall meet and maintain the highest health standards and ratings applicable to the operation of the Franchised Store. Franchisee shall immediately notify and furnish to Franchisor, within five (5) days after receipt thereof, a copy of all inspection reports, warnings, citations, certificates, and/or ratings resulting from inspections conducted by any federal, state or municipal agency with jurisdiction over the Franchised Store, and shall immediately correct any deficiencies identified therein.

7.15. Compliance with Lease. If applicable, Franchisee shall comply at all times with Franchisee's lease agreement and sublease agreement for the Approved Location.

7.16. Guaranty. The Key Person (if a Principal), Franchisee's Principals, each entity and individual in Franchisee's chain of ownership, each owner's spouse, and/or such other persons designated by Franchisor, shall personally guarantee to Franchisor (by execution of the form of Guaranty, Indemnification and Acknowledgement attached hereto as Attachment C or such other guaranty as Franchisor may require or approve), to make all payments and to fulfill all obligations and conditions required under this Agreement, and to comply with all covenants in this Agreement.

7.17. Payments to Creditors. Franchisee shall timely submit to Franchisor, in a format prescribed by Franchisor, all invoices from distributors, contractors, suppliers, and trade creditors, and all documents indicating any amounts due to employees and other creditors, in order for Franchisor to perform its payment functions, on Franchisee's behalf, hereunder. Failure to do so shall constitute a breach of this Agreement.



In the event Franchisee shall fail to maintain a balance in the Open Account sufficient to pay Franchisee's obligations as they come due, Franchisor shall, in addition to its other remedies provided in this Agreement, have the right, at its election and without being obligated to do so, to pay such obligations. In such event, Franchisor shall notify Franchisee of the amounts owed, and Franchisee shall repay Franchisor within three (3) days of Franchisor's notice, using certified funds or such other method as Franchisor may designate. Failure to make a timely repayment shall be grounds for termination.

7.18. Deviations from System Standards. Franchisee acknowledges and agrees that from time to time hereafter Franchisor may change or modify the System as Franchisor deems appropriate, including without limitation to reflect the changing market and to meet new and changing consumer demands, and that variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and operations of DASH IN Stores. Franchisor's changes to the System may include, without limitation, the adoption and use of new or modified products, services, equipment and furnishings and new techniques and methodologies relating to the preparation, sale, promotion and marketing of products and services, and (as described in Article 8 below) trademarks, service marks and copyrighted materials. Franchisee shall, upon reasonable notice, accept, implement, use and display in the operation of the Franchised Store any such changes in the System, as if they were part of this Agreement at the time of execution hereof, at Franchisee's sole expense. Additionally, Franchisor reserves the right, in its sole discretion, to vary the standards throughout the System, as well as the services and assistance that Franchisor may provide to some franchisees based upon the peculiarities of a particular site or circumstance, existing business practices, or other factors that Franchisor deems to be important to the operation of any DASH IN Store or the System. Franchisee shall have no recourse against Franchisor on account of any variation to any franchisee and shall not be entitled to require Franchisor to provide Franchisee with a like or similar variation hereunder.

7.19. Incident Reporting. Franchisee shall promptly report to Franchisor in writing any and all incidents related to workers' compensation claims, customer liability and property damage.

7.20. Pricing. To the fullest extent permitted by applicable law, Franchisor reserves the right to establish maximum, minimum or other pricing requirements with respect to the prices Franchisee may charge for products or services.

7.21. Third Party Reports and Information. Franchisee shall provide to Franchisor, or assist Franchisor in obtaining, any third party reports or information regarding the offer, provision, or sale of products and services at the Franchised Store. If such third party suppliers or agencies require that Franchisee provide its consent in writing before such disclosures are made to Franchisor, Franchisee agrees to execute any required agreement or provide the required consent in the form required by such third party in order to allow Franchisor to obtain the requested information.

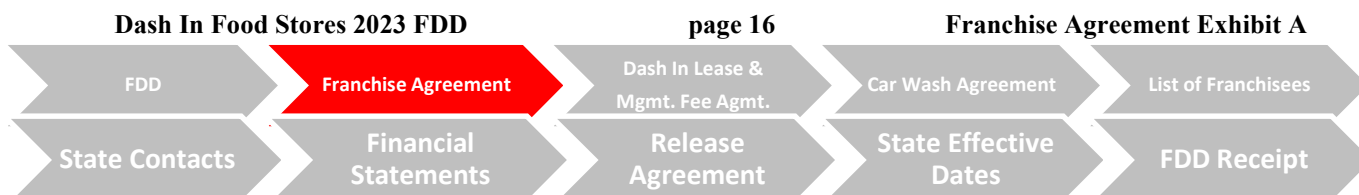
8. MARKS

8.1. Ownership of the Marks. Franchisor represents with respect to the Marks that: **(a)** Franchisor is the owner of all right, title, and interest in and to the Marks; and **(b)** Franchisor has taken and will take all commercially reasonable steps to preserve and protect the ownership and validity in, and of, the Marks.

8.2. Franchisee's Use of the Marks. With respect to Franchisee's use of the Marks, Franchisee agrees that:

8.2.1. Franchisee shall use only the Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor.

8.2.2. Franchisee's right to use the Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights.



8.2.3. Franchisee shall use the Marks only for the operation of the Franchised Store hereunder and only at the Approved Location, or in advertising and promotional materials approved by Franchisor.

8.2.4. Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Franchised Store only under the name “DASH IN”, without prefix or suffix, and any other Marks designated by Franchisor.

8.2.5. During the term of this Agreement and any renewal hereof, Franchisee shall identify itself (in a manner reasonably acceptable to Franchisor) as the owner of the Franchised Store and Franchisor’s franchisee in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts, and contracts, as well as the display of a notice in such content and form and at a conspicuous locations on the premises of the Franchised Store as Franchisor may designate in writing. Franchisee shall file for a certificate of assumed name (d/b/a) in the manner required by applicable state and/or local law so as to notify the public that Franchisee is operating the Franchised Store as an independent business pursuant to this Agreement. Prior to adoption of an assumed name, Franchisee shall obtain the written approval of such name from Franchisor.

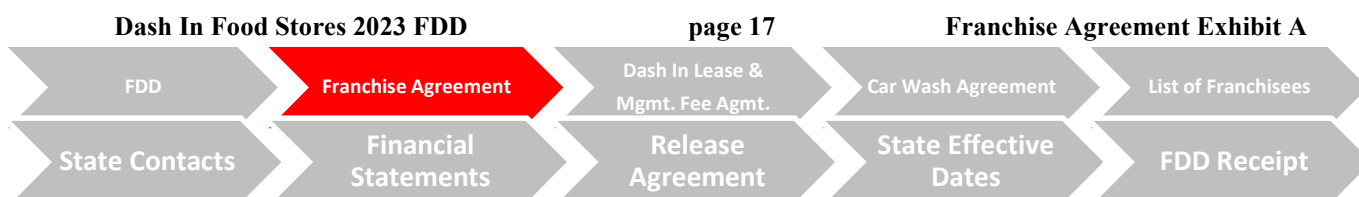
8.2.6. Franchisee shall not use the Marks to incur any obligation or indebtedness on behalf of Franchisor.

8.2.7. Franchisee shall not use the Marks as part of its corporate or other legal name.

8.2.8. Franchisee shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Marks or to maintain their continued validity and enforceability; provided that any documents required by Franchisor in litigation shall be governed by requirements of Section 8.2.9 hereof.

8.2.9. With respect to litigation or disputes involving the Marks, Franchisee shall promptly notify Franchisor in writing of any suspected or known infringement of the Marks, any known challenge to the validity of the Marks, or any known challenge to Franchisor’s ownership of, or Franchisee’s right to use, the Marks licensed hereunder. Franchisee shall not communicate with anyone except Franchisor and its attorneys in connection with any such infringement, challenge or claim. Franchisor shall have the sole right to initiate, direct, and control any administrative proceeding or litigation involving the Marks, including any settlement thereof. Franchisor also shall have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. If Franchisee has used the Marks in accordance with this Agreement, Franchisor may, but is not obligated to, defend Franchisee at Franchisor’s expense against any third-party claim, suit, or demand involving the Marks arising out of Franchisee’s use thereof. If Franchisee has not used the Marks in accordance with this Agreement, Franchisor may defend Franchisee, at Franchisee’s expense, against such third-party claims, suits, or demands. If Franchisor undertakes the defense or prosecution of any litigation relating to the Marks, Franchisee shall execute any and all documents and do such acts and things as may, in the opinion of counsel for Franchisor, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action.

8.2.10. Without Franchisor’s prior written approval, Franchisee shall not use any Mark as part of any e-mail address, Website (defined as an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers and/or devices linked by communications software, including but not limited to, Internet and World Wide Web pages and social media pages and applications), domain name or any other electronic media (including use with any prefix, suffix other modifying words, terms designs, or symbols), or in any other manner connected with a Website, advertisements on an Website, or other similar electronic media means.



8.3. Franchisee's Acknowledgements. Franchisee expressly understands and acknowledges that:

8.3.1. Franchisor is the owner of all right, title, and interest in and to the Marks and the goodwill associated with and symbolized by them.

8.3.2. The Marks are valid and serve to identify the DASH IN Stores and those who are authorized to operate DASH IN Stores.

8.3.3. Neither Franchisee, nor any Principal or officer of Franchisee (if Franchisee is a corporation or other business entity), shall directly or indirectly contest the validity, distinctiveness, enforceability or Franchisor's ownership of the Marks, and neither Franchisee nor Principal or officer of Franchisee directly or indirectly, shall seek to register the Marks with any government agency, except with Franchisor's express prior written consent. Franchisee agrees that Franchisee's use of all or any part of the System contrary to any provision of this Agreement, or Franchisee's use of any confusingly similar method, format, procedure, technique, system, name, trade dress, mark, symbol, emblem, slogan, insignia, term, designation, design, diagram, promotional material or course material, during or after the term, shall cause irreparable injury to Franchisor and its affiliates and shall constitute a material breach of this Agreement, and shall entitle Franchisor and its affiliates to obtain temporary, preliminary or permanent injunctive relief from a court or agency of competent jurisdiction, and to recover court costs, reasonable expenses of litigation, reasonable attorneys' fees, and any other appropriate remedies.

8.3.4. Franchisee's use of the Marks does not give Franchisee any ownership interest or other interest in or to the Marks, except the license granted by this Agreement.

8.3.5. Any and all goodwill arising from Franchisee's use of the Marks shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Marks.

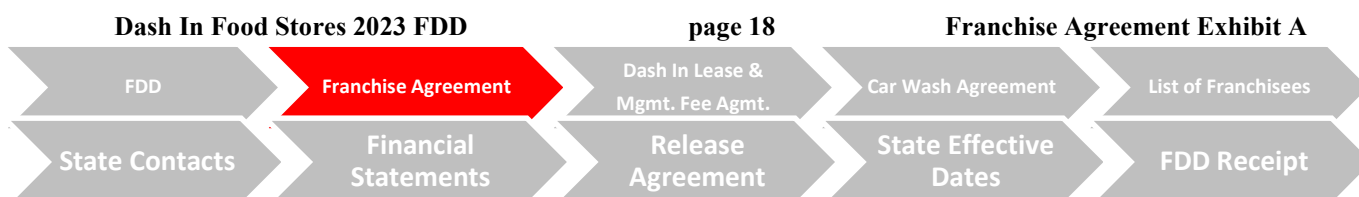
8.3.6. Franchisor reserves the right to substitute different Marks for use in identifying DASH IN Stores and other businesses if Franchisor's currently owned Marks no longer can be used, or if Franchisor, in its sole discretion, determines that substitution of different Marks will be beneficial to the DASH IN Stores. Franchisor shall bear the costs of substituting different Marks used at and in connection with the operation of the Franchised Store.

8.3.7. Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, in its sole and unrestricted discretion and as it may deem to be in the best interests of all concerned in any specific instance, to vary standards for any franchisee or franchisees based upon the peculiarities of a particular territory, density of population, business potential, business practice or other condition important to the successful operation of such franchise owner's business. Franchisor may grant to one (1) or more franchisees variations from standard specifications and practices as it determines in its sole and unrestricted discretion, and Franchisor shall have no obligation to grant Franchisee like or similar variations.

9. ADVERTISING

Recognizing the value of advertising, and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the DASH IN Stores, the parties agree as follows:

9.1. Franchisor's Advertising Materials. Franchisor may make available to Franchisee from time to time, at Franchisor's sole discretion and expense, advertising plans and promotional materials, which may include newspaper mats, coupons, merchandising materials, sales aids, point-of-purchase materials, special



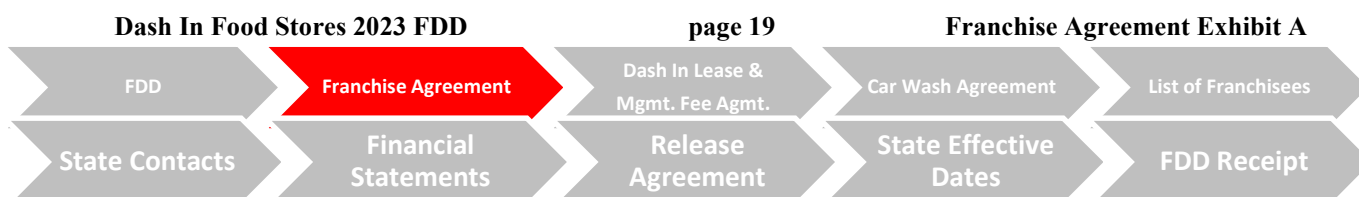
promotions, direct mail materials, community relations programs, and similar advertising and promotional materials. Franchisor may place advertising in or with media as Franchisor may decide, in its sole discretion, or Franchisee shall utilize advertising and promotional materials suggested by Franchisor in the manner specified by Franchisor and in connection with the programs specified or required by Franchisor.

9.2. Local Advertising and Promotion. Franchisee may, at Franchisee's expense, engage in or undertake local advertising and promotion programs in addition to those developed and required by Franchisor, provided that such programs are conducted in accordance with Franchisor's standards and requirements for advertising and marketing, as set forth in the Manuals, or otherwise in writing. There are no territorial restrictions on Franchisee's or other franchisees' rights to conduct advertising. All local advertising and promotion by Franchisee shall **(a)** be in such media, and of such type and format as Franchisor may approve or designate in the Manuals; **(b)** be conducted in a dignified manner; and **(c)** conform to such standards and requirements as Franchisor may specify. Franchisee shall not use any local advertising and promotion plans or materials unless and until Franchisee has received written approval from Franchisor, pursuant to the procedures and terms set forth in Section 9.3 hereof. In no event will Franchisee's local advertising and promotion contain any statement or material which may be considered: **(i)** in bad taste or offensive to any group or person, **(ii)** defamatory on any person or an attack on a competitor, **(iii)** inconsistent with Franchisor's public image, or **(iv)** not in accord with System standards.

9.3. Franchisor Approval. For all advertising and promotion plans which require Franchisor's approval prior to use, Franchisee shall submit samples of such plans and materials to Franchisor (by means described in Article 21 hereof) for Franchisor's prior written approval (except with respect to prices to be charged), if such plans and materials have not been prepared or previously approved by Franchisor. If written approval is not received by Franchisee from Franchisor within 14 days of the date of receipt by Franchisor of such samples or materials, Franchisor shall be deemed to have disapproved them.

9.4. Promotional Programs. Franchisee shall participate in and offer to the Franchised Store's customers: **(a)** customer loyalty and reward programs; **(b)** all contests, sweepstakes and other prize promotions, **(c)** all gift card and/or stored value card programs, and **(d)** all meal deals, product combinations, and price promotions that Franchisor may develop from time to time. Franchisor shall communicate to Franchisee in writing the details of each such program, promotion and meal deal, and Franchisee shall promptly display all point-of-sale advertising and promotion-related information at such places within the Franchised Store as Franchisor may designate. Franchisor may, from time to time in its sole discretion, develop a rebate or incentive program to encourage Franchisee to purchase products, services, or improvements, which products, services, or improvements Franchisor deems, in its sole discretion, will promote general public awareness and favorable support for DASH IN Stores. Franchisee shall fully participate in all such incentive programs.

9.5. Websites, Internet and Social Media. Franchisee specifically acknowledges and agrees it shall not establish a Website (as defined below), nor offer, promote, or sell any products or services, or make any use of the Marks, through the Internet without Franchisor's prior written approval. As a condition to granting any such consent, Franchisor shall have the right to establish such requirements as Franchisor deems appropriate, including but not limited to the requirement that Franchisee's only presence on the Internet shall be through a webpage established by Franchisor on Franchisor's website. Any Website shall be deemed "advertising" under this Agreement, and will be subject to (among other things) to Franchisor's approval under Section 9.3 above. (As used in this Agreement, the term "**Website**" means an interactive electronic document, contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet, Intranet, World Wide Web, wireless technology, digital cable, use of e-names, virtual worlds, social media, portals, search engine optimization, pay-per-click advertising, home pages, directory listings, bulletin boards, chat rooms, linking, framing, blogs, text



messaging, on-line purchasing cooperatives, marketplaces, barter exchanges, and related technologies, methods, techniques, registrations, networking, and any electronic communication, commerce, computations, or any means of interactive electronic documents contained in a network of computers or similar devices linked by communications software.) Franchisee acknowledges that the use of any social networking website, including, but not limited to, Facebook, LinkedIn, Twitter, Instagram, Pinterest, Tumblr, SnapChat or any blogs or other bulletin boards, or chat rooms, other networking and share sites (the “Social Media Platforms”) and any other Internet site which exploits, utilizes, displays, or otherwise makes use of any of the Marks is Franchisor’s sole property and Franchisee may not establish any such Website, any account on Social Media Platforms, or other Internet account or presence, which exploits, utilizes, displays, or otherwise makes use of any of the Marks without Franchisor’s prior written consent and without granting Franchisor primary administrative rights to such account, site or page. Franchisor may, in Franchisor’s sole discretion, prohibit any use of Social Media Platforms by Franchisee or all of Franchisor’s franchisees.

9.6. Copyrights. Franchisee acknowledges and agrees that any and all copyright in and to advertising and marketing developed by or on behalf of Franchisee which bears the Marks shall be the sole property of Franchisor, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision. Any advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, or materials proposed or developed by Franchisee for the Franchised Store or other DASH IN Stores and approved by Franchisor may be used by Franchisor and other operators of Franchisor without any compensation to Franchisee.

9.7. Franchisee Developments. Franchisee acknowledges that any modifications to the System or any substitutions or additions to same suggested or developed by Franchisee, including, without limitation, any advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, or materials proposed or developed by Franchisee, shall be owned exclusively by Franchisor or its affiliates and may be incorporated by Franchisor or its affiliates into the System without any compensation to Franchisee. As such, Franchisee hereby assigns and transfers to Franchisor or its affiliates (as instructed) all of Franchisee’s entire right, title and interest in and to any improvements, modifications, substitutions, or additions to the System suggested or developed by Franchisee and in and to any and all works of authorship and processes embodied therein, and in all goodwill signified thereby, and any and all intellectual property rights and any legal equivalent thereof, including the right to apply for, register, or claim priority to, letters patent, copyrights, trademark, trade secret and other intellectual property protection, and the right to enforce such rights, title and interest by lawsuit or otherwise. In addition, Franchisee hereby agrees and covenants from time to time to execute and deliver such other documents or agreements and to take such other action as may be necessary or reasonable for the implementation of any assignment and the consummation of the transactions contemplated hereby. Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete the assignment of any interest in any intellectual property rights described herein. This power of attorney shall survive the expiration or termination of this Agreement.

10. CONFIDENTIAL INFORMATION

10.1. Protection of Confidential Information. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, or corporation any information concerning Franchisor, its affiliates, its business and the System, including, without limitation: the Manuals; System standards; Approved Products; methods for operating, managing and developing the DASH IN Stores; sales, marketing, distribution, performance,



methods, techniques, equipment or supplies; recruitment, training, coordination, marketing or compensation methods; reporting methods and techniques; contact information; charities sponsored; referral sources; billing and collection methods; know-how; financial information; computer system; other information about Franchisor and information about Franchisor's Approved Suppliers; and strategic partners, franchisees, business plans, employees, and independent contractors information (collectively, the "Confidential Information"). Franchisee shall divulge such Confidential Information only to such of its employees as must have access to it in order to operate the Franchised Store and who are bound by confidentiality agreements. Franchisee shall use its best efforts and diligence both during and after the term to protect the Confidential Information and Franchisor's goodwill. Franchisee shall not, directly or indirectly, use (for Franchisee or others) or disclose any of the Confidential Information to any other person or entity except as is necessary for the operation of the Franchised Store in accordance with Franchisor's System standards. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement.

10.2. Injunctive Relief. Franchisee acknowledges that any failure to comply with the requirements of this Article 10 will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Article 10.

10.3 Mandatory Requests For Information. If Franchisee or anyone to whom Franchisee transmits the Confidential Information becomes legally compelled (by court order, interrogatories, discovery requests for information or documents, subpoenas, civil investigative demands or similar process) to disclose any Confidential Information, Franchisee must immediately notify Franchisor in writing so that Franchisor may seek a protective order or other remedy. Franchisee shall reasonably cooperate with Franchisor in its efforts to seek such protective order or other remedy. In any event, Franchisee shall furnish only that portion of the Confidential Information which is legally required and exercise Franchisee's best efforts to obtain reliable assurance that confidential treatment will be accorded to the Confidential Information.

10.4 Return. Upon termination, expiration or non-renewal of this Agreement, or any other time at Franchisor's request, Franchisee must promptly deliver to Franchisor, or destroy at its request, any and all documents or other materials (including documents or notes created by Franchisee and information embodied in intangible form, e.g., in computer memory) in Franchisee's possession or control relating, directly or indirectly, to any Confidential Information and all copies of it without retaining any copies, duplicates, extracts or portions of it. Franchisee's Operating Principal shall certify, within 15 days of Franchisor's request, as to the return or destruction of all such information.

11. CONFIDENTIAL OPERATING MANUALS

11.1. The Manuals. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the System, Franchisee shall conduct its business in accordance with the Manuals, which Franchisee acknowledges having received on loan from Franchisor for the term of this Agreement. The Manuals may consist of multiple volumes of printed text, computer disks, other electronically stored data, and videotapes, and may contain information related to recipes, DASH IN Store operations, and DASH IN Store management. Franchisee acknowledges and agrees that Franchisor may provide a portion or all of the Manuals (including updates and amendments), and other instructional information and materials in, or via, electronic media, including without limitation, through the Internet. The Manuals shall at all times remain the sole property of Franchisor and shall at all times be kept in a secure place on the Franchised Store premises.

11.2. Confidentiality. Franchisee shall at all times treat the Manuals, any other material created for or approved for use in the operation of the Franchised Store, and the information contained therein, as part of



its Confidential Information, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

11.3. Revisions. Franchisor may from time to time revise the contents of the Manuals, and Franchisee expressly agrees to make corresponding revisions to its Manuals and to comply with each new or changed standard. Franchisor shall promptly advise Franchisee in writing of any revisions to the Manuals.

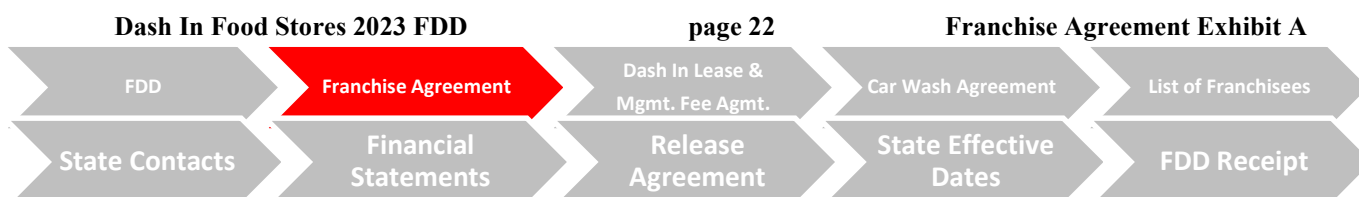
11.4. Current Copy. Franchisee shall ensure that the Manuals are kept current and up to date; and, in the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by Franchisor at Franchisor's home office shall be controlling.

12. INSURANCE

12.1. Required Policies. Franchisee shall procure, at least 30 days prior to the Changeover Date, and shall maintain in full force and effect at all times during the term of this Agreement, at Franchisee's expense, an insurance policy or policies protecting Franchisee, Franchisor, and their respective officers, directors, partners, agents, and employees against any demand or claim with respect to personal injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring upon or in connection with the Franchised Store, including, but not limited to, comprehensive general liability insurance, property and casualty insurance, statutory workers' compensation insurance, product liability insurance and an umbrella insurance policy. Such policies shall be of the type, with coverage limits and deductibles, as specified by Franchisor in the Manuals or otherwise in writing. Such policies shall be written by a responsible carrier or carriers acceptable to Franchisor. To the fullest extent permitted by law, Franchisor and any other parent, subsidiary, or affiliated entity (including their agents, employees, representatives, officers, directors, stockholders, partners, members, and managers) will be added/included as Additional Insureds on all coverages on which Additional Insureds can be added, even for claims regarding the Additional Insureds' sole negligence. The coverage offered to the Additional Insureds will be primary coverage to any other coverage maintained by the Additional Insureds and will not permit or require such other coverage to contribute to the payment of any loss. Policies must also contain a waiver of subrogation in favor of the Additional Insureds. The additional insured endorsement form shall be ISO CG 20-26 or any other form approved in writing by Franchisor that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) the negligent acts, errors or omissions of Franchisor or other additional insureds. Each insurance policy required under the Manuals must contain a provision that the policy cannot be cancelled, amended, renewed or expired without at least 30 days prior written notice to Franchisor. The insurance must be primary coverage without the right of contribution from any of Franchisor's insurance. Franchisee will submit to Franchisor any documentation required by Franchisor to evidence Franchisee's compliance with this Article 12, such documents may include, without limitation, additional insured endorsements and Franchisee's insurance certificates.

12.2. Certificates of Insurance. Within 30 days after the execution of this Agreement and during the term of this Agreement as necessary, Franchisee shall deliver to Franchisor certificates of insurance evidencing Franchisee's compliance with the insurance stipulated in Section 12.1. Franchisee shall also maintain certificates of insurance evidencing the proper types and minimum amounts of coverage at the Franchised Store and furnish to Franchisor a copy. All certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Franchisor in the event of material alteration to or cancellation of the coverages evidenced by such certificates and shall name Franchisor and its affiliates as additional insureds.

12.3. Franchisor Procurement of Insurance. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised by Franchisor in the



Manuals or otherwise in writing, Franchisor shall have the right and authority (but not the obligation) to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for the expenses of Franchisor in so acting, shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

12.4. Policy Limits. The standards and specifications for insurance coverage as set forth in the Manuals are intended as “minimum” standards and Franchisee must review its insurance coverage and policies, and Franchisee should consult with Franchisee’s insurance agents, brokers, attorneys or other insurance advisors, to determine if additional coverage is necessary, desired or appropriate for the Franchised Store in addition to the coverage and limits required by Franchisor. Franchisor may, from time to time, and in its sole discretion, make such changes in minimum policy limits and endorsements as it may determine.

13. ACCOUNTING AND RECORDS

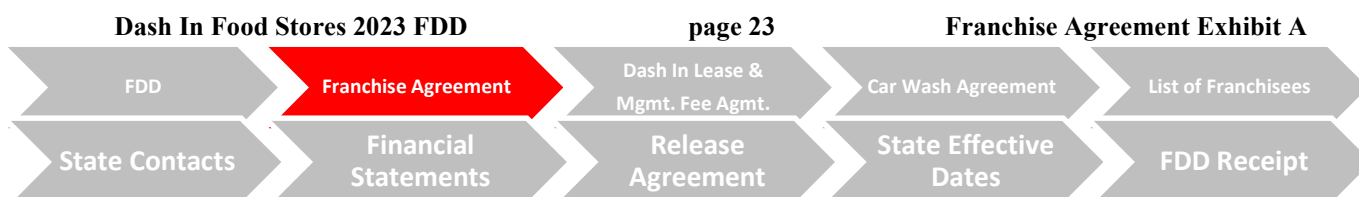
13.1. Periodic Reports. Each day during the term of this Agreement, at such times and in such manner as prescribed by Franchisor, Franchisee shall submit to Franchisor a daily point-of-sale report that reflects all sales, all revenues received and such other information as Franchisor may designate, for the preceding day. Franchisee shall submit to Franchisor such other reports as Franchisor specifies, including, without limitation, copies of Franchisee’s sales tax returns, all in the form prescribed by Franchisor.

13.2. Books and Records. Franchisee shall maintain during the term of this Agreement, and shall preserve for at least seven (7) years from the date of their preparation, all cash register tapes, electronic records, and electronic journal reports from the Franchised Store, as well as full, complete, and accurate books, records, and accounts in the form and manner prescribed by Franchisor from time to time in the Manuals or otherwise in writing from the Franchised Store.

13.3. Annual Financial Statements. Franchisor shall, at its expense, provide to Franchisee, in a format determined by Franchisor, an annual financial report within 90 days after the end of Franchisor’s fiscal year, showing the results of operations of the Franchised Store during said fiscal year.

13.4. Other Reports and Data. Franchisee shall also submit to Franchisor, for review or auditing, such other forms, reports, records, information, and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor, including, without limitation, any financial or other information requested by Franchisor’s accountants in connection with the preparation of Franchisor’s audited financial statements, upon request and as specified from time to time in the Manuals or otherwise in writing. The reporting requirements of this Section 13.4 shall be in addition to, and not in lieu of, the electronic reporting required under Section 7.10 above.

13.5. Audits. Franchisor or its designated agents shall have the right at all reasonable times to examine and copy, at Franchisor’s expense, the books, records, and sales and income tax returns of Franchisee. If an inspection should reveal that any payments have been understated in any report to Franchisor, or any revenue not reported or deposited by Franchisee as required hereunder, then Franchisee shall immediately pay Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of 1.5% per month, or the maximum rate permitted by law, whichever is less. If an inspection discloses an understatement of payments or revenue in any report of 4% or more or an inspection is required due to Franchisee’s failure to submit required financial documentation under this Agreement, Franchisee shall, in addition to payment of the understated amounts with interest, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel, lodging and wages expenses, and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies Franchisor may have. If an inspection discloses an overstatement in any report and overpayment by Franchisee, then Franchisor shall notify Franchisee as to the amount of



such overpayment, and shall permit Franchisee to credit such amount against monies, if any, owing to Franchisor.

13.6. Inventory Audits. Franchisor shall perform at Franchisor's expense, an audit of the Franchised Store inventory not less than four (4) times each fiscal year, on a quarterly basis, and shall provide Franchisee with a written report within 10 days following such audit. Franchisee may request more frequent, or additional, inventory audits to be performed by Franchisor, at Franchisor's discretion. If any inventory audit reveals a variation of more than 1% (overage or shortage) from the booked value (at cost) of the inventory, Franchisor shall have a right to immediately re-audit the inventory. Franchisor may debit or credit the Open Account based on the result of any such audit.

14. TRANSFER OF INTEREST

14.1. Franchisor Transfers. Franchisor shall have the right to sell, transfer, or assign this Agreement and all or any part of its rights or obligations under this Agreement to any person or legal entity, and any assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment.

14.2. Franchisee Sales. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has executed this Agreement in reliance on Franchisee's business skill, financial capacity, and personal character. Accordingly, Franchisee or any Principal shall not, or attempt to, sell, transfer, pledge or otherwise encumber: **(a)** any of the rights and obligations of Franchisee under this Agreement; **(b)** any material asset of Franchisee or the Franchised Store (to the extent Franchisee owns any such asset sought to be sold or transferred); or **(c)** any of the equity ownership interests in Franchisee if Franchisee is a corporation, limited liability company, or other business entity, without Franchisor's prior written consent. If Franchisee or any Principal (including the Key Person) dies or becomes disabled (as defined in Section 14.6), the deceased or disabled person's interest may be sold or transferred, whether by will or operation of law, to an Immediate Family Member of the deceased or disabled person, with Franchisor's prior written consent. For the purposes of this Agreement, **"Immediate Family Members"** include the deceased or disabled individual's then-current husband or wife and any son or daughter, at least 21 years old, by marriage or law, who are listed in the Summary Page.

Any transfer made in violation of the provisions of this Article 14 will be void *ab initio*, as though the transfer never took place, and will be an incurable default under this Agreement for which Franchisor may terminate this Agreement immediately upon Franchisee's receipt of notice.

14.3. Conditions to Sale or Transfer. Franchisor will not unreasonably withhold any consent required in Section 14.2, provided, if transferor proposes to sell or transfer an interest or asset subject to Section 14.2, Franchisor shall have absolute discretion to require any and all of the following conditions for such proposed sale or transfer (if the transferor is deceased, the term **"transferor"** in this Section 14.3 will refer to his or her estate, and any action to be taken by transferor in this Section 14.3 will be taken on behalf of the deceased's estate by the deceased's trustee or personal representative):

14.3.1. The transferor shall have paid to Franchisor a transfer fee equal to 50% of Franchisor's initial franchise fee for new franchisees. If Franchisor is not offering franchises at the time of the transfer, the transfer fee will be Fifteen Thousand Dollars (\$15,000). In addition, transferor shall reimburse Franchisor for all costs it incurs in connection with the transfer including, without limitation, reasonable attorneys' fees.

14.3.2. The transferor, its guarantors, and Principals shall have executed a general release, in a form prescribed by Franchisor, by which transferor, its guarantors, and Principals release any and all claims each has against Franchisor and its affiliates, and their respective successors, assigns, directors, officers,



shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between transferor and Franchisor or its affiliates.

14.3.3. The transferor, its guarantors, and Principals must acknowledge and agree that each shall remain bound by the covenants contained in Sections 17.2 and 17.3 of this Agreement.

14.3.4. The transferee and its principals (including its Key Person) shall execute a guarantee prior to, or contemporaneously with, signing a new franchise agreement, similar to the guarantee attached to this Agreement, guaranteeing Franchisee's payments and obligations under this Agreement after the sale.

14.3.5. If applicable, the sale, transfer, or other transaction is made in accordance with the requirements of, and receives the approval of the lessor under the lease for Approved Location, and that the interest sold or transferred hereunder is the same interest sold or transferred under the lease and is sold or transferred to the same transferee approved under the lease.

14.3.6. The transferee shall meet Franchisor's educational, managerial, and business standards; each shall possess a good moral character, business reputation, and credit rating; have the aptitude and ability to operate the Franchised Store, as may be evidenced by prior related business experience or otherwise; and have adequate financial resources and capital to operate the Franchised Store. Franchisee shall complete and submit to Franchisor, prior to the Changeover Date, Franchisee's designated transferee form, in the form and manner specified by Franchisor, in which Franchisee shall specify its proposed or potential transferee under this Section 14.3.6.

14.3.7. The transferee shall execute Franchisor's then-current form of franchise agreement, and such other ancillary agreements required by Franchisor for the Franchised Store, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms, conditions, and provisions of which may differ from the terms, conditions, and provisions of this Agreement. In addition, if Franchisor or its affiliates do not own the Approved Location, the transferee must have the right to operate the Franchised Store at the Approved Location and possess a lease for the Franchised Store for a term, including options for additional time period(s) that extends at least until the expiration of the franchise agreement under the proposed sale. The new franchise agreement may be for a shorter term than this Agreement if the lease for the Approved Location is not extended prior to the sale or transfer.

14.3.8. The transferor, its guarantors, and Principals shall remain liable for all of the obligations to Franchisor in connection with the Franchised Store that arose prior to the effective date of the sale or transfer, and any covenants that survive the termination or expiration of this Agreement, and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability.

14.3.9. Franchisor has determined, in its sole and reasonable discretion, that the terms of the transfer will not materially and adversely affect the post transfer viability of the Franchised Store.

14.3.10 Franchisee has paid all amounts owed to Franchisor, its affiliates, Approved Suppliers, or to third-party creditors and have submitted all required reports and statements.

14.3.11 The transferee and Key Person complete Franchisor's standard training program to Franchisor's satisfaction. 14.4. Death of Franchisee. Upon the death of Franchisee or the Key Person, the deceased's executor, administrator, or other personal representative shall transfer the deceased's interest to

an Immediate Family Member approved by Franchisor within six (6) months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the deceased's estate, then the distributee of such interest must be approved by Franchisor. If the distributee is not approved by Franchisor, then the distributee shall transfer the deceased's interest to an Immediate Family Member approved by Franchisor within six (6) months after the deceased's death. Any transfer



made in accordance with this Section 14.4 will be subject to the transfer conditions set forth in this Article 14. A failure to transfer the ownership interest of the deceased Franchisee or Key Person within this period of time constitutes a breach of this Agreement.

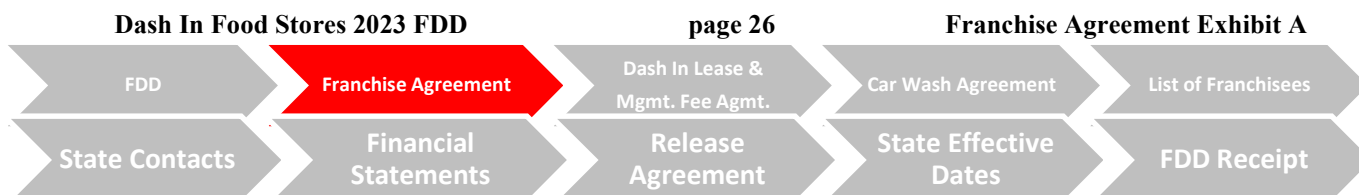
14.5. Permanent Disability. Upon the permanent disability of a Franchisee or Key Person, Franchisor may, in its sole discretion, require such interest to be transferred to an Immediate Family Member designated by Franchisee and approved by Franchisor in accordance with and subject to the conditions described in this Article 14 within six (6) months after notice to Franchisee. “**Permanent disability**” shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months and from which condition recovery within six (6) consecutive months from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Franchisor upon examination of such person or, if such person refuses to be examined, then such person shall automatically be deemed permanently disabled for the purpose of this Section 14.5 as of the date of refusal. Franchisor shall pay the cost of any required examination. A failure to transfer the ownership interest of the permanently disabled Franchisee or Key Person within this period of time constitutes a breach of this Agreement.

14.6. Step In Rights. To prevent any interruption of the business of the Franchised Store, Franchisee hereby authorizes Franchisor, and Franchisor shall have the right, but not the obligation, to operate the Store on Franchisee’s behalf for as long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies Franchisor may have under this Agreement, in the event that: **(a)** Franchisee’s Key Person is absent or incapacitated by reason of illness, death or disability and, therefore, in Franchisor’s sole determination, Franchisee is not able to operate the Franchised Store in full compliance with this Agreement, or **(b)** any allegation or claim is made against Franchisee or any of its principals, or the operation of the Franchised Store, involving or relating to fraudulent, deceptive or illegal practices or activities. If Franchisor undertakes to operate the Franchised Store pursuant to this Section 14.6, Franchisor shall have the right to collect and pay from the revenues of the Franchised Store all operating expenses including, without limitation, Dash In Charges and employee salaries, and further shall be entitled to collect, as compensation for its efforts, a reasonable management fee. Franchisee shall indemnify and hold harmless Franchisor from any and all claims arising from the alleged acts and omissions of Franchisor and its representatives.

14.7. Right of First Refusal

14.7.1. If Franchisee or any owner desires to accept any bona fide offer from a third party to purchase Franchisee, any material assets of Franchisee, or any direct or indirect interest in Franchisee, Franchisee or such Principal shall promptly notify Franchisor of such offer and shall provide such information and documentation relating to the offer as Franchisor may require. The information and documentation relating to the offer shall include all details of the proposed offer to enable Franchisor to adequately evaluate the offer. Franchisor shall have the right and option, exercisable within 30 days after receipt of all such information (including any information that Franchisor may reasonably request to supplement or clarify information provided to Franchisor with the written transfer request), to send written notice to the seller that Franchisor intends to purchase the seller’s interest on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller’s interest, the closing of such purchase shall occur within 90 days from the date of notice to the seller of the election to purchase by Franchisor.

14.7.2. Any material change in the terms of the offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party’s initial offer. Failure of Franchisor to exercise the option afforded by this Section 14.7 shall not constitute a waiver of any other



provision of this Agreement, including all of the requirements of this Article 14, with respect to any subsequent proposed transfer.

14.7.3. In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, they each must appoint an independent appraiser to conduct an appraisal of the consideration, terms, and/or conditions offered by the third party, and the average of the two appraisals shall be a binding determination of the value of the assets or interests proposed to be sold. The cost of the appraisals shall be shared equally by Franchisor and Franchisee. If Franchisor elects to exercise its right under this Section 14.7, Franchisor shall have the right to set off all amounts due from Franchisee, if any, against any payment to the seller.

14.8. No Waiver. Franchisor's consent to a transfer that is the subject of this Article 14 shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

14.9. Bankruptcy. If Franchisee or Key Person holding any interest (direct or indirect) in Franchisee becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer of Franchisee, Franchisee's obligations and/or rights hereunder, any material assets of Franchisee, or any indirect or direct interest in Franchisee shall be subject to all of the terms of this Article 14.

14.10. No Liens or Encumbrances. Except to the extent permitted under this Article 14, Franchisee shall keep the Approved Location and Franchisee's interest in this Agreement free and clear of all liens, claims, or other encumbrances. Franchisee shall reimburse Franchisor for any costs and expenses, including attorneys' fees and costs, which are incurred as a result of the violation of the provisions of this Article 14.

15. DEFAULT AND TERMINATION

15.1. Immediate Termination. Franchisee shall be deemed to be in default under this Agreement, and Franchisor may terminate this Agreement and all rights granted herein without notice to Franchisee, **(a)** if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or **(b)** if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; or **(c)** if Franchisee is adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or **(d)** if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or **(e)** if a final judgment remains unsatisfied or of record for 30 days or longer (unless appealed or a supersedes bond is filed); or **(f)** if Franchisee is dissolved; or **(g)** if execution is levied against Franchisee's business or property; or **(h)** if suit to foreclose any lien or mortgage against the Franchised Store premises or equipment is instituted against Franchisee and not dismissed within 30 days; or **(i)** if the real or personal property of Franchisee's Store shall be sold after levy thereupon by any sheriff, marshal, or constable.

15.2. Termination After Notice; No Opportunity to Cure. Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon the delivery of written



notice to Franchisee by Franchisor (in the manner set forth in Article 21 hereof), upon the occurrence of any of the following events:

15.2.1. In the event the lease for the Approved Location (including the prime lease for the Approved Location or Lease Agreement, if Franchisee leases the Franchised Store premises from Franchisor or its affiliate) is terminated or Franchisee loses its right to occupy the Approved Location.

15.2.2 In the event any agreement governing the offer or sale of motor fuels or car wash services at the Premises for the Approved Location (including the Management Fee Agreement and Car Wash Agreement if Franchisee obtains these services from Franchisor or its affiliate) is terminated.

15.2.3. If the Franchisee at any time ceases to operate and manage, or otherwise abandons the Franchised Store, or otherwise forfeits the right to do or transact business in the jurisdiction where the Franchised Store is located, or if the Key Person is someone other than the Franchisee, ceases active management of the Franchised Store.

15.2.4. If Franchisee, any owner or the Key Person is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the DASH IN Stores, the Marks, the goodwill associated therewith, or Franchisor's interest therein; or if Franchisee or the Key Person commits any acts or engages in any behavior that Franchisor believes is reasonably likely to have an adverse effect on the DASH IN Stores, the Marks, the goodwill associated therewith, or Franchisor's interest therein.

15.2.5. If a threat or danger to public health or safety results from the maintenance or operation of the Franchised Store, and Franchisee has not immediately commenced actions to cure the problem or has not promptly cured or corrected the problem or activity that gave use to the threat or danger.

15.2.6. If Franchisee purports to transfer any rights or obligations under this Agreement or any interest in Franchisee to any third party in a manner that is contrary to the terms of Article 14 of this Agreement or make a material misrepresentation in any transfer request or document in support of a request for Franchisor's consent to the transfer of the Agreement.

15.2.7. If Franchisee fails to comply with the covenants in Section 17.3 hereof.

15.2.8. If, contrary to the terms of Articles 9 or 10 hereof, Franchisee discloses or divulges Confidential Information provided to Franchisee by Franchisor.

15.2.9. If Franchisee fails to maintain the Required Minimum Credit Balance in the Open Account, and fails within three (3) days of notice of such deficiency, to correct and replenish any such deficiency (which correction shall be made with certified funds or in such other manner as may be specified by Franchisor).

15.2.10. If Franchisee knowingly maintains false books or records, or submits any false reports (including, but not limited to, information provided as part of Franchisee's application for this Store) to Franchisor or any state or federal agency.

15.2.11. If Franchisee fails to properly and accurate record sales at the Franchised Store or does not accurately report purchases of inventory for the Franchised Store.

15.2.12. If a transfer is made in violation of Article 14 of this Agreement.

15.2.13. If Franchisee, after curing a default pursuant to this Article 15, commits the same default again within a twelve (12) month period of the previous default, whether or not cured after notice.



15.2.14. If Franchisee is in breach of this Agreement for the same or different default under this Agreement (except for defaults under Section 15.2.9 if such defaults are cured), three (3) or more times within any twelve (12) month period, whether or not cured after notice.

15.2.15 If Franchisee does not commence operations by the Changeover Date or within the time period outlined in Section 2.1 of this Agreement.

15.2.16 If Franchisee's Key Person fails to successfully complete the initial training program to Franchisor's satisfaction and Franchisee fails to submit a substitute person.

15.2.17 If Franchisee knowingly sells services, products or goods other than those designated by Franchisor or which fails to conform to System specifications for Approved Products, or which are not prepared in accordance with the recipes prescribed by Franchisor, or fails to sell all Approved Products designated by Franchisor, or which are not otherwise approved for offer or sale at the Franchised Store, including, without limitation, check cashing services.

15.2.18 If Franchisee commits any act or omission constituting fraud, misrepresentation or similar act or omission, whether with respect to Franchisor, any related entities and/or any third party.

15.2.19 If Franchisee engages in any misconduct which unfavorably affects Franchisee's reputation or that of any of Franchisee's Principals or the goodwill associated with the Marks or the System (including, but not limited to, child abuse or other mistreatment, health or safety hazards, drug or alcohol problems, sexual harassment, discrimination or allowing unlawful activities or unauthorized or illegal items to be used or distributed in connection with the Franchised Store).

15.2.20 If Franchisee provides account information for the Open Account or Designated Bank Account to any third party.

15.3. Termination After Notice and Opportunity to Cure. Except as otherwise provided in Sections 15.1 or 15.2 of this Agreement, upon any other failure of Franchisee to comply with the terms of this Agreement by Franchisee, Franchisor may terminate this Agreement only by giving written notice of termination (in the manner set forth under Article 21 hereof) stating the nature of such default to Franchisee at least five (5) days prior to the effective date of termination or such longer period of time if required by applicable law; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to Franchisor's satisfaction, and promptly providing proof thereof to Franchisor within the five (5) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the five (5) day or such longer period as applicable law may require, as applicable.

15.4. Termination of Related Agreements; Extended Notice Period.

15.4.1 Franchisor has the right to terminate this Agreement and all rights granted hereunder, effective immediately upon the delivery of written notice to Franchisee by Franchisor (in the manner set forth in Article 21 hereof), upon termination or expiration of **(a)** any real estate or facility lease for the Approved Location; or **(b)** any car wash agreement related to the Franchised Store granted hereunder; or **(c)** any motor fuels supply or distribution agreement related to the Franchised Store granted hereunder.

15.4.2 If any law applicable to this Article 15, or to Article 2 above, requires a longer notice period prior to termination of this Agreement, or prior to a refusal to enter into a successor or renewal franchise, than is required hereunder, a different standard of "good cause", or the taking of some other action not required hereunder, the prior notice, "good cause" standard, and/or other action required by such law shall be substituted for the comparable provisions hereof.



15.5 Step in Rights Upon Notice of Termination. If an applicable state statute requires a notice period be given to Franchisee before termination of this Agreement, Franchisee hereby authorizes Franchisor, and Franchisor shall have the right, to exercise step in rights pursuant to this Section 15.5 as early as the date such notice is provided to Franchisee. Under this Section 15.5, Franchisor shall have the right, but not the obligation, to operate the Franchised Store on Franchisee's behalf throughout the notice period and termination of this Agreement and without waiver of any other rights or remedies Franchisor may have under this Agreement. If Franchisor undertakes to operate the Franchised Store pursuant to this Section 15.5, Franchisor shall have the right to collect and pay from the revenues of the Franchised Store all operating expenses including, without limitation, Dash In Charges and employee salaries, and further shall be entitled to collect, as compensation for its efforts, a reasonable management fee. Franchisee shall indemnify and hold harmless Franchisor from any and all claims arising from the alleged acts and omissions of Franchisor and its representatives.

15.6 Payment of Liquidated Damages. Franchisee acknowledges and agrees that if Franchisor terminates this Agreement or if Franchisee terminates this Agreement in violation thereof or otherwise abandons the Franchised Store, Franchisor will incur damages, the actual amount of which would be speculative and difficult to calculate. As such, Franchisee agrees to pay Franchisor, within 15 days after the effective date of such termination or abandonment, in addition to all other amounts then owed to Franchisor under this Agreement, the agreed upon liquidated damages amount equal to the average monthly Dash In Charges Franchisee owed during the 12 months of operation preceding the effective date of termination or abandonment multiplied by the lesser of (a) 24 (being the number of months in two (2) full years), or (b) the number of months remaining in this Agreement had it not been terminated. If the Franchised Store has not been open for such 12 month period, then the multiplier shall equal the average monthly Dash In Charges Franchisee owed during such shorter period of operation. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages and not a penalty or punitive in nature.

The liquidated damages provision only covers Franchisor's damages from the loss of cash flow from the Dash In Charges. It does not cover any other damages, including damages to Franchisor's reputation with the public and damages arising from a violation of any provision of this Agreement other than the Dash In Charges section. Franchisee and each of Franchisee's Principals agree that the liquidated damages provision does not give Franchisor an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Dash In Charges sections.

16. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall forthwith terminate, and:

16.1. Cease Operations. Franchisee shall immediately cease to operate the Franchised Store, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former Franchisee of Franchisor. Upon demand by Franchisor, Franchisee shall immediately vacate and surrender to Franchisor possession of the Approved Location.

16.2. Cease Use of Marks. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any Confidential Information, including, without limitation, confidential methods, procedures and techniques associated with the DASH IN Stores, the Marks, and all other distinctive forms, slogans, signs, symbols, and devices associated with the DASH IN Stores. In particular, Franchisee shall immediately and permanently cease to use, without limitation, all signs, advertising and promotional materials, Websites and Social Media Platforms, displays, stationery, forms, and any other articles which display the Marks. To the extent Franchisee is permitted to retain possession of the Approved Location



and operate a business other than a DASH IN Store, Franchisee shall promptly take such action as may be specified by Franchisor in writing to de-identify the Store, which may include, without limitation, removing all signs, displays, and decor that use or include the Marks; other intellectual property of Franchisor; and removing, repainting, or replacing signs, furniture, fixtures or other items to distinguish and disassociate the Store from the DASH IN Stores, the Marks, and Franchisor.

16.3. Cancellation of Assumed Names and Assignment of Telephone Numbers. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark “DASH IN” or any other Marks, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within three (3) days after termination or expiration of this Agreement. Franchisee shall assign to Franchisor all telephone numbers, e-name and directory listings associated in any way with the Franchised Store and Marks, and direct the telephone company to transfer all such numbers and listings to Franchisor or its designee pursuant to the Telephone Listing Agreement attached hereto as Attachment E.

16.4. No Confusion. Franchisee shall not use any reproduction, counterfeit, copy, or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor’s rights in and to the Marks, and further agrees not to utilize any designation of origin, description, trademark, service mark, or representation which suggests or represents a present or past association or connection with Franchisor, the DASH IN Stores, or the Marks.

16.5. Pay Monies Owed. In the event of termination for any default of Franchisee, Franchisee shall promptly pay all sums owing to Franchisor and its affiliates, including all damages, costs, and expenses, and reasonable attorneys’ fees, incurred by Franchisor as a result of the default. Franchisor may charge Franchisee’s Open Account and/or may make such payments owed directly from the Designated Bank Account(s). Franchisor may declare any debit balance in the Open Account immediately due and payable.

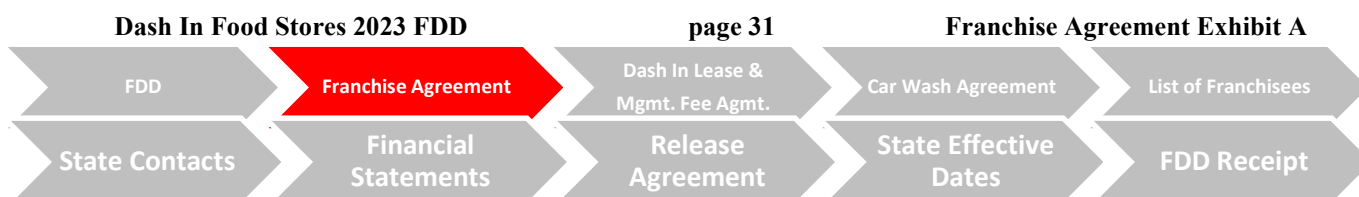
16.6. Damages and Costs. Franchisee shall pay Franchisor all damages, costs, and expenses, including reasonable attorneys’ fees, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Article 16.

16.7. Compliance with Covenants. Franchisee shall comply with the covenants contained in Article 17 of this Agreement.

16.8 Franchisor Action. Alternatively, Franchisor may elect in its sole discretion, to undertake the obligations set forth in this Section 16 above and charge Franchisee for Franchisor’s costs and expenses. The costs and expenses charged under this Section are in addition to any liquidated damages set forth in Section 15.6. Franchisee hereby appoints Franchisor as Franchisee’s duly appointed agent and attorney in fact with the absolute right (but not the obligation) to perform the acts specified in this Section at Franchisee’s sole cost and expense, including without limitation, the right to execute any assignments or contracts or file any documents with any third parties necessary to effectuate these obligations. The appointment of Franchisor as Franchisee’s agent and attorney in fact for the purposes set forth herein is declared and acknowledged to be coupled with an interest and is irrevocable. The grant of power of attorney herein shall include full powers of substitution.

17. COVENANTS

17.1. Full-time, Best Efforts. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, the Key Person shall devote full time, energy, and best efforts to the management and operation of the Franchised Store.



17.2. Non-Diversion of Business. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, Franchisor's Confidential Information, information regarding the operational, sales, advertising and promotional methods and techniques of Franchisor and the DASH IN Stores. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation divert or attempt to divert any business or customer of the Franchised Store or of any DASH IN Store to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks, the DASH IN Stores or the Approved Products.

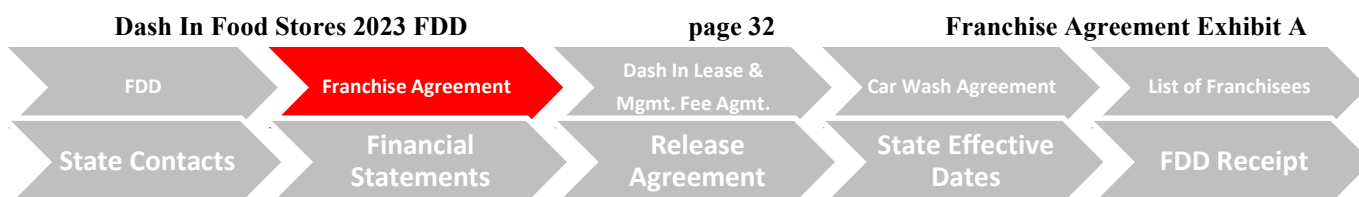
17.3. Non-Competition. Franchisee covenants that, except as otherwise approved in writing by Franchisor:

17.3.1. Franchisee shall not, during the term of this Agreement, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, or have any interest in other convenience stores or any business which is the same as or similar to the Franchised Store ("**Competitive Business**"). Notwithstanding the foregoing, Franchisee may continue to operate any Competitive Business that Franchisee operates as of the Effective Date.

17.3.2. Franchisee shall not for a continuous uninterrupted period of two (2) years from the date of: **(a)** a transfer permitted under Article 14, or **(b)** expiration or termination of this Agreement (regardless of the cause for termination); either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, partnership, corporation, or other entity, **(1)** own, maintain, operate, engage in, or have any interest in any Competitive Business which is, or is intended to be, located: **(i)** at the Approved Location; **(ii)** within a radius of one (1) mile of the Approved Location; or **(iii)** within an area that is within a radius of one (1) mile from any DASH IN Store; or **(2)** solicit, divert, contact, take away or interfere with any of Franchisor's business, customers, referral sources, brokers, insurers, suppliers, trade or patronage with whom Franchisor (or Franchisor's affiliates or franchisees) do business or whom Franchisee knows Franchisor has contacted or solicited for business relationships, or those of any of Franchisor's affiliates or franchisees, as of the date of termination or expiration of this Agreement. The two (2) year restrictions described herein shall be tolled during any period of noncompliance. Notwithstanding the foregoing, Franchisee may continue to operate any Competitive Business that Franchisee operates as of the Effective Date.

17.4. Scope of Covenants. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 17.2 and 17.3 in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Article 22 hereof. If any court determines that any of the covenants set forth in this Section 17, or any part thereof, is unenforceable because of the duration or geographic scope of such provision, such court shall have the power to reduce the duration or scope of such provision, as the case may be, and, in its reduced form, such provision shall then be enforceable.

17.5. No Counterclaims. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 17. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Article 17.



17.6. Covenants of Individuals. Franchisee shall obtain (and deliver to Franchisor) executed covenants similar to those set forth in Section 8.3.3, and Articles 10, 11, and 17 (as modified for an individual) from any equity owner, officer, director, partner, Key Person, or employee who has received training, had access to confidential information, or is involved in the operation and/or management of the Franchised Store. Every covenant required by this Article 17 shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

17.7. Injunctive Relief. Franchisee acknowledges that Franchisee's violation of the terms of this Article 17 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee accordingly consents to the issuance of an injunction prohibiting any conduct by Franchisee in violation of the terms of this Article 17.

17.8. Non-Disparagement. Franchisee agrees not to take any action or make any statement the effect of which would be to directly or indirectly materially impair the System, Franchisor's goodwill or Franchisor's rights to Franchisor's Marks or the goodwill of Franchisor's affiliates, or be materially detrimental to Franchisor, Franchisor's affiliates or Franchisor's franchisees, including, but not limited to any action or statement intended, directly or indirectly, to benefit any of Franchisor's competitors. This provision survives forever.

18. TAXES AND INDEBTEDNESS

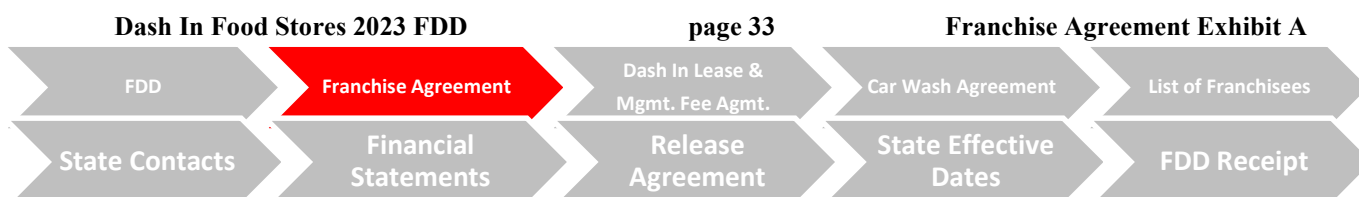
18.1. Taxes. Except for property taxes, which shall be the responsibility of Franchisor, Franchisee shall be responsible for all taxes levied or assessed, including, without limitation, unemployment, workers' compensation, sales, use, service, occupation, excise, gross receipts, income, payroll, property or other taxes,, and all accounts and other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Store. Franchisor shall utilize the funds in the Open Account, if available, to pay such taxes on Franchisee's behalf. Except as set forth above, if Franchisor pays any taxes, assessments, fees or charges of any kind imposed on Franchisee, Franchisee shall promptly reimburse Franchisor using certified funds.

18.2. Suits or Actions. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation of the Franchised Store or the financial condition of Franchisee.

19. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

19.1. Independent Contractor. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them and that Franchisee shall be an independent contractor. Neither Franchisee nor Franchisor are general or special agents, representatives, joint venturers, partners or employees of the other for any purpose whatsoever. Franchisee is not entitled to workers' compensation, unemployment compensation, or any other statutory or regulatory benefit or right predicated on an employer-employee relationship. Franchisor has no obligation to carry workers' compensation coverage or pay unemployment compensation taxes or withhold any amounts from payment to Franchisee for federal income taxes or for federal social security taxes, unless otherwise required by applicable laws and regulations. Franchisor has no obligation to provide Franchisee with any employment and fringe benefits that Franchisor may provide to employees, such as health insurance. The foregoing also applies to any relationship with Franchisee's Personnel.

19.2. No Obligation of the Other. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and that Franchisor shall in no event assume liability for,



or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee in its conduct of the Franchised Store or for any claim or judgment arising therefrom against Franchisee or Franchisor.

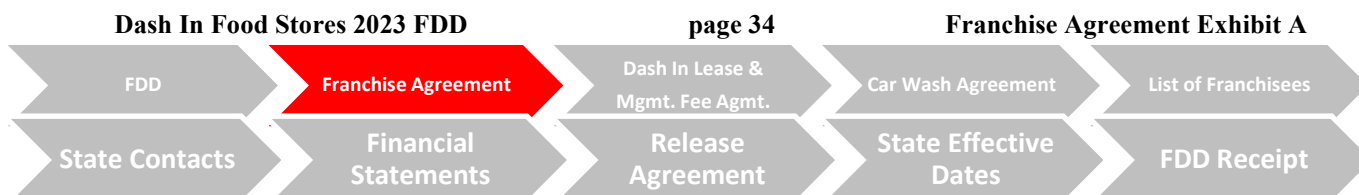
19.3. Franchisee's Indemnification. To the fullest extent permitted by law, Franchisee agrees to indemnify and hold Franchisor, its parent, its affiliates, and each of their respective directors, shareholders, members, managers, partners, owners, officers, directors, employees, representatives, and agents ("**Indemnified Parties**") harmless against any and all claims, obligations, damages, fees (including but not limited to fees for attorneys and expert witnesses), expenses, judgments, costs, payments, losses, injuries, penalties, and fines (including but not limited to fines for violation of laws, ordinances, regulations, rules, or orders issued by a governmental authority), arising directly or indirectly from, as a result of, or in connection with: **(i)** injury (including death) to any person (including Franchisee's employees) or damages to any property of whatsoever kind and nature arising out of or in any manner connected with the Franchised Store premises (including, but not limited to, Franchisee's use or occupancy of the Franchised Store premises, ingress or egress to the premises, access or use of parking lots, walkways or common areas and any alterations or work done in or about the premises by the Franchisee or on the Franchisee's behalf); **(ii)** Franchisee's operation of the Franchised Store; **(iii)** the business conducted under this Agreement; **(iv)** Franchisee's breach of this Agreement, including, without limitation, those alleged to be caused in whole or in part by any act, omission, negligence, or strict liability of the Indemnified Parties; **(v)** on-site training, assistance or support provided to Franchisee by Franchisor's employees or personnel; and **(vi)** any and all taxes described in this Agreement. It is expressly understood and agreed that the indemnity contained in this Section 19.3 covers claims by Franchisee's employees and that Franchisee expressly waives any defense to this indemnification obligation which may arise under any workers' compensation laws of any State. Franchisee's duty of indemnification and holding harmless will extend to all payments made by Franchisor in order to settle claims where such claims would be included within Franchisee's obligations in this Section 19.3. Franchisee will pay the amount owed to Franchisor under this Section 19.3 immediately on Franchisor's demand. In the event Franchisor incurs any costs or expenses, including, without limitation, legal fees, travel expenses, and other charges, in connection with any proceeding involving Franchisee in which Franchisor is not a party, Franchisee shall reimburse Franchisor for all such costs and expenses promptly upon presentation of invoices. Franchisee acknowledges and agrees that Franchisee's indemnification and hold harmless obligations under this Section 19.3 shall survive the termination or expiration of this Agreement.

20. APPROVALS AND WAIVERS

20.1. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee under any of the terms, provisions, covenants, or conditions hereof, nor any delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by any other franchisee under the System, shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Franchisee, or as to subsequent breach or default by Franchisee. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, provisions, covenants, or conditions of this Agreement.

21. NOTICES

21.1. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered or certified mail, postage prepaid, return receipt requested, a recognized overnight delivery service, or by other means which affords the sender evidence of delivery, or of rejected delivery. If to Franchisee notices shall be delivered to the address shown on the Summary Page of this Agreement and if to Franchisor, notices shall be delivered to the address shown below, unless and



until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery, however, no later than the dates noted below.

NOTICES TO FRANCHISOR: Dash In Food Stores, Inc.
Attn: Mark Samuels, Vice President
Address: 46355 Crain Hwy.
La Plata, Maryland 20646

Each such notice shall be deemed delivered (a) on the date delivered, if by personal delivery; (b) one (1) day after notice is sent, if by overnight express type service; and (c) on the first occurring of (i) three (3) business days after mailing, postage prepaid, or (ii) the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

22. ENTIRE AGREEMENT AND AMENDMENT

22.1. This Agreement and the documents referred to herein constitute the entire, full, and complete Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements, no other representations having induced Franchisee to execute this Agreement. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Agreement or in any related agreements is intended to disclaim the representations made in the Franchise Disclosure Document.

23. SEVERABILITY AND CONSTRUCTION

23.1. Severable Provisions. If any of the provisions of this Agreement may be construed in more than one way, one of which would render the provision illegal or otherwise voidable or unenforceable, such provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to its fair meaning and not strictly against any party. In the event any court or other government authority shall determine any provision in this Agreement is not enforceable as written, the parties agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws and public policies of the jurisdiction in which enforcement is sought and affords the parties the same basic rights and obligations and has the same economic effect. If any provision in this Agreement is held invalid or otherwise unenforceable by any court or other government authority or in any arbitration proceeding, such findings shall not invalidate the remainder of the agreement unless in the reasonable opinion of Franchisor the effect of such determination has the effect of frustrating the purpose of this Agreement, whereupon Franchisor shall have the right by notice in writing to the other party to immediately terminate this Agreement.

23.2. No Third Party Beneficiaries. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors, and employees, and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, permitted) by Article 14 hereof, any rights or remedies under or by reason of this Agreement.

23.3. Enforcement of Reduced Covenants. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be



unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

23.4. Captions. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

23.5. Survival. All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, shall so survive the expiration and/or termination of this Agreement, including, without limitation, Articles 10, 11, 14, 15, 16, 17, and 19.

23.6 Timing. Time is of the essence of this Agreement. However, whenever the time for the performance of any action or condition contained in this Agreement falls on a Saturday, Sunday or legal holiday, such time will be extended to the next business date. Indications of time of day mean time at La Plata, Maryland.

24. APPLICABLE LAW

24.1. Maryland Law. This Agreement takes effect upon its acceptance and execution by Franchisor in Maryland, and shall be interpreted and construed under the laws of the State of Maryland. In the event of any conflict of law, the laws of Maryland shall prevail, without regard to, and without giving effect to, the application of Maryland conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of Maryland, and if the Franchised Store is located outside of Maryland and such provision would be enforceable under the laws of the state in which the Franchised Store is located, then such provision shall be interpreted and construed under the laws of that state. Notwithstanding the general application of Maryland law, nothing in this Section 24.1 is intended to expand the scope of any franchise, business opportunity, or similar law, rule, or regulation to this Agreement which would otherwise not apply based on the parties and Franchised Store operated hereunder.

24.2. Mediation. Except as otherwise provided in this Agreement, all controversies, disputes, and claims arising out of or related to this Agreement (including any claim that the Agreement or any of its provisions is invalid, illegal, or otherwise voidable or void), the relationship between Franchisor and Franchisee, Franchisee and Franchisor's affiliates, or Franchisee's operation of the Franchised Store shall first be subject to non-binding mediation. All controversies, disputes, and claims not resolved by, or not subject to, the mediation process shall be resolved in accordance with the provision in Sections 24.1, 24.3, 24.5, 24.6, and 24.7. Mediation shall not be required with respect to: **(a)** any claim or dispute involving actual or threatened disclosure or misuse of Franchisor's Confidential Information; **(b)** any claim or dispute involving the ownership, validity, or use of the Marks; **(c)** any claim or dispute involving the insurance or indemnification provisions of this Agreement; or **(d)** any action by Franchisor to enforce the covenants set forth in Article 17 of this Agreement. Nothing in this Article 24 shall prevent any party from instituting or pursuing litigation at any time to preserve the status quo, protect the health or safety of the public, or avoid irreparable harm.

24.2.1. Mediation under this Article 24 is not intended to alter or suspend the rights or obligations of the parties under this Agreement or to determine the validity or effect of any provision of this Agreement, but is intended to furnish the parties an opportunity to resolve disputes amicably, expeditiously and in a cost-effective manner on mutually acceptable terms.

24.2.2. The non-binding mediation provided for hereunder shall be commenced by the party requesting mediation (the **"complainant"**) providing written notice of the request for mediation (the **"request"**) to the party with whom mediation is sought (the **"respondent"**). The request shall specify with reasonable particularity the matter or matters on which non-binding mediation is sought. A copy of the



request shall be given by the complainant simultaneously to Franchisor if Franchisor is not a complainant or respondent.

24.2.3. Non-binding mediation hereunder shall be conducted by a mediator or mediation program designated by Franchisor in writing (the “**designation**”), or by a mediator whom Franchisor and Franchisee may otherwise agree. Franchisor shall send the designation to Franchisee within a reasonable time after issuance of the request.

24.2.4. Non-binding mediation hereunder shall be concluded within 60 days of the issuance of the request or such longer period as may be agreed upon by the parties in writing (the “**mediation termination date**”). All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Complainant and respondent shall each bear its own costs of mediation, and each shall bear one-half the cost of the mediator or mediation service.

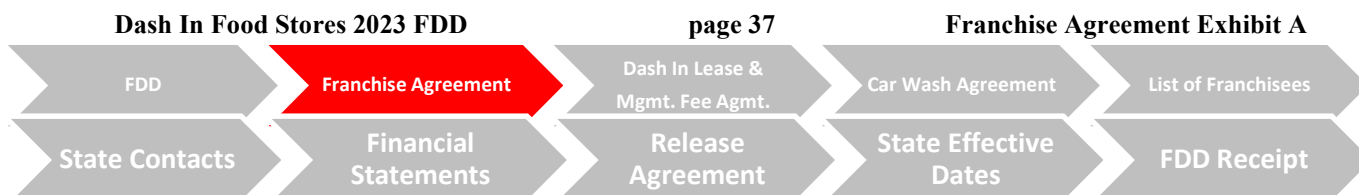
24.3. Arbitration. Franchisor and Franchisee agree that, except for **(a)** any claim or dispute involving actual or threatened disclosure or misuse of Franchisor’s Confidential Information; **(b)** any claim or dispute involving the ownership, validity, or use of the Marks; **(c)** any claim or dispute involving the insurance or indemnification provisions of this Agreement; or **(d)** any action by Franchisor to enforce the covenants set forth in Article 17 of this Agreement, all controversies, disputes, or claims between Franchisor, Franchisor’s affiliates, and their respective owners, officers, managers, agents, and employees, as applicable, and Franchisee (and Franchisee’s owners, guarantors, affiliates, and employees, as applicable) arising out of or related to:

- (i)** this Agreement or any other agreement between Franchisee and Franchisor;
- (ii)** the relationship with Franchisee;
- (iii)** the validity of this Agreement or any other agreement between Franchisee and Franchisor; or
- (iv)** any System standard;

must be submitted for binding arbitration, on demand of either party, to the office of the American Arbitration Association closest to Franchisor’s then existing principal business address. The arbitration proceedings will be conducted by one arbitrator and, except as this Section 24.3 otherwise provides, according to the then current Commercial Arbitration Rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator which is within 30 miles of Franchisor’s then existing principal business address. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.) and not by any state arbitration law. Judgment upon the arbitrator’s award may be entered in any court of competent jurisdiction.

24.3.1. The arbitrator has the right to award or include in his or her award any relief which he or she deems proper in the circumstances, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys’ fees and costs, provided that the arbitrator may not declare any Mark generic or otherwise invalid and, except as Section 24.6 below otherwise provides, Franchisor and Franchisee (and Franchisee’s owners, if Franchisee is not a sole proprietorship) waive any right to or claim for any exemplary or punitive damages. The arbitrator’s award and decision are conclusive and binding upon all parties.

24.3.2. Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. Franchisor and Franchisee further agree that, in any arbitration proceeding, each must submit or



file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Franchisee or Franchisor.

24.3.3. Franchisor and Franchisee agree that arbitration will be conducted on an individual, not a class-wide, basis, that only Franchisor (and Franchisor's affiliates, and their respective owners, officers, managers, agents, and employees, as applicable), and Franchisee (and Franchisee's owners, guarantors, affiliates, and employees, as applicable) may be the parties to any arbitration proceeding described in this Section 24.3, and that any such arbitration proceeding shall not be consolidated with any other arbitration proceeding between Franchisor and any other person.

24.3.4. Despite Franchisor's and Franchisee's agreement to arbitrate, Franchisor and Franchisee each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that Franchisor and Franchisee must contemporaneously submit the dispute for arbitration on the merits as provided in this Section 24.3.

24.3.5. The provisions of this Section 24.3 are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

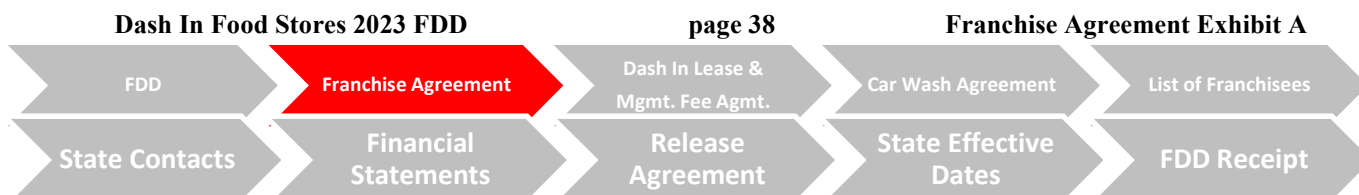
24.4. No Exclusive Remedies. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy provided herein or permitted by law or equity, but each shall be cumulative of every other right or remedy.

24.5. WAIVER OF JURY TRIAL. FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION, PROCEEDING, OR COUNTERCLAIM.

24.6. Limitations Period. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee's operation of the Franchised Store, including any arbitration proceeding, or any claim in arbitration (including any defenses and any claims of set-off or recoupment), must be brought or asserted before the expiration of the earlier of **(a)** the time period for bringing an action under any applicable state or federal statute of limitations; **(b)** one (1) year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or **(c)** two (2) years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims or actions shall be irrevocably barred. Claims of Franchisor attributable to underreporting of sales, and claims of the parties for failure to pay monies owed and/or indemnification shall be subject only to the applicable state or federal statute of limitations.

24.7. WAIVER OF PUNITIVE DAMAGES. FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE, EXEMPLARY, OR MULTIPLE DAMAGES AGAINST THE OTHER.

24.8. Injunctive Relief. Nothing herein contained shall bar Franchisor's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, including violations of the terms of Articles 10, 11, and 17, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.



25. ACKNOWLEDGMENTS

25.1. Independent Investigation. Franchisee acknowledges and represents that (a) it has conducted an independent investigation of the DASH IN Store business franchised hereunder, recognizes that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of Franchisee; (b) Franchisor made no promise or representation as to the renewal of this Agreement or the grant of a new franchise after the end of the initial term; (c) Franchisee has received a copy of this Agreement, has read and understands all obligations being undertaken, and has had an opportunity to consult with its attorney with respect thereto at least 14 calendar days prior to execution or as otherwise required by state law; and (d) neither Franchisor nor anyone acting on its behalf has made any representations, inducements, promises, or agreements, orally or otherwise, respecting the subject matter of the Franchised Store, which is not embodied herein or set forth in the Disclosure Document. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

25.2. Reviewed Documents. Franchisee acknowledges that it has read and understood this Agreement, the attachments hereto, and agreements relating thereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

25.3. Representations and Warranties. Franchisee and its owners represent and warrant to Franchisor that:

(a) neither Franchisee nor any of its owners have made any untrue statement of any material fact nor omitted to state any material fact in obtaining the rights granted herein;

(b) neither Franchisee nor any of its owners have any direct or indirect legal or beneficial interest in any business that may be deemed a Competitive Business, except as otherwise completely and accurately disclosed in its franchise application materials; and

(c) neither Franchisee nor its owners have been designated as suspected terrorists under U.S. Executive Order 13244. Franchisee recognizes that Franchisor approved Franchisee in reliance on all of the statements Franchisee and its owners have made in connection therewith.

25.4. Modification of Offers. Franchisee acknowledges and agrees that Franchisor may modify the offer of its franchises to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

25.7. No Representation; No Reliance.

25.7.1. Franchisee represents and warrants to Franchisor that, except for the information contained in Item 19 of the Franchise Disclosure Document delivered to Franchisor in connection with Franchisee's entering into this Agreement, neither Franchisor nor any of its agents have made any representations or promises to Franchisee about the actual or potential earnings or profit of a DASH IN Franchised Store, and that Franchisee is entering into this Agreement relying solely on its own independent due diligence.

25.7.2. Franchisee represents and warrants to Franchisor that, in entering into this Agreement, Franchisee has not relied on any representation or promise that Franchisor or any of its agents made to Franchisee about the actual or potential earnings or profit of a DASH IN franchise, other than information contained in Item 19 of the Franchise Document delivered to Franchisee in connection with Franchisee's entering into this Agreement.



Intending to be legally bound, the parties have executed this Agreement to be effective on the “Effective Date” reflected on the Summary Page.

FRANCHISOR:

DASH IN FOOD STORES INC.
a Maryland corporation

By: _____

Name: _____

Title: _____

FRANCHISEE:

«Franchisee»
«statecorp»

By: _____

Name: _____

Title: _____

Dash In Food Stores 2023 FDD

page 40

Franchise Agreement Exhibit A

FDD

Franchise Agreement

Dash In Lease &
Mgmt. Fee Agmt.

Car Wash Agreement

List of Franchisees

State Contacts

Financial
Statements

Release
Agreement

State Effective
Dates

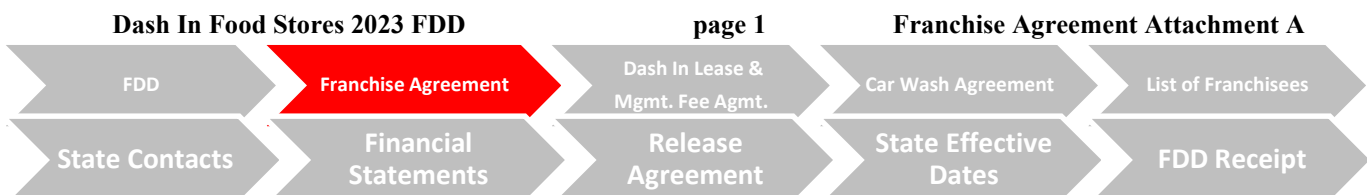
FDD Receipt

ATTACHMENT A to Dash In Franchise Agreement
LEASEHOLD IMPROVEMENTS, FIXTURES AND EQUIPMENT

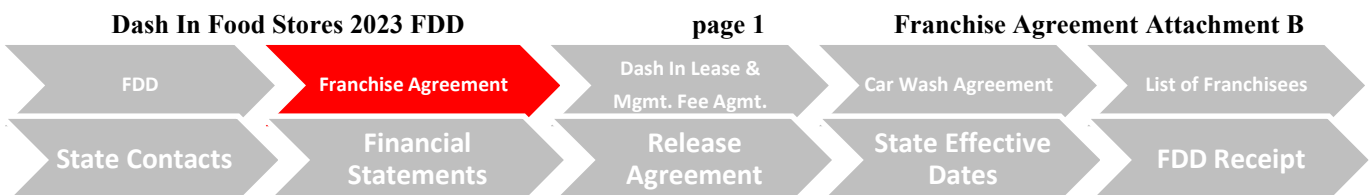
Standard Equipment List

Vault / Cooler	Point of Sale Cash Registers
Freezer(s)	Open Air Deli Case(s)
Gondolas	3-Compartment Sink
Coffee Bar	Bag-n-Box System FSD/FCB
Ice Cream Novelty Case	Mop Sink
Fresh Pastry Case	Time Delay Safe
Feature End Cap(s)	Hot Water Heater
Frozen Carbonated Beverage Machine	Chili / Cheese Dispenser
Fountain Machine	Backbar / Cigarettes
Fountain Ice Maker	Built in Cup Dispensers
Sales Counters	Coffee Brewer(s)
Food Service Counters	Creamer Machine(s)
Microwave(s)	Condiment Station
Hot Dog Roller Grill	Coffee Grinder
Hot Dog Bun Warmer	CO ₂ Tanks
Sandwich Heating Unit	Chip Rack(s)
Money Order Machine	Newspaper Rack
Magazine Rack(s)	Nacho Rack

Note: The actual equipment list for the Franchised Store will be attached to the Franchise Agreement prior to, or as of, the Changeover Date.



ATTACHMENT B to Dash In Franchise Agreement
PRE-OPENING REPORT





STORE CHANGEOVER CONDITION REPORT

STORE NO.: _____

DATE: _____

Item #	PROPERTY/BUILDING	✓ or O	Item #	EQUIPMENT	✓ or O	Item #	MERCHANDISING	✓ or O
1	Outside grounds		39	Sales Counter		80	Store Footprint	
2	Landscaping		40	Cash Registers		81	Vault Layout	
3	Parking Lot		41	Printer		82	Gondolas	
4	Front Sidewalk		42	In Store Processor		83	Sales Counter	
5	Trash Dumpster Area		43	FCB Machine		84	End caps	
6	Outside Trash Containers		44	FSD Machine		85	Fixture, Displays, Racks	
7	Front Windows		45	Ice Maker		86	Proper Inventory Levels	
8	Gutters/Down Spouts		46	Coffee Makers		87	Bad Merchandise Removed	
9	Exterior Walls		47	Cappuccino/Latte		88	Prices at S.R.P.	
10	Roof		48	Roller Grill		89	Permanent P.O.P.	
11	Facia, Pole, Floods		49	Microwave Oven/s		90	Current Promotional P.O.P.	
12	Canopy		50	Shelving/Gondolas		91	Deli Merchandised	
13	Front Door Closures		51	Vault		92	Sneeze Guards	
14	Front Door Locks		52	Vault Door Seals/Closures		93	Cup/Lid Holders	
15	Interior Walls		53	Vault Door Glass		94	Vault Priced	
16	Circuit Panel Labeled		54	Novelty Case/Lights		95	Current Licenses	
17	Customer Service Area		55	Novelty Baskets				
18	Floors		56	Upright Freezers/Lights			SECURITY	
19	Ceiling		57	Mid Temps/Lights				
20	Ceiling Lights		58	Thermometers		96	Adequate Lighting	
21	Exit Lights		59	Storage Freezers		97	Robbery Prevention Decals	
22	Backrooms		60	C02 Tanks		98	Safe in Use	
23	Interior Trash Containers		61	Fire Extinguishers		99	Security System Operational	
24	Sinks/Drains		62	Tank/Box Connectors				
25	Restrooms		63	Hot Water Heaters			SAFETY	
26	A/C supply Ducts/Vents		64	Chili/Cheese Dispenser		100	Safety Fixture	
27	Pay Phones		65	Fast Food Utensils		101	Safety Book	
			66	Condiment Holders		102	Safety Cabinet Supplies - Gas	
						103	First Aid Kit	
	GASOLINE		67	Bait Refrigerator				
			68	Money Orders			OTHER	
28	Air/Vacuum		69	Credit Card				
29	Canopy		70	ATM		104	EEO Poster	
30	Lights		71	Copier Machine		105	Age Restricted	
31	Pumps		72	Water Purification System		106	OSHA Kit	
32	Manuals		72	Fresh/Fast Food Cases				
33	Supplies		74	Condiment Station			CAR WASH	
34	Gas Console		75	Pastry Case/Lights		107	Doors/Equipment Operational	
35	Gas Console Instructions		76	Coffee Island		108	Gutters Clean	
36	Credit Card Instructions		77	Coffee Bean Grinder		109	All POP Present/Clean	
37	Tank Monitor		78	Hot Dog Bun Warmer		110	Building	
38	Intercom		79	Ice Merchandiser		111	Chemicals/Supplies Present	

Incoming Franchisee Date
Dash In Food Stores 2023 FDD

Outgoing Franchisee Date
page 2

Dash In Representative Date
Franchise Agreement Attachment B



STORE CHANGEOVER CONDITION REPORT

Store No. _____

[illegible]

ATTACHMENT C to Dash In Franchise Agreement
GUARANTY, INDEMNIFICATION, AND ACKNOWLEDGMENT

As an inducement to Dash In Foods, Inc. (“**Franchisor**”) to execute the Franchise Agreement made and entered into on the Effective Date (as that term is defined in the Summary Page of the Franchise Agreement) between Franchisor and Franchisee identified in the Summary Page (the “**Agreement**”), the undersigned, jointly and severally, absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, the full and punctual payment and performance of all present and future obligations, liabilities, covenants and agreements required to be observed and performed or paid or reimbursed by Franchisee under or relating to the Agreement, plus all costs, expenses and fees (including the reasonable fees and expenses of Franchisor’s counsel) in any way relating to the enforcement or protection of Franchisor’s rights hereunder (collectively, the “**Obligations**”).

The undersigned hereby unconditionally and irrevocably waive (a) promptness, diligence, notice of acceptance, presentment, demand for performance, notice of non-performance, default, acceleration, protest or dishonor and any other notice with respect to any of the Obligations and this Guaranty and any requirement that Franchisor protect, secure, perfect or insure any lien or any property subject thereto; (b) any right to require Franchisor to pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee, prior to selling to enforce this Guaranty; (c) any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of the undersigned’s liability; (d) all rights to payments and claims for reimbursement or subrogation which Franchisee may have against Franchisee arising as a result of your execution of and performance under this Guaranty; (e) all other notices and legal or equitable defenses to which the undersigned may be entitled in their capacity as guarantors; and (f) any right to revoke this Guaranty and acknowledges that this Guaranty is continuing in nature and applies to all presently existing and future Obligations, until the complete, irrevocable and indefeasible payment and satisfaction in full of the Obligations.

Without affecting the Obligations of the undersigned under this Guaranty, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Agreement and protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by the undersigned, and agree to be bound by any and all such amendments and changes to the Agreement.

The undersigned agree that its Obligations under this Guaranty are irrevocable, continuing, absolute and unconditional and shall not be discharged or impaired or otherwise affected by, and the undersigned hereby irrevocably waive any defenses to enforcement it may have (now or in the future) by reason of:

- (a) Any illegality, invalidity or unenforceability of any Obligation or the Agreement or any related agreement or instrument, or any law, regulation, decree or order of any jurisdiction or any other event affecting any term of the Obligations.
- (b) Any change in the time, place or manner of payment or performance of, or in any other term of the Obligations, or any rescission, waiver, release, assignment, amendment or other modification of the Agreement.
- (c) Any taking, exchange, substitution, release, impairment, amendment, waiver, modification or non-perfection of any collateral or any other guaranty for the Obligations, or any manner of sale, disposition or application of proceeds of any collateral or other assets to all or part of the Obligations.
- (d) Any default, failure or delay, willful or otherwise, in the performance of the Obligations.



(e) Any change, restructuring or termination of the corporate structure, ownership or existence of the undersigned or Franchisee or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Obligor or its assets or any resulting restructuring, release or discharge of any Obligations.

(f) Any failure of Franchisor to disclose to the undersigned any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of Obligor now or hereafter known to Franchisor, the undersigned waiving any duty of Franchisor to disclose such information.

(g) The failure of any other guarantor or third party to execute or deliver this Guaranty or any other guaranty or agreement, or the release or reduction of liability of the undersigned or any other guarantor or surety with respect to the Obligations.

(h) The failure of Franchisor to assert any claim or demand or to exercise or enforce any right or remedy under the provisions of any Agreement or otherwise.

(i) The existence of any claim, set-off, counterclaim, recoupment or other rights that the undersigned or Obligor may have against Franchisor (other than a defense of payment or performance).

(j) Any other circumstance (including, without limitation, any statute of limitations), act, omission or manner of administering the Agreement or any existence of or reliance on any representation by Franchisor that might vary the risk of the undersigned or otherwise operate as a defense available to, or a legal or equitable discharge of, the undersigned.

Each of the undersigned consent and agree that: (i) the undersigned must render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; and (ii) this Guaranty is a direct guaranty and independent of the obligations of Franchisee under the Agreement and the undersigned's liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Franchisee or any other person. The undersigned agree that its guaranty hereunder shall continue to be effective or be reinstated, as the case may be, if at any time all or part of any payment of any Obligation is voided, rescinded or recovered or must otherwise be returned by Franchisor upon the insolvency, bankruptcy or reorganization of Franchisee.

The undersigned hereby waive and shall not exercise any rights that it may acquire by way of subrogation, contribution, reimbursement or indemnification for payments made under this Guaranty until all Obligations shall have been indefeasibly paid and discharged in full.

The undersigned hereby agree to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of investigation, and court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein. To induce Franchisor to enter into the Agreement, the undersigned represents and warrants that: (a) this Guaranty constitutes the undersigned's valid and legally binding agreement in accordance with its terms; (b) the execution, delivery and performance of this Guaranty have been duly authorized by all necessary action and will not violate any order, judgment or decree to which any of the undersigned or any of its/their assets may be subject; and (d) each of the undersigned is currently solvent and will not be rendered insolvent by providing this Guaranty.

The undersigned hereby acknowledge and agree to be individually bound by all of the obligations, duties, and covenants set forth in the Agreement as if the undersigned were the "Franchisee" thereunder (except that the undersigned shall have no right to exercise Franchisee's powers under the Agreement).



If Franchisor is required to enforce this Guaranty in any judicial proceeding or any appeals, Franchisee must reimburse Franchisor for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', paralegals' mediators', arbitrators and expert witness fees, costs of investigation and proof of facts, court costs, filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

This Guaranty shall terminate upon the termination or expiration of the Agreement, except that all Obligations which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement, including, without limitation, Obligations of confidentiality and non-competition, shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guaranty, but only for Obligations hereunder existing at the time of death; and the Obligations of the other guarantors will continue in full force and effect.

Franchisor's officers, directors, owners, members, agents, representatives, affiliates, any cooperative and/or employees are express third party beneficiaries of the Agreement and this Guaranty, and the mediation and arbitration provisions incorporated by reference herein, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by the undersigned.

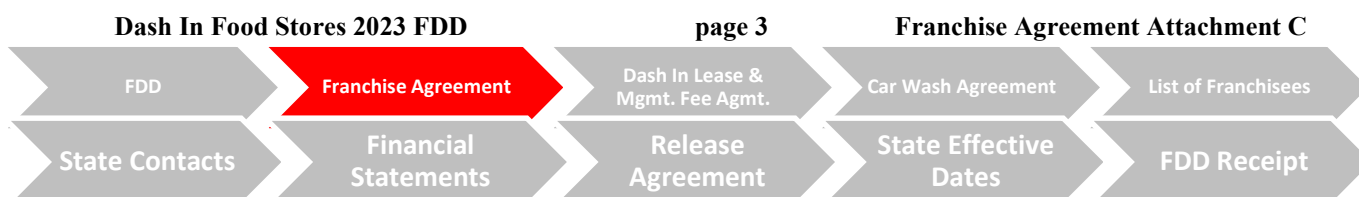
Nothing contained in this Guaranty shall prevent Franchisor from applying to, or obtaining from, any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation proceeding or pending the arbitration or handing down of a decision or award pursuant to any mediation or arbitration conducted hereunder. Each right, remedy and power hereby granted to Franchisor or allowed it by applicable law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Franchisor at any time or from time to time.

THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS GUARANTY OR THE AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR THE UNDERSIGNED'S PURCHASE FROM FRANCHISOR OF THE FRANCHISED STORE.

The undersigned waive to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages, and agree that in the event of a dispute, the undersigned's recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable, for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

Each of the parties hereby irrevocably waives the right to litigate on a class action basis, in any action, proceeding, or counterclaim, whether at law or in equity, brought by any party.

The undersigned agree that no cause of action arising out of or under this Guaranty or any of the Agreements may be maintained by the undersigned unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that the undersigned may have a claim against, whichever occurs sooner (or such longer period of time required by applicable law), and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off. Unless



specifically stated otherwise, the terms used in this Guaranty shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Article 23 of the Agreement. This Guaranty shall be interpreted and construed under the laws of the State of Maryland. In the event of any conflict of law, the laws of the State of Maryland shall prevail (without regard to, and without giving effect to, the application of Maryland conflict of law rules). This Guaranty shall be governed and subject to the dispute resolution procedures outlined in the Agreement. EACH PARTY IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION IMMEDIATELY BELOW AND AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY MANNER PERMITTED BY APPLICABLE LAW.

All notices, requests, consents, demands and other communications hereunder (each, a "**Notice**") shall be in writing and delivered to the parties at the addresses set forth below or to such other address as may be designated by the receiving party in a Notice given in accordance with this section. All Notices shall be delivered by personal delivery, nationally recognized overnight courier, email or certified or registered mail (return receipt requested, postage prepaid). Except as otherwise provided in this Guaranty, a Notice is effective only (a) with written confirmation of delivery or transmission; (b) upon receipt of the receiving party; and (c) if the party giving the Notice has complied with the requirements of this section.

NOTICES TO FRANCHISOR: Dash In Food Stores, Inc.

Attn: Mark Samuels, Vice President

Address: 46355 Crain Hwy.

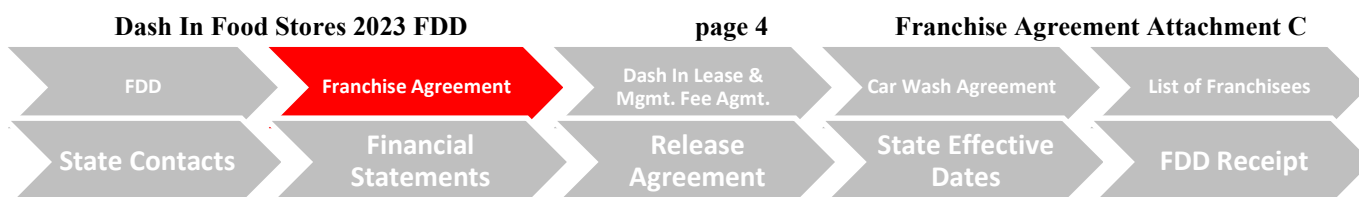
La Plata, Maryland 20646

NOTICES TO UNDERSIGNED: Address below an applicable signature line.

This Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that the undersigned may not, without the prior written consent of Franchisor, assign any of its rights, powers or obligations hereunder. Franchisor may assign this Guaranty and its rights hereunder without the consent of the undersigned. Any attempted assignment in violation of this section shall be null and void.

If any provision of this Guaranty is to any extent determined by final decision of a court of competent jurisdiction to be unenforceable, the remainder of this Guaranty shall not be affected thereby, and each provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

This Guaranty constitutes the sole and entire agreement of the undersigned and Franchisor with respect to the subject matter hereof and supersedes all previous agreements or understandings, oral or written, with respect to such subject matter. No amendment or waiver of any provision of this Guaranty shall be valid and binding unless it is in writing and signed, in the case of an amendment, by both parties, or in the case of a waiver, by the party against which the waiver is to be effective. Section headings are for convenience of reference only and shall not define, modify, expand or limit any of the terms of this Guaranty. Delivery of this Guaranty in electronic (i.e., pdf or tif) format shall be effective as delivery of a manually executed original of this Guaranty. This Guaranty may be executed in counterparts, and by scanned or electronic signature, each of which shall be considered to be an original instrument but all of which, taken together, shall constitute one and the same document.



IN WITNESS WHEREOF, each of the undersigned has signed this Guaranty as of the date of the Agreement.

GUARANTOR(S):

Signed: _____
(In his/her individual capacity)

Printed Name: _____

Address: _____

Signed: _____
(In his/her individual capacity)

Printed Name: _____

Address: _____

ACKNOWLEDGED BY:

FRANCHISEE

«Entity»

FRANCHISOR

DASH IN FOOD STORES, INC.

a Maryland corporation

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Dash In Food Stores 2023 FDD

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Franchise Agreement Attachment C

FDD

Franchise Agreement

Dash In Lease &
Mgmt. Fee Agmt.

Car Wash Agreement

List of Franchisees

State Contacts

Financial
Statements

Release
Agreement

State Effective
Dates

FDD Receipt

ATTACHMENT D to Dash In Franchise Agreement

FORM OF CONFIDENTIALITY AGREEMENT

I, [INSERT], agree that at all times, including, without limitation, prior to execution of a franchise agreement, during my association with [INSERT] (“Franchisee”) and Dash In Food Stores, Inc. and its affiliates (collectively referred to as “Dash In”) and thereafter, to treat as confidential all manuals and materials designated for use by Dash In with the Dash In business (including, without limitation, the Manuals), and such other information as Dash In or Franchisee may designate from time to time for confidential use with the Dash In business (as well as all trade secrets and confidential information, knowledge and know-how concerning the operation of the Franchised Store that may be imparted to, or acquired by, me from time to time in connection with my relationship with Dash In and Franchisee), and shall use all reasonable efforts to keep such information confidential and shall not use the confidential information for any other purpose other than in connection with the operation of the Franchised Store. I acknowledge that the unauthorized use or disclosure of such confidential information (and trade secrets, if any) will cause incalculable and irreparable injury to Dash In and Franchisee. I accordingly agree that I shall not, at any time, without Dash In’s and Franchisee’s prior written consent, disclose, use or permit the use (except as may be required by applicable law or authorized by this Agreement) of such information, in whole or part, or otherwise make the same available to any unauthorized person or source. Any and all information, knowledge and know-how not generally known about Dash In standards and such other information or material as Dash In or Franchisee may designate as confidential, shall be deemed confidential for purposes of this Agreement.

Because of my significant responsibilities and access to proprietary information of Dash In and Franchisee, I acknowledge that my obligations in this Agreement are reasonable and necessary to protect Franchisee’s, Dash In’s and its franchisees’ legitimate business interests. I understand that breaking any of my promises or obligations will irreparably and continually damage Franchisee, Dash In, and Dash In franchisees for which money damages may not be adequate. Consequently, if I violate any of my promises in this Agreement, or Dash In and/or Franchisee has reason to believe that I am about to violate this agreement, without limitation to other available remedies, Dash In and Franchisee will be entitled to both: (1) a preliminary or permanent injunction to prevent the continuing harm to Dash In (and/or any of its franchisees) and/or Franchisee, and (2) money damages insofar as they can be determined. An injunction ordering me to stop any activities that may violate this Agreement will not prevent me from earning a living. I will pay Dash In and/or Franchisee its costs and expenses resulting from any enforcement of this agreement resulting from my violation of the terms hereof, including reasonable attorneys’ fees.



If any court determines that any of the covenants set forth in this agreement, or any part thereof, is unenforceable because of the duration or geographic scope of such provision, such court shall have the power to reduce the duration or scope of such provision, as the case may be, and, in its reduced form, such provision shall then be enforceable. This agreement may be executed in counterparts, and by facsimile or electronic signature, each of which shall be considered to be an original instrument but all of which, taken together, shall constitute one and the same document.

Name:

Title:

Date:

[FRANCHISEE ENTITY]

By: _____

Name:

Title:

Date:

AGREED AND ACKNOWLEDGED:

Dash In Food Stores, Inc.

By: _____

Name:

Title:

Date:



ATTACHMENT E to Dash In Franchise Agreement

TELEPHONE LISTING AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the “Telephone Listing Agreement”) is made and entered into as of _____ (the “Effective Date”), by and between Dash In Food Stores, Inc. (the “Franchisor”), and _____ (the “Franchisee”).

WITNESSETH:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor (the “Franchise Agreement”); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1 Interest in Telephone Numbers and Listings. Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the “Telephone Numbers and Listings”) related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as “Franchisee’s Interest”).

2.2 Transfer. On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Numbers and Listings: (i) to transfer all Franchisee’s Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs. In the event that Franchisor accepts one or more Telephone Numbers and, Franchisor agrees to assume and be responsible for all obligations and liabilities with respect to such Telephone Numbers and Listings.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under this Telephone Listing Agreement, with full power of substitution, as Franchisee’s true and lawful attorney-in-fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or



affiliated company of Franchisee, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor, in such case Franchisor shall assume and be responsible for all obligations and liabilities with respect to the Telephone Numbers and Listings;

2.3.2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee shall use its best efforts to direct the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all of Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest (and Franchisor shall become liable for any sums to be paid to the Telephone Companies for obligations incurred on and after the date Franchisor duly accepted the transfer of such Interest), or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement.

3. MISCELLANEOUS

3.1 Indemnification. Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement provided that Franchisor prevails in its efforts to enforce this Agreement, which reasonable costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations to the extent that they are related to or are based on Franchisee's breach of this Telephone Listing Agreement unless the claims, obligations or damages are determined to be caused in whole or in part by Franchisor's gross negligence or willful misconduct. Franchisor agrees that it will indemnify, defend, and hold harmless Franchisee and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors of any and all of them, from and against, and will reimburse Franchisee and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations to the extent that are related to or are based on Franchisor's breach of this



Telephone Listing Agreement, including, but not limited to, Franchisor's failure to assume or pay any claim or obligation to the Telephone Companies incurred on and after the date Franchisor duly accepted the transfer of Franchisee's Interest, unless the claims, obligations or damages are determined to be caused in whole or in part by Franchisee's negligence, fault or willful misconduct.

3.2 No Duty. The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings.

3.3 Further Assurances. Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement.

3.4 Successors and Assigns. All Franchisor's rights and powers, and all Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors and assigns as if they had duly executed this Telephone Listing Agreement.

3.5 Effect on Other Agreements. Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.6 Survival. This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement.

3.7 Joint and Several Obligations. All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several.

3.8 Governing Law. This Telephone Listing Agreement shall be governed by and construed under the laws of the State of Maryland, without regard to the application of Maryland conflict of law rules.

3.9 Counterparts. This Telephone Listing Agreement may be executed in counterparts, and by facsimile or electronic signature, each of which shall be considered to be an original instrument but all of which, taken together, shall constitute one and the same document.

[Signature Page to Follow]



IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date.

FRANCHISOR:

DASH IN FOOD STORES, INC.

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Dash In Food Stores 2023 FDD

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Franchise Agreement Attachment E

FDD

Franchise Agreement

Dash In Lease &
Mgmt. Fee Agmt.

Car Wash Agreement

List of Franchisees

State Contacts

Financial
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Release
Agreement

State Effective
Dates

FDD Receipt

**EXHIBIT B-1
DASH IN LEASE**

DATA SHEET

LOCATION NO. _____

DATE: [Prepared Date]

LESSOR: Dash In Food Stores, Inc.

Address: 102 Centennial Street

City and State: La Plata, Maryland Zip Code 20646

LESSEE: [Operator Company]

Residence Address: _____

City and State: _____ Zip Code _____

Business Address: _____

City and State: _____ Zip Code _____

LEASED PROPERTY: [Station Name]

Street Address: [Station Address]

City: [City]

County and State: [County, State] Zip Code

Site Fee: _____

The provisions of this Lease are set forth in the “Recital”, “Terms and Conditions” (sections 1 – 38) and Exhibits A, B, and C are attached hereto and made apart hereof.



**THIS AGREEMENT DOES NOT CREATE A FRANCHISE UNDER
THE PETROLEUM MARKETING PRACTICES ACT**

RECITAL

WHEREAS, Lessee desires to lease from Lessor, and Lessor desires to lease to Lessee, the retail service station located at **Station Address, City, State Zip** (the “Premises”);

WHEREAS, Lessor and Lessee are parties to that certain Franchise Agreement executed contemporaneous herewith for the operation of a Dash In franchised business;

WHEREAS, Lessor is either the owner of the Premises or has the right to operate a business at the Premises; and

WHEREAS, Lessor hereby leases to **Operator Company** (hereinafter Lessee) the Premises pursuant to the terms and conditions contained herein.

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

AGREEMENT

1. TERM

The term of this Lease commences on **Effective Date** and terminates on **End Date** notwithstanding the date of execution. Notwithstanding the foregoing, either party hereto may terminate this Lease for any reason by providing the other party no fewer than ninety (90) days prior written notification.

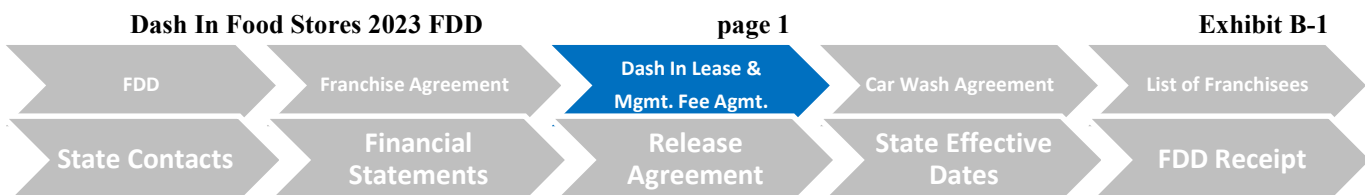
2. SITE FEE; RENTAL; EXTENSIONS

(a) Upon execution of this Lease, Lessee shall pay Lessor the site fee set forth on the Data Sheet. If Lessee fails to complete initial training under Section 6.1 of the Franchise Agreement to Franchisor’s (as that term is defined therein) satisfaction, Lessor shall refund 50% of the site fee actually paid within the time period outlined therein.

(b) Lessee shall pay as rent for the Premises the rent set forth in Exhibit A. The terms and amounts of the rent payment are exclusively provided to Lessee and are not assignable or transferable without written consent from Lessor. The first payment is due on **Payment Date**. Each payment is due and payable via Electronic Funds Transfer (EFT) to Lessor, or by any other form of payment requested by Lessor, on or before the first working day of each calendar month thereafter.

(c) Upon termination or cancellation of this Lease pursuant to Lessee’s breach or failure to meet its obligations for which a remedy is available under Section 11, or, whether or not pursuant to Lessee’s fault, pursuant to subsections 11(d) and 11(e), Lessor may accelerate the payment of all rent and other sums payable during the balance of the term of this Lease. Lessee is to pay these sums to Lessor within thirty (30) days of termination or cancellation unless a sooner date is reasonable under all the circumstances.

(d) Prior to the end of the initial term of this Lease, and in the absence of a ground for nonrenewal, Lessor may elect to extend this Lease at the conclusion of its term, or offer to enter into a new lease with Lessee at the conclusion of this Lease for a period of time determined by Lessor. If Lessor makes either election, Lessor shall notify Lessee of its election no later than ninety (90) days prior to the conclusion of the original term of this Lease. Lessee shall, within forty-five (45) days of receiving the election, notify Lessor of its acceptance or rejection of the election. Failure of Lessee to notify Lessor within the time set forth herein shall act as an automatic acceptance of the election by Lessee.



(e) Lessee shall pay the rent for the Premises outlined herein, plus any further rents or charges due under this Lease without set-off, counterclaim or abatement. Lessor has the exclusive right to perform an alteration to the Premises, via capital improvement, remodel, or full/partial demolish and rebuild at Lessor expense. Should Lessor perform an alteration during the term of this Lease, Lessor may, at its sole discretion, adjust the rental amount noted in Exhibit A based on the value of the alteration. Lessor shall provide sixty (60) days' notice in writing to Lessee in the event Lessor chooses to adjust the rent, and Lessee may terminate this Agreement with the same sixty (60) day written notice should Lessee choose not to accept the rental adjustment.

3. HOLDING OVER

(a) If this Lease expires and has not been extended, Lessor has a right to re-enter and to take immediate possession of the Premises. If Lessee retains possession of the Premises from and after the date of such expiration, then Lessor shall have the right (in addition to its other rights), to elect from the remedies available to it under law. Such remedies include, but are not limited to, treating Lessee as a periodic tenant, a tenant at sufferance, or a trespasser. Lessee will be treated as a periodic tenant only upon express written consent of Lessor, and acceptance of damages as provided for in subsection (b) of this Section shall not be deemed written consent.

(b) In addition to any other rights Lessor may have at law or equity or pursuant to the Lease, for each day or fraction thereof after termination or expiration of this Lease that Lessee fails or refuses to vacate the Premises and surrender the Loaned Equipment, Lessee shall pay Lessor upon demand as minimum damages equal to one hundred twenty-five percent (125%) of the monthly installment rental prescribed in Section 2, computed on a daily basis, or a sum equal to the maximum amount of damages recoverable by law for Lessee's holding over, whichever is greater. Either sum shall be payable in addition to any other special damages caused directly or indirectly by Lessee's holding over after the expiration, termination, or cancellation of this Lease. Lessor's acceptance of either sum shall in no way affect Lessor's right to immediate possession of the Premises and shall not afford Lessee any right of possession beyond the date of termination, expiration, or cancellation of this Lease. Lessee must have all its sellable inventory removed from the Premises within fifteen (15) days or the inventory will become the property of the Lessor. Additionally, Lessee is responsible for turning over the Premises in accordance with the brand standards as required by Lessor and the site must be maintained in accordance with this Lease, or the Lessor will clean, repair, replace and remove any items in this category at the Lessee's expense.

4. INDEPENDENT CONTRACTOR-LESSEE

Lessee is an independent contractor with the right and obligation to direct and control the convenience store business operations and/or the service bay business operations at the Premises, including the establishment of the prices at which service is offered and/or merchandise is sold. Lessee has no authority to employ anyone as an employee or agent of the Lessor for any purpose. Any person performing work at Lessee's request is an employee or agent of Lessee and not of the Lessor. Lessee is responsible for all premiums and contributions required by Workmen's Compensation, unemployment insurance, old age benefits and other programs measured by remuneration paid by Lessee to its employees. Lessor disclaims all liability for actions of Lessee, its employees, and any others under its control. Nothing in this paragraph is to be read in derogation of the duties undertaken by the Lessee in this Lease.

5. TAXES

(a) Lessor shall be responsible for all real estate taxes on the real property and all personal property taxes on its personal property located on the Premises.

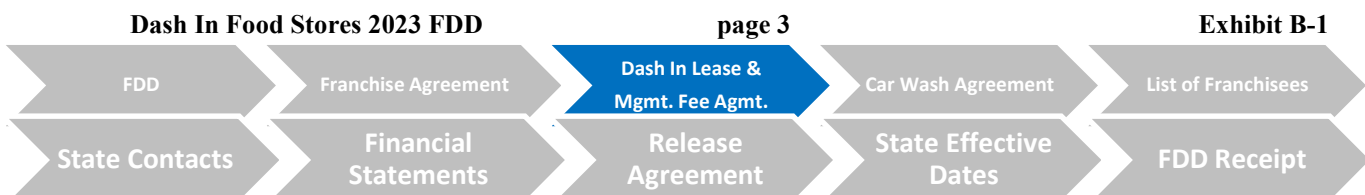


(b) Lessee shall pay all taxes levied or imposed on Lessee's property located at the Premises and imposed on Lessee's operations of the Premises.

6. INSURANCE

(a) Lessee shall, at its sole expense, obtain insurance from a reputable insurance company (AM Best A- or Higher; VII) lawfully authorized to do business on an admitted basis in the jurisdiction in which the Premises is located providing full and continuous coverage for the full term of this Contract and all renewal periods and furnish to the Lessor Certificates of Insurance evidencing same. Below are the minimum insurance requirements as required by Lessor:

- Commercial General Liability (including Premises - Operations, Independent Contractors, Products/Completed Operations, Personal Injury and Broad Form Property Damage) of \$1,000,000 each occurrence, \$2,000,000 general aggregate, \$1,000,000 products/Completed Operations, \$1,000,000 Personal and Advertising Injury, and \$300,000 Damage to Rented Premises (Fire legal liability).
- Automotive Liability – Coverage to include: (1) All Owned, Hired and Non-Owned Vehicles (Any Auto) and (2) Contractual Liability Coverage (including Liability for Employee Injury assumed under a contract), in the amount of \$1,000,000 per accident combined single limit.
- Worker's Compensation and Employer's Liability insurance: in the State in which the Premises is located and elsewhere as may be required and shall include, where applicable, (1) U.S. Longshoremen's and Harbor Workers' Coverage, (2) Workers Compensation Coverage Statutory Requirements, and (3) Employers Liability Limits not less than: Bodily injury by Accident: \$100,000 Each Accident, Bodily Injury by Disease \$100,000 Each Employee, and Bodily Injury by Disease \$500,000 Policy Limit.
- Property Insurance: Lessee shall bring or keep property upon the Premises solely at its own risk and Lessee, at its sole cost and expense, will keep all Personal Property, Stock, and Leasehold Improvements, Lessor's loaned equipment to include, but not limited to trade fixtures and signage, dispensers, canopy, EPOS, etc., now and hereafter located on the Premises insured against "All Risk" of Loss with an Insurer in an amount at least equal to the replacement value. Lessee is financially responsible for any motor fuel product loss.
- Commercial Umbrella Liability: Occurrence Limit: \$2,000,000, Aggregate Limit (where applicable): \$2,000,000. Policy to apply excess of the Commercial General Liability (following form Per Location Aggregate Limit), Commercial Automobile Liability and Employers Liability Coverages.
- To the fullest extent permitted by law, Lessor and any other parent, subsidiary or affiliated entities and mortgagees (including their agents, employees, representatives, officers, directors, stockholders, partners, members and lessees) shall be added and/or included as Additional Insured on all liability policies, even for claims regarding their sole negligence. The coverage offered to the Additional Insured on Lessee's liability policies shall be primary coverage to any other coverage maintained by the Additional Insured and shall not permit or require such other coverage to contribute to the payment of any loss. Lessee shall provide a waiver of subrogation on all liability policies in favor of Lessor. Within 10 days of this Lease, Lessee is required to produce a complete copy of the General Liability and Umbrella Liability Insurance policies to include the endorsements which adds the Lessor and any other parent, subsidiary or affiliated entities and mortgagees (including their agents, employees, representatives, officers, directors, stockholders, partners, members and lessees) as additional insured.



(b) Lessee will be responsible to pay Lessor the cost of repair, or replacement, for any damage or destruction caused by Lessee, its employees, customers, vandals, etc. whether caused accidentally, negligently, intentionally, or by act of God during the use or operation of the Premises, and for any loss, damage, expense Lessor incurs as a result thereof. Lessee will be responsible for the repair and/or replacement of any damage to Lessor's equipment that may or may not be covered by Lessee's insurance policy.

(c) If Lessor requires, before Lessor delivers product to the Premises to Lessee, and at any other time thereafter, Lessee shall furnish Lessor with certificates of such insurance that provides that coverage will not be canceled or materially changed prior to thirty (30) days' advance written notice to Lessor. The insurance required hereunder in no way limits or restricts Lessee's obligations under subparagraph (a) of this paragraph as to indemnification of Lessor. Further, the insurance to be carried shall be in no way limited by any limitation placed as a matter of law upon the indemnity therein given.

(d) In the event of a failure of Lessee to furnish and maintain said insurance and to furnish satisfactory evidence thereof, the Lessor shall have the right (but not the obligation) to take out and maintain such insurance as specified above as will protect the Lessor. In such event, Lessee agrees to furnish all necessary information therefor and to pay the cost thereof to the Lessor immediately upon presentation of an invoice.

(e) All insurance policies covered by subparagraph 6(b) will name Lessor as Additional Insured and will be primary as to any other existing, valid and collectible insurance. All such insurance shall contain provisions whereby the insurer releases all rights of subrogation against Lessor. The foregoing requirements are minimum insurance requirements only and may or may not adequately meet the entire insurance needs of Lessee. Lessor may require Lessee to carry additional types and amounts of insurance coverage, including modifications to any existing insurance required under subparagraph 6(b) above. Each policy or policies shall provide that the liability coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured.

7. CUSTOMER SERVICE

Lessee shall:

- (a) conduct the motor fuel operations responsibly, with due care, prudence, good judgment, and skill;
- (b) not engage, or permit anyone to engage, in any illegal, dishonest or fraudulent practices at the Premises;
- (c) promote diligently Lessor's motor fuel business at the Premises;
- (d) perform all services in a good, workmanlike manner;
- (e) maintain the restrooms in a clean, sanitary, and well-lighted condition, adequately provided with necessary supplies;
- (f) provide sufficiently trained and courteous personnel to serve the needs and desires of the motoring public;
- (g) keep the driveways, yards, lawns, shrubs and other plantings neat and free from weeds, debris, snow, ice, rubbish, and other obstructions;
- (h) actively and personally participate in the management of the gasoline sales, to provide for proper operation and maintenance;



(i) not display, use, store, offer for sale, or rent any item of a pornographic nature or substances that can be deemed as drug paraphernalia at the Premises. For the purposes of this Agreement, items of this nature shall include, without limitation, pornographic, sexually explicit, or so-called “adult” magazines, videotapes, compact disks, digital video disks, or other like items;

(j) comply with, and cause all other persons at the Premises to comply with, the terms of the Franchise Agreement and all federal, state, or local laws pertaining to the Lessee’s business at the Premises or the use of the Premises;

(k) comply with, and cause all other persons at the Premises to comply with, all applicable, drug, alcohol or tobacco related federal, state, or local laws, statutes, regulations, rules, permits, or ordinances and promptly inform Lessor of any notices of violation thereof from the issuing authority;

(l) ensure that all employees at the Premises are able to understand and speak the English language with sufficient fluency to communicate effectively with customers and emergency response personnel; and

(m) operate and keep Lessor’s motor fuel dispensing operation open for business and properly lighted during the hours specified below, unless prohibited by state law, in which event the said operation shall be kept open for the maximum number of hours each day and days each week permitted under applicable law:

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Open	12:00 AM	12:00 AM	12:00 AM	12:00 AM	12:00 AM	12:00 AM	12:00 AM
Close	11:59 PM	11:59 PM	11:59 PM	11:59 PM	11:59 PM	11:59 PM	11:59 PM

These are the minimum hours of operation for the entire Premises. Lessee (or where Lessee is a business entity such as a corporation, limited liability company, or partnership, the following designated person: **Manager On Site**) shall be present at the Premises no less than **Fifty (50)** hours per week.

8. USE OF PREMISES

Lessee:

(a) shall use the Premises solely for the purpose of operating a: (i) first-class motor vehicle service station for the sale of motor fuel and other petroleum products; tires, batteries, accessories and other merchandise and services customarily supplied by a service station, and/or (ii) a convenience store franchised business operated in accordance with the Franchise Agreement;

(b) shall not use the Premises to conduct any business activity that does not accord with the use of the Premises as a first-class service station as understood in the trade;

(c) shall sell only merchandise or items customarily sold at a first-class service station and convenience store;

(d) shall not use the Premises for storage of junk, disabled or unlicensed vehicles, used tires, or batteries; and shall not perform heavy engine or transmission repair;

(e) shall not use the Premises, without the prior written consent of Lessor for auto, truck, or equipment rentals or as a parking lot;

(f) shall not obstruct any entrance, exit, pump island or service area so as to deny free access to the motoring public, or block carriers’ access to storage fill pipes, and shall not place automobiles in areas other than those areas designated by Lessor;



(g) shall not violate or permit any employees or those under Lessee's control to violate any state, federal, or local law applicable to business on the Premises or to the goods, services, or facilities on the Premises;

(h) shall not display signs except those usual and customary to advertise products and services offered for sale at the Premises. All signs used must be professionally prepared and must be consistent with Lessor's Standards of Appearance. Lessee agrees to immediately remove any signage deemed to be in violation of this provision upon receipt of notice from Lessor;

(i) shall not either place or remove any buildings or other permanent improvements at the Premises or make any alterations or changes in or to the Premises or any part of the Premises without prior written permission of Lessor;

(j) shall not store or sell intoxicating liquors, illegal or prescription drugs, drug paraphernalia or permit intoxicating liquors or illegal drugs to be used or consumed at the Premises;

(k) shall not perform body or fender repair on Premises;

(l) shall report immediately to Lessor (and anyone else to whom notice is required by law or regulation) any serious accidents including, but not limited to, fires or explosions; and

(m) shall in addition to compliance with Section 15, operate the Premises in accord with applicable safety rules issued by all relevant authorities in addition to those safety rules issued by the company whose trademarks are in place and by Lessor, including, but not limited to, the following Safety Rules:

(1) Class I Safety Rules: (i) keep fully operational fire extinguishers on Premises at all times; (ii) do not use or maintain or permit to be used or maintained on the Premises welding equipment of any type or any open-flame equipment; (iii) do not drain or permit the drainage of gasoline inside buildings on the Premises; (iv) do not store or permit gasoline to be stored inside the buildings on the Premises; (v) do not burn or permit burning of trash in the vicinity of any building or the underground storage vents on the Premises; (vi) do not use or permit to be used on the Premises for cleaning purposes any flammable liquids such as gasoline, naphtha, or lacquer thinners; (vii) do not dispense or permit the dispensing of gasoline into containers other than marked safety containers; (viii) do not permit gasoline or waste to enter any public or private water system, storm drain, or sewage disposal system; and (ix) do not permit flammable materials (including but not limited to, smoking materials such as tobacco, pipes, etc.) near pumps, tanks, trucks, lube or wash bays.

(2) Class II Safety Rules: (i) do not use air pressure on anti-freeze drums; (ii) do not use or permit the use of any defective electrical equipment; (iii) store oil-soaked rags only in covered metal containers; and (iv) notify Lessor immediately of any unsafe conditions, including any cracks and holes in the pavement that affect safety.

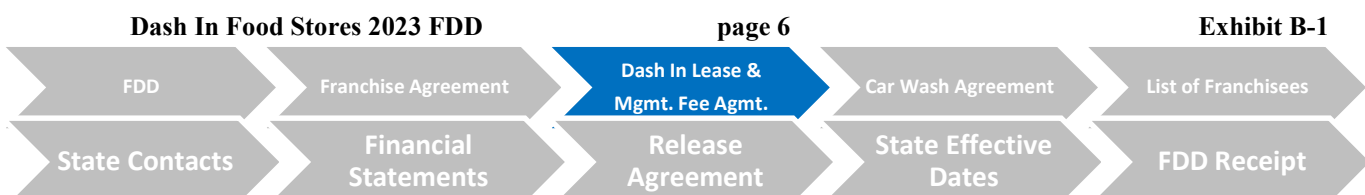
9. EXPENSES FOR MAINTENANCE, REPAIRS AND OPERATIONS

(a) Lessee shall at its expense:

(1) maintain and use the Premises in accordance with the standards enumerated in Sections 7 and 8;

(2) promptly make all repairs and replacements described in Exhibit B as Lessee's responsibility;

(3) pay all bills and charges for water, heating oil, electricity, telephone, sewer, and other utilities and arrange for the transfer of all meters and accounts to Lessee's name;



(4) pay all license, occupation, business and inspection fees connected with Lessee's operation of the Premises; and

(5) pay all costs of distributing and selling products at the Premises.

(b) Lessor agrees, at its own expense, to make all repairs (which Lessee is not required to make) to the Premises leased hereunder upon written notice from Lessee to Lessor or its designated representative; provided, however, that such repairs (i) are necessary, in Lessor's sole discretion, and (ii) have not been caused by negligence or misuse by Lessee or Lessee's employees or other persons subject to his control in which case Section 14 of this Lease controls.

(c) If Lessee shall fail to perform maintenance or repair within seven (7) days following notice by Lessor to Lessee, Lessor shall have the right, but not the obligation, to perform any maintenance or repair which is the responsibility of Lessee under this Lease. Lessee shall pay to Lessor the cost of such maintenance or repair within fourteen (14) days of Lessor's billing for same.

(d) If Lessor shall become obligated by federal, state or local laws, rules or regulations to install or construct additional equipment, facilities, or improvements on the Premises in order to permit continued operation of a retail service station thereon, and in Lessor's sole judgment the cost of such installation or construction would be uneconomical to Lessor, Lessor shall have the right to terminate this Lease; provided, however, in lieu of termination Lessor may at its sole discretion refrain from terminating if Lessor and Lessee are able to agree to an increased rental. Lessor, however, retains the right to terminate this Lease notwithstanding any offer of rent that Lessee may make.

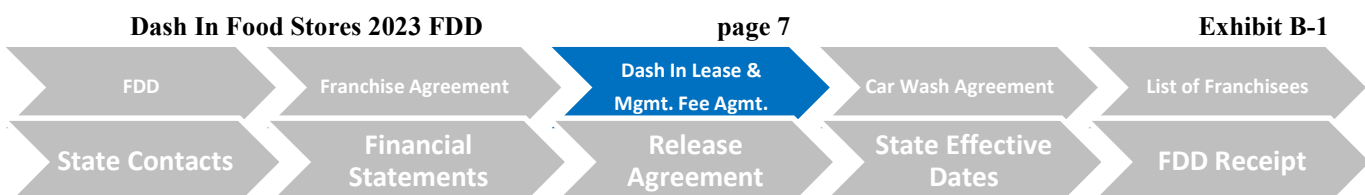
10. EQUIPMENT AND REPORTING OBLIGATIONS

(a) In order to check for leaking tanks, pumps, dispensers, and pipework connected thereto, and to check the water level in the gasoline tanks, Lessee will keep adequate inventory control records, including but not limited to, recorded daily stick readings and other gauge readings of storage equipment and records of daily pump meter readings. Further, Lessee will take all actions and maintain all records required by applicable laws and regulations to monitor the tank systems for any leaking or loss of fuel or to check for contamination or to take any actions and maintain all records otherwise reasonably required by Lessor for such purposes. In addition to the other inventory reconciliation requirements of this Lease, Lessee shall reconcile the inventory records for each underground storage tank located on the Premises on a monthly basis so as to detect and otherwise prevent motor fuel releases, leaks, discharges and losses and shall, on the fifth (5th) business day of each month, submit the results of the previous month's inventory reconciliation to Lessor. Such inventory reconciliation shall comply with API Publication 1621 and all applicable laws.

(b) Lessee agrees to adopt and maintain procedures to be followed by all those persons handling the product, equipment or both to prevent accidents in the handling and use thereof, including, but not limited to, those federal and/or state laws and regulations applicable to the designation and training of underground storage tank operators.

(c) Lessee agrees to maintain adequately all fuel fills, manways, new and used oil storage facilities, to prevent leaks, water entry, spills and seepage.

(d) In the event of leakage, spills, inventory shortages, or seepage from storage, pumping, dispensing equipment or pipework connected thereto, or in case of reasonable suspicion of such events, Lessee agrees immediately to notify Lessor orally and to send Lessor written notice within twelve (12) hours. The duty of sending written notice may be discharged by sending an email to the Area Manager copying the Sales Manager, as well as entering a Maintenance request.



(e) Lessee agrees to be financially responsible for any unsubstantiated, undocumented motor fuel product loss.

(f) Lessee shall take all reasonable steps to prevent sales of any contaminated product. If any product is found to be contaminated, Lessee shall not permit the sale of such contaminated product.

(g) Failure by Lessee to comply with the requirements of this Paragraph 10 shall constitute a waiver of any and all claims of Lessee. Further, Lessee agrees to reimburse Lessor for any and all expenses incurred as a result of leakage of product because of Lessee's failure to notify Lessor as stated above.

(h) In the event that any spills, leaks, venting or other unintended discharges from product, containers, pumps, piping or storage tanks ("facilities") requires corrective action for any reason or cause, or Lessee fails to designate and keep trained underground storage tank operators, Lessor is authorized to suspend immediately its supply and other obligations under this and related contracts until such time as all required corrective action is completed and Lessor is further authorized to enter the property at any time and remove all motor fuels from any and all storage tanks owned by Lessor, and, in its sole discretion, remove storage tanks and related facilities owned by Lessor. Lessor shall be under no obligation to replace, repair or restore storage tanks pursuant to this provision and such suspension of obligations and/or removal of storage tanks shall not constitute fault hereunder or give rise to any claim for damages or other compensation. When all required corrective action is completed, Lessor may demand a renegotiation of any term of this or related agreements, including the rental terms in any reasonable manner that compensates Lessor for its out of pocket expenses and additional necessary investments occasioned by the discharge or restoration of the site.

(i) Lessee agrees to stick the tanks for water on a daily basis. Failure to check for water & phase separation on a daily basis, or failure to notify Lessor of any water or phase separation immediately, will result in Lessee bearing any losses from unsalable product due to these conditions.

11. REMEDIES

(a) Lessor may terminate or reuse to renew this Lease for any ground allowed by law.

(b) The occurrence of any one of the following also constitutes a ground for immediate termination or nonrenewal by Lessor or within the shortest time allowed by law:

(1) Intentional destruction or alteration of the Premises or the equipment at the Premises by Lessee, its employees, or those under its control;

(2) Cancellation or nonrenewal by Lessee or Lessor of the Management Fee Agreement or Franchise Agreement executed by the Parties concurrently herewith;

(3) Failure by Lessee to report immediately any leak from any delivery trucks, tanks, lines or product dispensing system on the Premises;

(4) Failure of Lessee to obtain and maintain insurance as required by this Lease or to indemnify as required by this Lease;

(5) Failure of Lessee to allow Lessor or its nominees to enter the Premises for purposes of inspection or to install, repair, remove or replace the equipment at the Premises or alter the Premises;

(6) Lessee's failure to remove, within thirty (30) days after the levy thereof, any lien, attachment, or execution against the Premises, Lessee's interest therein, or Lessee's business thereon, arising from an act, omission or default of Lessee;



(7) violation by Lessee of any Class I Safety Rules as outlined in Section 8(m)(1) of this Lease;

(8) if Lessee dies, then Lessor may at any time thereafter (immediately or otherwise) terminate this Lease by giving Lessee's representative written notice at any address listed for Lessee in this Lease of Lessor's election so to do, and this Lease shall expire and come to an end on the date fixed in said notice as if said date were fixed herein for the expiration of the term of this Lease; and

(9) Unpaid returned payment drafts through EFT or other payment methods after demand is made for collection.

(c) Lessee's default under any provision of this Lease not listed in subsection (b) or (d) of this Section shall also be a ground for termination or nonrenewal by Lessor if, after written notice by Lessor, Lessee does not make a good faith effort to meet its obligations under this provision. Lessor shall, in its notice to Lessee, state the amount of time Lessee shall have to meet its obligations. If cure not practicable, Lessee will be instructed not to repeat the breach.

(d) Upon the occurrence of any of the following, this Lease shall automatically and immediately terminate:

(1) if any proceeding under any federal or state bankruptcy or insolvency laws or for reorganization is commenced by Lessee, or, if any such proceeding is commenced against Lessee and is not dismissed within thirty (30) days;

(2) if Lessee makes any assignment for the benefit of creditors of all or any material part of its assets connected with the Premises or if a receiver is appointed for Lessee, Lessee's business or any material part of the assets of the business connected with the Premises;

(3) if Lessee commences any proceeding or takes any other action to obtain the advantage of any other law for the protection of debtors from their creditors;

(4) if Lessee loses control of the Premises; or encumbers its interest therein or business thereon (except as provided in Section 24 herein); or

(5) if a court suit is filed against Lessee's interest in the Premises.

(e) Lessor retains all remedies allowed by law for Lessee's breach of any term or condition of this Lease. Upon such breach by Lessee, Lessor may withhold performance of its obligations pending cure by Lessee or until termination or nonrenewal of this Lease.

(f) As one of its remedies, Lessor, in its sole discretion, may elect to cure, where possible, Lessee's failure to meet its obligations or duties under this Lease, at Lessee's expense and without liability to Lessee for any business loss caused directly or indirectly by the Lessor's acts to cure. Lessee shall reimburse Lessor within thirty (30) days of receiving Lessor's bill.

(g) Lessor's remedies are cumulative and not exclusive and Lessor's choice of one remedy does not preclude Lessor from simultaneously or subsequently choosing another remedy or other remedies. Provided, however, that, except where law allows otherwise, Lessor may not receive more in damages than will suffice to make Lessor whole. Lessor may properly consider previous breaches, whether waived or not, in consideration of its remedies. Any termination or nonrenewal shall be without prejudice to Lessor's accrued rights.

(h) If Lessor initiates legal proceedings to enforce its right under this Lease or to collect money owed it by Lessee and Lessor substantially prevails on its claim, Lessee shall pay Lessor its costs and



reasonable attorney's fees within ten (10) days or such longer period as established by Lessor of receiving a bill therefor from Lessor.

(i) If Lessor elects to terminate or refuse to renew this Lease pursuant to this Section, Lessee waives any rights and privileges at law or in equity to redeem the Premises or obtain a compulsory continuance of this Lease for the Lease term.

(j) If Lessee fails to pay any sum due and owing under this Lease, after the date the sum is due, Lessor may at its discretion assess a late penalty not to exceed the maximum rate allowable by law. In addition, Lessee will pay any reasonable collection fees and attorney's fees.

12. CANCELLATION BY LESSEE

(a) Lessee has the right to terminate this Lease if the Management Fee Agreement or Franchise Agreement between the Parties is terminated or not renewed.

(b) If Lessor breaches the terms and conditions of this Lease and Lessor does not cure within thirty (30) days of receiving written notice of said breach, Lessee may terminate this Lease.

(c) Where Lessor terminates the Management Fee Agreement or Franchise Agreement between the Parties for causes beyond Lessee's control, Lessee may terminate this Lease upon five (5) days' written notice to Lessor.

(d) When the Parties are unable to agree to new terms and conditions for renewal of the Management Fee Agreement or Franchise Agreement, Lessee may allow this Lease to expire notwithstanding any action by Lessor.

13. SURRENDER OR REPOSSESSION OF PREMISES

(a) Lessee shall surrender possession of the Premises immediately upon expiration, termination, or cancellation of this Lease. Lessor shall have the right to reenter and to repossess the Premises immediately upon expiration, termination, or cancellation of this Lease. Lessee waives the right of notice of reentry if any is required by state or local law. Where it is reasonable under the circumstances, Lessor may repossess and operate the Premises through employees or agents upon providing notice to Lessee that the Lease is or will be terminated or canceled or will not be renewed.

(b) Lessee shall leave the Premises in the same condition as it was at the commencement of this Lease or in the same condition to which it was brought by the efforts of the Lessor after the commencement of this Lease, except for normal wear and tear.

(c) If Lessor must institute any type of legal action to recover possession of the Premises after termination, cancellation, or expiration of this Lease and Lessor thereby recovers possession, Lessee shall pay Lessor's reasonable costs of such action, including but not limited to, reasonable attorney's fees.

(d) Lessee shall remove any of its personal property on the Premises on or before the expiration, cancellation, or termination of this Lease. If Lessee fails to remove any of its personal property from the Premises, said property shall, fifteen (15) days after the expiration, cancellation or termination of the Lease, become the property of Lessor and Lessor shall have the right to retain, remove, or dispose of the property.

14. DAMAGE OR DESTRUCTION OF PREMISES

Lessee will pay Lessor the cost of repair or replacement for any damage or destruction, including, without limitation, damage to equipment at the Premises, caused by Lessee, its employees, customers and those under its control, whether caused accidentally, negligently, or intentionally during the use or operation



of the Premises, and for any loss, damage, or expenses Lessor incurs as a result thereof. Receipt of payment does not constitute a waiver of any other available remedies of Lessor under this Lease or otherwise.

15. PRODUCT-HANDLING RESPONSIBILITIES

(a) Lessee recognizes on behalf of itself, its employees, and those under its control including but not limited to customers at the Premises (hereinafter “affiliates”) that Lessee and the affiliates are handling hazardous substances. Lessee agrees on behalf of itself and the affiliates that in receiving, storing, handling, offering for sale, selling, delivering for use, exchanging in trade or using itself products purchased from Lessor, Lessee will in all respects exercise the strictest care required by law and that it will comply with any and all of Lessor’s Equipment, Product Handling, Underground Storage Tank Operator Training, and Reporting Obligations set forth in this Lease, as well as all applicable federal, state and local laws, ordinances, regulations, rules and orders, as exist now, or as may hereafter come into force, including, but not limited to, those governing dispensing equipment, pollution, the maximum sulfur content of fuel, the maximum lead content of motor fuel, the requirements for oxygenated and reformulated fuel, the maximum RVP of motor fuel, the labeling of pump stands and dispensers of motor fuel, the use and labeling of product containers, the use, maintenance and labeling of product storage tanks, the prevention of spills, leaks, venting or other improper escape from product containers or storage tanks, designation and training of underground storage tank operators, and the method of clean up or disposal of a product which has leaked, spilled, vented, or otherwise improperly escaped from containers or storage tanks. Lessee understands that it is an “operator” for purposes of 40 C.F.R. 280-81 and any other applicable federal, state and/or local laws, regulations or ordinances related to the prevention of pollution from storage tanks or the taking of corrective action thereunder. LESSEE WILL INDEMNIFY AND HOLD LESSOR, ITS SUCCESSORS AND ASSIGNS, HARMLESS AGAINST ALL LOSSES, CLAIMS, CAUSES OF ACTION, PENALTIES AND LIABILITIES ARISING OUT OF LESSEE’S FAILURE TO COMPLY WITH THIS SUBPARAGRAPH, AND SUCH FAILURE SHALL ENTITLE LESSOR TO CANCEL THIS LEASE IMMEDIATELY.

16. NOTICES

(a) Any notice to Lessor required by this Lease shall be in writing if not otherwise required to be more immediate or if not otherwise provided for. It shall be deemed served when (i) delivered to the Lessor by hand, or (ii) delivered personally to Lessor’s office, or (iii) when mailed via certified mail, return receipt requested, postage prepaid, to the Lessor at the address stated on the Data Sheet of this Lease.

(b) Any notice to the Lessee shall be deemed served when delivered to Lessee personally, by hand, wherever Lessee is found, when deposited in the United States mail, certified, return receipt requested, postage prepaid, addressed to the Premises address or the day after sent via overnight courier.

(c) Oral notice is deemed served as of the date given, provided it is confirmed in writing within a reasonable time, which time shall not be more than five (5) days after the oral notice is given.

(d) Lessor or Lessee may change the address listed on the Data Sheet by written notice pursuant to this Section.

17. RELEASES

Any claim by Lessee of any kind, based on or arising out of this Lease or otherwise, shall be waived and barred unless Lessor is given notice within ninety (90) days after the event, action, or inaction to which such claim relates (except as otherwise stated in this Lease), and the claim is asserted by the commencement of any action within twelve (12) months after the event, action, or inaction to which such claim relates. If Lessee commences an action against Lessor and Lessee’s claim is dismissed and is also not substantially justified, Lessee will reimburse Lessor for costs and reasonable attorney’s fees incurred. In no event shall



Lessor be liable for prospective profits or special, indirect, or consequential damages. The provisions of this Section shall survive any termination, cancellation, or expiration of this Lease.

18. FORCE MAJEURE

(a) Lessor need not meet any of its obligations under this Lease and is not liable for losses or damages including, but not limited to, damages for loss of goodwill, special or consequential damages, or damages for failure to meet any of its obligations under this Lease where its failure results from any cause substantially beyond its control, in the sole discretion of Lessor, whether or not such cause is or was reasonably within the contemplation of the Parties at the time this Lease was executed or came into effect or thereafter. Where it is possible for Lessor to remove or ameliorate such cause, as for instance in labor disturbances which could be settled by Lessor's acceding to the demands of the labor group, Lessor is not obligated to take measures to effect such removal or amelioration if such measures will involve substantial additional expense or a departure from Lessor's normal practices. Without limitation of any other possible causes, compliance by Lessor with any law, regulation, order or request issued by any person, organization, agency, or department of any government or governmental authority with jurisdiction over Lessor, Lessor's assets or Lessor's operations and acting under color of law shall constitute a cause substantially beyond Lessor's control.

(b) Upon cessation of any cause and effects, identified in the previous subparagraph, performance hereof, shall be resumed but such failure or delay shall not operate to extend the term of this Lease, nor obligate either Party to supply omitted performance.

(c) Nothing herein contained shall excuse Lessee from paying Lessor, when due, any amounts payable hereunder or pursuant hereto.

(d) In the event any law, regulation, order or request issued by any person, organization, agency, or department of any government or governmental authority with jurisdiction over Lessor, Lessor's assets, or Lessor's operation, and acting under color of law (hereinafter referred to generally as legislation) prohibits or alters Lessor's ability to perform under this Lease or makes necessary additional costs for Lessor, the Lessor at its sole discretion may terminate this Lease or any other agreement between the Parties at the effective date of the legislation or thereafter on thirty (30) days' written notice to Lessee without incurring any liability for damages including but not limited to goodwill.

(e) If at any time a person with right, title, and interest in the Premises superior to those of Lessor shall make proper demand upon Lessor for possession, Lessor may terminate this Lease without liability to Lessee.

19. ADEQUATE SUPERVISION

Lessee shall adequately supervise its employees and other persons under its control so that they will comply with the provisions and meet the obligations of Lessee under this Lease so far as such persons may be responsible for such compliance and for such obligations.

20. INDEMNIFICATION BY LESSEE

LESSEE SHALL INDEMNIFY LESSOR AND HOLD LESSOR HARMLESS AGAINST ALL FEES (INCLUDING BUT NOT LIMITED TO FEES FOR ATTORNEYS AND EXPERT WITNESSES), DAMAGES, EXPENSES, JUDGMENTS, COSTS, PAYMENTS, LOSSES, INJURIES, PENALTIES, AND FINES (INCLUDING BUT NOT LIMITED TO PENALTIES AND FINES FOR VIOLATION OF LAWS, ORDINANCES, REGULATIONS, RULES OR ORDERS ISSUED BY A GOVERNMENTAL AUTHORITY), LIABILITIES AND CLAIMS (INCLUDING BUT NOT LIMITED TO THOSE CLAIMS BY LESSEE, BY LESSOR, BY LESSEE'S CUSTOMERS, THE EMPLOYEES, CONTRACTORS, OR



AGENTS OF EITHER LESSEE OR LESSOR, OR OTHERS UNDER THE CONTROL OF EITHER), ARISING OUT OF (i) THE OPERATION OF THE PREMISES OR THE ACTIVITIES OF ANY PERSON ON THE PREMISES, (ii) LESSEE'S FAILURE TO MEET ANY OF ITS OBLIGATIONS UNDER THIS LEASE, OR (iii) ANY ACT OR OMISSION BY LESSEE OR THE AFFILIATES FOR WHICH A LAW, ORDINANCE, REGULATION, RULE, OR ORDER IMPOSES LIABILITY. LESSEE'S DUTY OF INDEMNIFICATION AND HOLDING HARMLESS SHALL EXTEND TO ALL PAYMENTS MADE BY LESSOR IN ORDER TO SETTLE CLAIMS WHERE SUCH CLAIMS WOULD BE INCLUDED WITHIN THE PREVIOUS SENTENCE. LESSEE SHALL PAY THE AMOUNT OWED LESSOR UNDER THIS PARAGRAPH WITHIN THIRTY (30) DAYS OF LESSOR'S DEMAND.

21. ACCEPTANCE

Lessee has inspected the Premises, including all buildings and improvements, and has found them to be in good condition and working order. Lessee accepts the Premises, including all buildings and improvements "AS IS AND WHERE IS". There are no express or implied warranties.

_____ (Initials & Date) _____

_____ (Initials & Date) _____

22. CASUALTY DAMAGE

(a) If the Premises or any part thereof shall, during the term of this Lease or previous thereto, be damaged by fire, storm, explosion, or other casualty, whether or not of the same class or kind enumerated, not caused by the negligence, misuse or omissions by Lessee, Lessee's employees, other persons under Lessee's control, or Lessee's contractors, and Lessor shall elect to repair the same, reduction may be made in the rent under the provisions of Section 9(e), above, until such damage is repaired. But if the building or buildings should be so damaged that Lessor shall decide not to rebuild, either Party may terminate this Lease as of the time such damage occurred and, in such event, Lessee shall be obligated for rent due up to the time of such termination.

(b) If the Premises are damaged so severely that, in Lessor's sole judgment, they may not be operated properly or safely, Lessor may terminate this Lease without liability and without rebuilding or restoring the Premises.

23. CONDEMNATION

If the entire Premises shall be taken by condemnation or sold to the condemning authority under threat thereof, this Lease shall terminate on the date of such taking or sale. If a part only of the Premises shall be so taken or sold, and the balance of the Premises, in the discretion of either Party, is not suitable for the operation of a retail automobile service station, either Party may terminate this Lease at any time within forty-five (45) days following such taking or sale without liability to the other Party therefor. Any and all payments made for or arising from any such taking or for damages to the Premises resulting therefrom shall belong and be payable entirely to Lessor, except as otherwise required by law.

24. ASSIGNMENT

(a) Lessee has no power to assign, transfer in any way including transfer upon retirement, mortgage, pledge, bequeath, or sell this Lease or sublet the Premises in whole or in part, directly or indirectly, formally or informally or any ownership interest in Lessee (all such possible actions hereinafter referred to as a "transfer"), without prior written approval from Lessor, which will not be unreasonably withheld. Any attempts to transfer without Lessor's prior written approval shall be null and void, invalid, and of no effect. A request for Lessor's approval of transfer shall be made at least sixty (60) days prior to



the date on which Lessee desires to make the transfer. If Lessee is a natural person and dies during the term of this Lease without making such request, the heir to Lessee's rights under this Lease or the legatee of them may make such request. If the heir or legatee does so, then, if Lessor does not exercise its rights under subsection 11(b)(8) above, all terms of this Section 24 shall apply as if the heir or legatee was the Lessee. If, however, the heirs or legatees are Lessee's spouse, adult children, adult step-children, or any of them, subsection 11(b)(8) does not apply. If Lessee has submitted information on such heir(s) or legatee(s) as of the latest date under subsection (c) below, then the heir(s) or legatee(s) need provide no additional information under the following two sentences as part of their request for Lessor's approval beyond bringing the latest information submitted current to the date of the Lessee's death. In the request for approval, Lessee shall state the name, address, and business experience during the preceding five (5) years of the prospective transferee and provide a description of any pollution or contamination of any kind, regardless of fault, that occurred or was discovered at any site or premises at which the prospective transferee was an employee or operator. The request shall also include a statement of the financial qualifications during the preceding three (3) years of the prospective transferee. In addition, in the request Lessee shall submit a proposed agreement by the prospective transferee which provides that in consideration of acceptance by Lessor of the prospective transferee, the prospective transferee will comply with all the terms and conditions of this Lease, and also with all the terms and conditions of the accompanying Management Fee Agreement and Franchise Agreement between the Parties. Lessor may, in its discretion, consider (i) any other relevant information concerning the prospective transferee or the Lessee or (ii) the circumstances or operation of the Premises, and may give most weight to this other information, or these other factors, or both, in deciding whether to approve or disapprove the request. Lessor will provide its response to the request by the sixtieth (60th) day after receiving all necessary documents and information concerning the prospective transferee. Lessee also agrees and understands that upon transfer it will remain obligated under this Lease until the expiration of the Lease term. Upon or after transfer, Lessor waives no rights it may have against Lessee.

(b) Lessor shall have the right to assign this Lease upon ten (10) days' prior written notice to Lessee.

(c) For Lessee's spouse, adult children, and adult step-children at the time when Lessee executes this Lease, or for persons who become such relatives to Lessee during the term of this Lease, Lessee shall each year submit information concerning their business experience for the preceding five (5) years, financial experience for the preceding three (3) years, and submit a description of any pollution or contamination of any kind, regardless of fault, that occurred or was discovered at any site or premises at which the spouse, or adult children, or adult step-children, or those who became such relatives of the Lessee during the term of this Lease, were employees or operators. Lessee shall submit all this information within ninety (90) days of the effective date of this Lease and submit whatever additional information falls under this subsection, within ninety (90) days of the anniversary date of this Lease.

(d) If Lessee is a natural person and dies during the term of this Lease without requesting Lessor's prior written consent for a transfer or before Lessor has responded to Lessee's request for such consent, then if Lessor does not exercise its rights under subsection 11(b)(8) above, Lessor may, under its rights under Section 13, above, reenter and repossess the Premises to operate them until the transfer, if any, to Lessee's successor is completed. Such reentry, repossession, and operation by Lessor shall not prejudice the rights of the transferee, if any, that transferee may have under the law.

(e) It is mutually agreed that the terms and conditions of this Lease shall be binding upon, and shall inure to the benefit of, the Parties hereto, their heirs, successors, and assigns, respectively.

(f) Lessor's consent to any request to transfer Lessee's rights and obligations under this Lease shall be subject to an evaluation of the ability of the prospective transferee to operate the retail service



station at the Premises. Such evaluation shall consist of, without being limited to, an examination by Lessor of the following factors or information concerning the prospective transferee to be provided to Lessor: (i) business experience during the preceding five (5) years of the prospective transferee; (ii) description of any pollution or contamination of any kind, regardless of fault, that occurred or was discovered at any site at which the prospective transferee was an owner, employee, or operator; (iii) a financial statement of the prospective transferee for the preceding three (3) years; (iv) a copy of the proposed assignment agreement between the Lessee and the prospective transferee; (v) the business reputation of the prospective transferee; (vi) credit worthiness and reliability of the prospective transferee; and (vii) any other relevant information concerning the prospective transferee. Lessee shall cause the prospective transferee to provide Lessor with all documents and information concerning the prospective transferee reasonably necessary to conduct such evaluation. Unless Lessee has paid such fee with respect to the transfer of its rights under the Agreement, Lessee agrees to reimburse Lessor a fee for the costs and expenses related to the evaluation of said transferee in an amount equal to SIX THOUSAND FIVE HUNDRED and NO/100 DOLLARS (\$6,500.00). Lessee also agrees and understands that upon the transfer of its rights and obligations hereunder, Lessee will remain obligated under this Lease until written consent is given to the new retailer and the assignment agreement has been executed in full. Lessor's consent to any transfer is not a waiver of the terms of this Article 24 as to any subsequent transfer.

24A. LESSOR'S RIGHT OF FIRST REFUSAL

(a) In this Section "third party" means any person or entity besides Lessor or Lessee.

(b) For any transfer by Lessee (except to Lessee's spouse, adult child, or adult step-child (i) upon Lessee's retirement, (ii) by bequest or (iii) by intestate succession) of any interest in the Premises or business thereon, before Lessee offers this interest to a third party, Lessee must offer the interest to Lessor and wait a reasonable time (not to exceed the thirty-first [31st] day after Lessor receives Lessee's offer) for Lessor's response before Lessee may offer the interest to anyone else. In addition, Lessor has a right of first refusal regarding any such interest that Lessee proposes to transfer. This right of Lessor's is a re-occurring and continuing right. By its terms Lessee must inform Lessor and continue to inform Lessor:

(i) of any bona fide offer by Lessee to a third party (after Lessee has offered the interest to Lessor and waited for Lessor's response) or any bona fide offer by a third party to Lessee (which Lessee desires to accept) to have this Lease or any interest in this Lease or in the business on the Premises transferred, including the name and address of the third party, and the complete terms of the offer;

(ii) any subsequent offer by either Lessee or the third party as a result of the negotiations between Lessee and the third party; or

(iii) the withdrawal of the interest from availability for transfer.

(c) With regard to any offer brought to Lessor in respect of Lessor's right of first refusal (whether the first offer or any subsequent offer), Lessor at its option, by the thirty-first (31st) day after it receives the offer, may match said offer, in which case Lessee's interest for which the offer was made will be transferred by Lessee to Lessor. If the interest to be transferred is Lessee's rights under this Lease or is in the business on the Premises, Lessee and Lessor will enter into a mutual termination of the relationship between the Parties to be effective on the date of the transfer of interest or within ten (10) calendar days thereafter.

25. WAIVER

(a) Lessor's right to require strict performance of the terms of this Lease shall not be affected by any course of dealing, or usage of trade. Nor shall such course of dealing, or usage of trade, be relevant



to, consulted, or used to interpret the Parties' intent or construction of the terms of this Lease, nor to negate the words of this Lease.

(b) No waiver by either Party of any breach of any of the covenants, conditions, or stipulations, herein contained to be performed by the other Party shall be construed as a waiver of any succeeding breach of the same or any other covenant or condition.

(c) The subsequent acceptance of rent under this Lease by Lessor shall not be deemed to be a waiver of breach or default by Lessee regardless of Lessor's knowledge of such preceding breach or default at the time of acceptance of such rent.

26. QUIET ENJOYMENT

Lessor covenants that Lessee, on paying said rent and performing the covenants contained herein, shall and may peaceably and quietly have, hold, and enjoy the said Premises for the term aforesaid, subject to the provisions hereof.

27. RELATIONSHIP OF PARTIES

This Lease does not constitute a joint venture or partnership it being the intention of Lessee and Lessor to create a Landlord-Tenant relationship only.

28. COMPLIANCE WITH LAWS, SEVERABILITY OF PROVISIONS

Both Parties expressly agree that it is the intention of both Parties to abide by all statutory or common law and that if any sentence, paragraph, clause or combination of same is in violation of any law, such sentences, paragraphs, clauses or combinations of same, said term shall be inoperative and the remainder of this Lease shall remain binding upon the Parties hereto, unless, in either Party's judgment, the remaining portions hereof are inadequate to define the rights and obligations of the Parties, in which event such Party will have the right, upon making such determination, to terminate this Lease upon thirty (30) days' notice to the non-terminating Party.

29. ENTIRE AGREEMENT

This Lease contains the entire agreement and understanding between Lessor and Lessee pertaining to the subject matter of this Lease and there are no oral representations, stipulations, warranties, or understandings relating thereto which are not fully set forth herein. No amendment, addition to, or alteration, modification, or waiver of, any provision or Section of this Lease shall be of any force or effect unless in writing and signed by Lessee and an authorized representative of Lessor.

30. ADDITIONAL ASSURANCES

Lessee agrees that it will sign whatever further papers may be necessary to allow Lessor to establish or perfect title or interest to Lessor's real property or equipment at the Premises governed by this Lease.

31. TITLES

Titles to Sections of this Lease are inserted for the sake of convenience only and not as a source of meaning. The rights and obligations of this Lease are as delineated in the text or body of the Lease.

32. WARRANTY

(a) Where Lessee is a business entity other than a sole proprietorship the undersigned individual executing this Lease on behalf of Lessee warrants that the entity that the undersigned represents (e.g., partnership, limited liability company, or corporation) is authorized to grant the rights and assume the obligations it is undertaking under this Lease.



(b) The undersigned individual warrants that said individual has authority to sign this Lease on behalf of the Lessee.

(c) Lessee will, on request, allow Lessor to inspect such documents that verify these authorizations.

(d) The undersigned individual warrants and agrees that said individual is personally liable and bound to meet all obligations under this Lease undertaken by Lessee and is also personally liable for any breach of one or more of such obligations.

33. ADDITIONAL PROVISIONS

The Exhibits attached to this Lease are made a part hereof and rights, duties, or obligations created thereby are as if specifically set forth in the body of this Lease.

34. INSPECTION, RECORDKEEPING, REENTRY

(a) Lessor shall have the right of entry and access to the Premises to examine, inspect, and maintain the Premises or Loaned Equipment and to exchange or install tradenames at its discretion.

(b) Lessee shall have the duty to keep and maintain records that show its compliance with the terms and conditions of this Lease.

(c) Lessor shall have the right both to specify the type of records Lessee shall keep and to examine and copy these records and any relevant records of Lessee, wherever such records may be located. Lessor retains the right to inspect and copy such records for a reasonable time after the expiration, termination, or cancellation of this Lease.

35. JOINT AND SEVERAL LIABILITY

All acknowledgments, representations, warranties, and obligations of Lessee under this Lease are made, and binding on, all those signing this Lease, including any individual person executing the Lease on behalf of the Lessee, jointly and severally as the Lessee.

36. PAYMENTS

Except where otherwise provided all sums payable to Lessor under this Lease will be payable to Lessor at the address listed on the Data Sheet by the 15th day of each month. Payment shall not be deemed made until received.

37. SUPPRESSION OF PREVIOUS AGREEMENTS

This Lease shall not become effective if prior to the commencement of the term hereof, Lessor notifies Lessee of its election to exercise any right Lessor may have to terminate or cancel any prior lease between the Parties. In such event this Lease shall be null and void. Notwithstanding the previous two (2) sentences, this Lease shall become effective if Lessor shall so consent in writing. Subject to the foregoing and effective as of the commencement of the term hereof, this Lease supersedes all prior leases between the Parties, provided that each Party's remedies under prior leases shall survive unless and until waived or barred by law.

38. CONTROLLING LAW

This Lease shall be governed and construed by federal law as of the time of execution of this Lease or the laws of the State of Maryland, as the case may be.



IN WITNESS WHEREOF, the Parties have caused this Lease to be duly executed in duplicate. This Lease shall not be binding on Lessor until properly executed by an authorized representative of Lessor.

LESSEE:

Operator Company

By: _____

Title: _____

Print Name: _____

Date: _____

By: _____

Title: _____

Print Name: _____

Date: _____

LESSOR:

Dash In Food Stores, Inc.

By: _____

Title: Director of Retail Operations

Print Name: Brian Chase

Date: _____

EXHIBIT A

PAYMENT SCHEDULE

<u>PERIOD</u>		<u>MONTHLY RENT</u>
FROM:	THROUGH:	
Term Begin Date (YR 1)	Term End Date	\$X,XXX.00
Term Begin Date (YR 2)	Term End Date	\$X,XXX.00
Term Begin Date (YR 3)	Term End Date	\$X,XXX.00
Term Begin Date (YR 4)	Term End Date	\$X,XXX.00
Term Begin Date (YR 5)	Term End Date	\$X,XXX.00

Dash In Food Stores 2023 FDD

solo page

Dash In Lease Payment Schedule Exhibit A

FDD

Franchise Agreement

Dash In Lease &
Mgmt. Fee Agmt.

Car Wash Agreement

List of Franchisees

State Contacts

Financial
Statements

Release
Agreement

State Effective
Dates

FDD Receipt

EXHIBIT B

LESSEE'S MAINTENANCE OBLIGATIONS

A. Yard

1. Maintain, including replacement as necessary, all landscaping as necessary to retain a healthy and attractive appearance. Items include, but are not limited to, all live and artificial plantings (shrubs, grass, flowers, trees, etc.), decorative rock, mulch and bark.
2. Remove weeds, leaves, trash, debris, and litter from the Premises daily (including adjacent sidewalks, driveways and easements).
3. Cut the grass areas weekly.
4. Maintain attractive, weed free mulch beds, and refresh the mulch every Spring and Fall with new mulch.
5. Cut back tree limbs for safety and for line of sight.
6. Remove snow and ice from the Premises curb to curb cleanliness every 12 hours during snow/ice events (including adjacent sidewalks driveways and easements). The motor fuel fill tops must be completely clear for delivery at all times.
7. Keep concrete pads, sidewalks and parking spaces clean and free of stains caused by petroleum products such as motor oil, gas and diesel. Requires quarterly Power Wash Schedule by Lessee or 3rd party paid by Lessee.
8. If an irrigation system is supplied by Lessor, repair or replace, as necessary, the entire yard sprinkler system, including, but not limited to, timers, backflow preventers (see Plumbing Section), heads, piping, and rain sensors. Lessee shall drain system as necessary to prevent from freezing.

B. Lighting—Interior and Exterior

1. Interior – repair or replace, as necessary, all lamps and bulbs, neon lights, transformers, ballasts, ballast wiring, starters, reflectors, lenses, grilles and sockets in the interior of all buildings.
2. Exterior – repair or replace, as necessary, all lamps under store fascia including exterior spot lights.

C. Plumbing

1. Clear clogged toilets, sinks, building lube bay drains and on-property sewer lines. Clean oil/water separators and catch basins.
2. Repair or replace, as necessary, all flush mechanisms and faucets.
3. Drain water lines to prevent freezing.
4. Empty septic tanks, water reclaim tanks for carwash and cesspools as necessary. Empty and clean yard catch basins as necessary.
5. Repair or replace, as necessary, all hose Bibbs.
6. Repair or replace, as necessary, all backflow preventers. Pay for and have performed periodic testing of backflow preventers as required by regulating authority.



7. Repair or replace, as necessary, water wells and pumps. Excludes drilling of new water well.
8. Repair or replace, as necessary, all water heaters.

D. Heating/Air Conditioning

Repair or replace, as necessary, all components of heating and air conditioning system, including but not limited to, filters, controls, condensers, compressors, and wiring. Excludes total system replacement except for window/wall units unless the units had not been properly maintained by Lessee. Lessee shall provide all service records to Lessor on demand.

E. Glasswork

Repair or replace, as necessary, all window and door glass, whenever scratched, cracked or broken from whatever cause. Includes bullet-resistant glass or plastic.

F. Floors

Restore floors to original condition upon removal of equipment installed by or at request of Lessee, subject to normal wear and tear.

G. Painting

During the interval between periodic general repainting by Lessor, wash and paint all curbs, yard and building equipment, canopy columns, bollards, lifts, interior/exterior walls, doors, as necessary. Lessor shall furnish paint that meets Lessor's specifications at Lessee's expense. Lessee shall be responsible for removing graffiti on or about the Premises.

H. Tanks

1. Check underground motor fuel storage tanks daily for water in accordance with Lessor's procedures.
2. Empty waste oil tank as necessary using legally acceptable method of disposal.
3. Pump out and dispose of water in waste oil or heating oil tank as required using legally acceptable method of disposal.
4. Keep fills and access boxes clear of ice, snow, water and debris.

I. Pumps/Dispensers

1. Responsible for inserting and maintain Island Credit Card Reader receipt paper.
2. Responsible for cleaning and maintaining the window washer unit with paper towels, squeegees and window washing fluid.
3. Check daily for visible leaks.



J. Air Compressor

Repair or replace, as necessary, all components of air compressors for service bay, car wash bay/building or remote air stand including all add-on equipment such as filters, air dryers, separators, regulators, above ground piping, excluding total compressor replacement.

K. C-Store/Food Mart and Related Equipment (if located on Premises)

1. Repair or replace, as necessary, all components of cooler/freezer and refrigeration units (walk in and freestanding), excluding total system replacement. Provide preventive maintenance as required, but at least annually.
2. Repair or replace, as necessary, all food accessories, including, but not limited to coffee makers, juice and soda dispensers, ice dispensers, microwaves, gondolas and all other C-store/food mart related equipment, including lamps, ballasts, fuses and glass therein.
3. Keep food handling equipment and food preparation areas clean, sanitary and in compliance with applicable laws.
4. Keep all equipment drain lines clean and clear.

L. Car Wash (if car wash located on premises; N/A if on Splash In Management Agreement)

1. Repair or replace, as necessary, all elements of car wash equipment, including any optional or add-on equipment with control and connection hardware, including, but not limited to, brushes, dryers, wheel scrubbers, undercarriage washers, Foamers, conveyors, entrance keypads, consoles, cash/coin/token acceptors, and all elements of any water reclaim system. Perform preventive maintenance per manufacturers' recommendations.
2. Repair or replace, as necessary, all elements of overhead doors or curtains and their controls including, but not limited to, motors, sensors electric eyes, tracks, pneumatic actuators, pneumatic cylinders, chains, springs, and door edge sensors.
3. Car wash heating system (refer to Heating/Air Conditioning section).
4. Car wash air compressor (refer to Air Compressor section). Car wash water reclaim tanks (refer to Plumbing section).

M. Gutters

Clean canopy and building gutters a minimum of twice annually.

N. Fire Protection

1. Repair or replace, as necessary, dry chemical or liquid fire suppression/fire sprinkler equipment for fueling area and building, including but not limited to, sensors, bottles, heads, fuseable links, alarm/monitoring systems, cables, backflow preventers, above ground wiring, piping, and conduit. Replace and recharge system as necessary.
2. Furnish and maintain portable fire extinguishers.
3. Pay for and have performed periodic testing and inspection of fire suppression/fire sprinkler systems, and handheld extinguishers as required by regulating authority.



O. Other Equipment

1. Repair or replace, as necessary, all Lessee-owned equipment.
2. Repair or replace, as necessary, all elements of oil and lube equipment and used oil pumps, including, but not limited to, hoses, fittings, spouts, meters, pumps, above ground piping, and overhead reels.
3. Repair and replace, as necessary, all elements of interior and exterior video monitoring systems including those required by regulating authorities such as self-serve dispenser monitoring. Maintenance responsibility includes, but is not limited to, cameras, monitors, recorders, switching devices, cables, wires, and above ground conduit. Pay for and have performed periodic testing and inspection as required by any regulating authority.
4. Repair or replace, as necessary, above ground and below ground safes.
5. Repair and replace, as necessary, pass through drawers.

P. Miscellaneous

1. Repair or replace, as necessary, all building locks and keys, latches for both interior and exterior doors and, in addition, door closers and hinges for interior doors.
2. Repair or replace, as necessary, all elements of overhead doors, excluding total door replacement.
3. Reset circuit breakers, replace electrical fuses.
4. Keep restrooms, at all times, neat, clean, safe and orderly, free of offensive odors and well stocked with proper supplies and cleaning materials.
5. Take all necessary pest control measures.
6. Repair or replace, as necessary, all bay and C-store/food mart cabinets and shelving including, but not limited to, doors, hinges, knobs, levers, cup dispensers, and condiment racks.
7. Maintain all paths of travel on the Premises free of obstruction and accessible in compliance with applicable accessibility law including, but not limited to, accessibility provision of the Americans with Disabilities Act.

All repairs and replacements performed by the Lessee must meet or exceed the specifications of the existing equipment (e.g., a 5-horsepower air compressor must be replaced with a 5-horsepower air compressor), of equal quality, as well as comply with Lessor's image standards, if applicable. If Lessee is unsure about a specific standard, Lessee should consult with Lessor.



EXHIBIT C
HOURS OF OPERATION

For the entirety of the term and with respect to the entire Premises:

	FROM	TO
Sunday	12:00 a.m.	11:59 p.m.
Monday	12:00 a.m.	11:59 p.m.
Tuesday	12:00 a.m.	11:59 p.m.
Wednesday	12:00 a.m.	11:59 p.m.
Thursday	12:00 a.m.	11:59 p.m.
Friday	12:00 a.m.	11:59 p.m.
Saturday	12:00 a.m.	11:59 p.m.

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Dash In Lease Exhibit C

FDD

Franchise Agreement

Dash In Lease &
Mgmt. Fee Agmt.

Car Wash Agreement

List of Franchisees

State Contacts

Financial
Statements

Release
Agreement

State Effective
Dates

FDD Receipt

EXHIBIT D

AUTHORIZED FACILITIES AND USES

The following uses/facilities designated by an “X” are authorized by Lessor at the Retailer’s Station:

	Use/Facility	Description (Optional)
	Alternative Motor Fuel (CNG, M-85, etc.)	
X	ATM	
	Billboards	
	Car Detailing	
if applicable	Car Wash	
	Clothing (e.g., T-shirts, etc.)	
	Dry Cleaning	
	Florist	
X	Food Mart/Convenience Store/Snack Shop	
	Insurance	
X	Lottery Sales	
	Mailbox/Shipping	
	Money Wiring	
	Parking	
	Pay Phone, Telephone Booth or Transmitter	
	Photo Services (Booth, Drop Off, etc.)	
if applicable	Propane	
	Quick Lube	
if applicable	QSR (Quick Service Restaurant)	
	Satellite	
	Ticket Agency/Mapping Services (e.g., through a Kiosk)	
if applicable	Vehicle Repair	
	Vending Machines:	
	Video or Game Equipment	
	Video Rentals	
	Other:	

*The above list is merely intended to be illustrative of the many uses/facilities potentially available to the Retailer as authorized by Lessor but is not intended as a complete and definitive list.

Initials of both parties: _____

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Lease Agreement Exhibit D

FDD

Franchise Agreement

Dash In Lease &
Mgmt. Fee Agmt.

Car Wash Agreement

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EXHIBIT E

GUARANTY, INDEMNIFICATION, AND ACKNOWLEDGMENT

As an inducement to Dash In Foods, Inc. (“**Lessor**”) to execute the Lease Agreement made and entered into on the Date (as outlined on the Data Sheet of the Lease) between Lessor and Lessee identified in the Data Sheet (the “**Agreement**”), the undersigned, jointly and severally, absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, the full and punctual payment and performance of all present and future obligations, liabilities, covenants and agreements required to be observed and performed or paid or reimbursed by Lessee under or relating to the Agreement, plus all costs, expenses and fees (including the reasonable fees and expenses of Lessor’s counsel) in any way relating to the enforcement or protection of Lessor’s rights hereunder (collectively, the “**Obligations**”).

The undersigned hereby unconditionally and irrevocably waive (a) promptness, diligence, notice of acceptance, presentment, demand for performance, notice of non-performance, default, acceleration, protest or dishonor and any other notice with respect to any of the Obligations and this Guaranty and any requirement that Lessor protect, secure, perfect or insure any lien or any property subject thereto; (b) any right to require Lessor to pursue or exhaust any remedy, including any legal or equitable relief, against Lessee, prior to selling to enforce this Guaranty; (c) any right the undersigned may have to require that an action be brought against Lessee or any other person as a condition of the undersigned’s liability; (d) all rights to payments and claims for reimbursement or subrogation which Lessee may have against Lessee arising as a result of your execution of and performance under this Guaranty; (e) all other notices and legal or equitable defenses to which the undersigned may be entitled in their capacity as guarantors; and (f) any right to revoke this Guaranty and acknowledges that this Guaranty is continuing in nature and applies to all presently existing and future Obligations, until the complete, irrevocable and indefeasible payment and satisfaction in full of the Obligations.

Without affecting the Obligations of the undersigned under this Guaranty, Lessor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Lessee, or settle, adjust, or compromise any claims against Lessee. The undersigned waive notice of amendment of the Agreement and protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by the undersigned, and agree to be bound by any and all such amendments and changes to the Agreement.

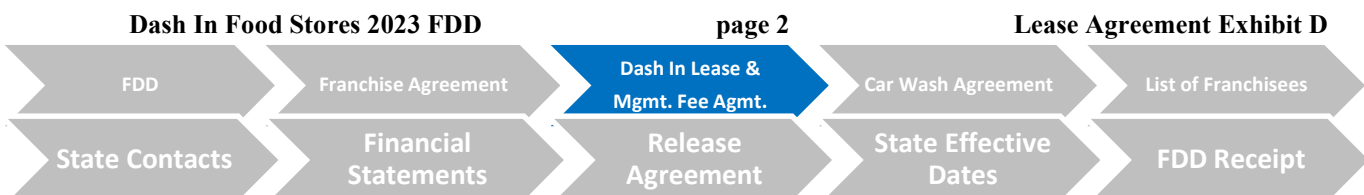
The undersigned agree that its Obligations under this Guaranty are irrevocable, continuing, absolute and unconditional and shall not be discharged or impaired or otherwise affected by, and the undersigned hereby irrevocably waive any defenses to enforcement it may have (now or in the future) by reason of:

(a) Any illegality, invalidity or unenforceability of any Obligation or the Agreement or any related agreement or instrument, or any law, regulation, decree or order of any jurisdiction or any other event affecting any term of the Obligations.

(b) Any change in the time, place or manner of payment or performance of, or in any other term of the Obligations, or any rescission, waiver, release, assignment, amendment or other modification of the Agreement.

(c) Any taking, exchange, substitution, release, impairment, amendment, waiver, modification or non-perfection of any collateral or any other guaranty for the Obligations, or any manner of sale, disposition or application of proceeds of any collateral or other assets to all or part of the Obligations.

(d) Any default, failure or delay, willful or otherwise, in the performance of the Obligations.



(e) Any change, restructuring or termination of the corporate structure, ownership or existence of the undersigned or Lessee or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Obligor or its assets or any resulting restructuring, release or discharge of any Obligations.

(f) Any failure of Lessor to disclose to the undersigned any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of Obligor now or hereafter known to Lessor, the undersigned waiving any duty of Lessor to disclose such information.

(g) The failure of any other guarantor or third party to execute or deliver this Guaranty or any other guaranty or agreement, or the release or reduction of liability of the undersigned or any other guarantor or surety with respect to the Obligations.

(h) The failure of Lessor to assert any claim or demand or to exercise or enforce any right or remedy under the provisions of any Agreement or otherwise.

(i) The existence of any claim, set-off, counterclaim, recoupment or other rights that the undersigned or Obligor may have against Lessor (other than a defense of payment or performance).

(j) Any other circumstance (including, without limitation, any statute of limitations), act, omission or manner of administering the Agreement or any existence of or reliance on any representation by Lessor that might vary the risk of the undersigned or otherwise operate as a defense available to, or a legal or equitable discharge of, the undersigned.

Each of the undersigned consent and agree that: (i) the undersigned must render any payment or performance required under the Agreement upon demand if Lessee fails or refuses punctually to do so; and (ii) this Guaranty is a direct guaranty and independent of the obligations of Lessee under the Agreement and the undersigned's liability will not be contingent or conditioned upon Lessor's pursuit of any remedies against Lessee or any other person. The undersigned agree that its guaranty hereunder shall continue to be effective or be reinstated, as the case may be, if at any time all or part of any payment of any Obligation is voided, rescinded or recovered or must otherwise be returned by Lessor upon the insolvency, bankruptcy or reorganization of Lessee.

The undersigned hereby waive and shall not exercise any rights that it may acquire by way of subrogation, contribution, reimbursement or indemnification for payments made under this Guaranty until all Obligations shall have been indefeasibly paid and discharged in full.

The undersigned hereby agree to defend, indemnify and hold Lessor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of investigation, and court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Lessee to perform any obligation of Lessee under the Agreement, any amendment thereto, or any other agreement executed by Lessee referred to therein. To induce Lessor to enter into the Agreement, the undersigned represents and warrants that: (a) this Guaranty constitutes the undersigned's valid and legally binding agreement in accordance with its terms; (b) the execution, delivery and performance of this Guaranty have been duly authorized by all necessary action and will not violate any order, judgment or decree to which any of the undersigned or any of its/their assets may be subject; and (d) each of the undersigned is currently solvent and will not be rendered insolvent by providing this Guaranty.

The undersigned hereby acknowledge and agree to be individually bound by all of the obligations, duties, and covenants set forth in the Agreement as if the undersigned were the "Lessee" thereunder (except that the undersigned shall have no right to exercise Lessee's powers under the Agreement).



If Lessor is required to enforce this Guaranty in any judicial proceeding or any appeals, Lessee must reimburse Lessor for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', paralegals' mediators', arbitrators and expert witness fees, costs of investigation and proof of facts, court costs, filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

This Guaranty shall terminate upon the termination or expiration of the Agreement, except that all Obligations which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement, including, without limitation, Obligations of confidentiality and non-competition, shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guaranty, but only for Obligations hereunder existing at the time of death; and the Obligations of the other guarantors will continue in full force and effect.

Lessor's officers, directors, owners, members, agents, representatives, affiliates, any cooperative and/or employees are express third party beneficiaries of the Agreement and this Guaranty, and the mediation and arbitration provisions incorporated by reference herein, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by the undersigned.

Nothing contained in this Guaranty shall prevent Lessor from applying to, or obtaining from, any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Lessor's interest prior to the filing of any mediation proceeding or pending the arbitration or handing down of a decision or award pursuant to any mediation or arbitration conducted hereunder. Each right, remedy and power hereby granted to Lessor or allowed it by applicable law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Lessor at any time or from time to time.

THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT.

The undersigned waive to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages, and agree that in the event of a dispute, the undersigned's recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable, for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

Each of the parties hereby irrevocably waives the right to litigate on a class action basis, in any action, proceeding, or counterclaim, whether at law or in equity, brought by any party.

The undersigned agree that no cause of action arising out of or under this Guaranty or any of the Agreements may be maintained by the undersigned unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that the undersigned may have a claim against, whichever occurs sooner (or such longer period of time required by applicable law), and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off. This Guaranty shall be interpreted and construed under the laws of the State of Maryland. In the event of any conflict of law, the laws of the State of Maryland shall prevail (without regard to, and without giving effect to, the application of Maryland conflict of law rules). **This Guaranty shall be governed and subject to the dispute resolution procedures outlined in the Agreement.** EACH PARTY IRREVOCABLY CONSENTS



All notices, requests, consents, demands and other communications hereunder (each, a "**Notice**") shall be in writing and delivered to the parties at the addresses set forth below or to such other address as may be designated by the receiving party in a Notice given in accordance with this section. All Notices shall be delivered by personal delivery, nationally recognized overnight courier, email or certified or registered mail (return receipt requested, postage prepaid). Except as otherwise provided in this Guaranty, a Notice is effective only (a) with written confirmation of delivery or transmission; (b) upon receipt of the receiving party; and (c) if the party giving the Notice has complied with the requirements of this section.

NOTICES TO UNDERSIGNED: Address below an applicable signature line.

If any provision of this Guaranty is to any extent determined by final decision of a court of competent jurisdiction to be unenforceable, the remainder of this Guaranty shall not be affected thereby, and each provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

This Guaranty constitutes the sole and entire agreement of the undersigned and Lessor with respect to the subject matter hereof and supersedes all previous agreements or understandings, oral or written, with respect to such subject matter. No amendment or waiver of any provision of this Guaranty shall be valid and binding unless it is in writing and signed, in the case of an amendment, by both parties, or in the case of a waiver, by the party against which the waiver is to be effective. Section headings are for convenience of reference only and shall not define, modify, expand or limit any of the terms of this Guaranty. Delivery of this Guaranty in electronic (i.e., pdf or tif) format shall be effective as delivery of a manually executed original of this Guaranty. This Guaranty may be executed in counterparts, and by scanned or electronic signature, each of which shall be considered to be an original instrument but all of which, taken together, shall constitute one and the same document.



IN WITNESS WHEREOF, each of the undersigned has signed this Guaranty as of the date of the Agreement.

GUARANTOR(S):

Signed: _____
(In his/her individual capacity)

Printed Name: _____

Address: _____

Signed: _____
(In his/her individual capacity)

Printed Name: _____

Address: _____

ACKNOWLEDGED BY:

LESSEE

«Entity»

LESSOR

DASH IN FOOD STORES, INC.
a Maryland corporation

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Dash In Food Stores 2023 FDD

page 6

Lease Agreement Exhibit D

FDD

Franchise Agreement

Dash In Lease &
Mgmt. Fee Agmt.

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EXHIBIT B-2

MANAGEMENT FEE AGREEMENT

THIS AGREEMENT DOES NOT CREATE A FRANCHISE UNDER THE PETROLEUM MARKETING PRACTICES ACT

THIS AGREEMENT, made by and between Dash In Food Stores, Inc. (hereinafter COMPANY), with an office in La Plata, Maryland, at 102 Centennial Street, and a post office address as follows: P. O. Box 2810, La Plata, Maryland 20646, and Operator Company, hereinafter referred to as OPERATOR, with a business address of Station Address, City, State Zip (referred to hereinafter as the “Premises”),

WITNESSETH

WHEREAS, COMPANY is an independent jobber of petroleum products and wishes to sell gasoline and other directly related products (hereinafter referred to as PRODUCTS) through the Premises;

WHEREAS, OPERATOR has entered into (a) an agreement with COMPANY for the operation of a Dash In franchised convenience store under a separate form of franchise agreement (the “Franchise Agreement”) and wishes to add-on the fuel station where OPERATOR will operate and manage the fuel station located at the Premises (the “Fuel Station”) to sell COMPANY’S PRODUCTS at retail therefrom; and (b) a lease agreement with COMPANY regarding the rental of the Premises (the “Lease”); and

WHEREAS, COMPANY and OPERATOR wish to enter into an agreement of consignment whereby COMPANY will provide to OPERATOR an inventory of PRODUCTS on consignment, and OPERATOR will take due care of the PRODUCTS and of the proceeds of the sale of the PRODUCTS as a consignee and will sell the PRODUCTS as consignee and agent (and not as an employee) of COMPANY to the public.

NOW, THEREFORE, it is mutually agreed by and between the Parties hereto as follows:

1. OPERATOR shall be, and undertake the duties of, a consignee for the COMPANY’S PRODUCTS that are placed in inventory on the Premises and consigned to it by COMPANY, and, accordingly, shall take due care of the PRODUCTS and of the proceeds of sale of the PRODUCTS as a consignee, except insofar as such duties may be modified by this Management Fee Agreement (hereinafter the Agreement).

2. OPERATOR shall exercise reasonable care that such PRODUCTS are safely and properly (i) received into inventory, (ii) maintained while in inventory, and (iii) dispensed from inventory. In exercising reasonable care, OPERATOR recognizes that OPERATOR, its employees, agents, contractors and others under its control including but not limited to customers of the Premises (hereinafter all together referred to as OPERATOR’S affiliates or the affiliates) are handling hazardous substances.

3. OPERATOR shall not (i) mix, cause to be mixed, or allow to be mixed any other products with COMPANY’S PRODUCTS or (ii) adulterate PRODUCTS in any way. OPERATOR shall not sell from the Premises any petroleum products obtained from any source besides COMPANY without the prior written permission of COMPANY.

4. Title to PRODUCTS placed in inventory on Premises and consigned to OPERATOR shall at all times remain with COMPANY until delivery of PRODUCTS to customers.

5. COMPANY shall have the right to withdraw from inventory on Premises the PRODUCTS that have been consigned to OPERATOR, in amounts and at times COMPANY judges necessary and desirable. OPERATOR shall cooperate in any such withdrawal. COMPANY retains this right and the right



to OPERATOR'S cooperation for a reasonable time after cancellation, termination or expiration of this Agreement.

6. COMPANY shall bear all losses of PRODUCTS from inventory and not sold to customers except for those amounts of PRODUCTS, if any, lost because of the (i) intentional or negligent acts or omissions of OPERATOR or of OPERATOR'S affiliates, or (ii) OPERATOR'S failure to provide adequately for the security of COMPANY'S PRODUCTS. Notwithstanding the foregoing, OPERATOR shall be liable for all losses incurred by COMPANY as a result of any customer's failure to pay for COMPANY'S PRODUCTS purchased at the Premises ("drive-off's").

7. COMPANY shall pay all taxes levied on motor fuel products in inventory on Premises. COMPANY shall be responsible for all fees, licenses, and other permits related exclusively to its motor fuel dispensing business.

8. COMPANY will establish the retail sales prices of its PRODUCTS to be sold on Premises. OPERATOR will post said prices immediately upon notice from COMPANY via email notification and shall not change such prices, established by the COMPANY, without the COMPANY'S prior permission.

9. OPERATOR shall deposit monies received from gasoline and/or diesel sales into their bank account. COMPANY will EFT all the proceeds of the PRODUCTS sold to COMPANY'S customers at the Premises in accordance with the procedures set forth in paragraphs 10 and 11 herein below. These proceeds shall consist only of (i) cash or (ii) receipts for credit cards acceptable to COMPANY, or (iii) traveler's checks.

10. OPERATOR is responsible to remit the previous day's End of Day Report, Veeder Root inventory report, Gas Price Log, and Fuelman report via facsimile on a daily basis before 12 Noon to COMPANY. COMPANY will then create the Daily Report and post on the Motor fuels website. COMPANY will then initiate an EFT draft with 2-day terms from OPERATOR's account.

11. OPERATOR shall remit the information provided under Paragraph 10 every day to COMPANY. The COMPANY also reserves the right to change its method of deposit to any form of remittance. In addition, the COMPANY may require reconciliation of daily sales with OPERATOR via electronic messaging. OPERATOR is required to provide the necessary hardware equipment to operate COMPANY'S software.

FAILURE TO REMIT THE AFORESAID MONIES, TRAVELER'S CHECKS, AND CREDIT CARD RECEIPTS ACCORDING TO THIS AGREEMENT OR TO COMPANY'S INSTRUCTIONS FOR ANY REASON WHATEVER, IF THE FAILURE IS CAUSED BY AN INTENTIONAL ACT OR OMISSION OF OPERATOR, WILL BE DEEMED THEFT OF COMPANY'S PROPERTY AND WILL BE PROMPTLY PROSECUTED. OPERATOR HAS NO RIGHT TO BORROW FROM THE AMOUNT TO BE REMITTED AND NO RIGHT TO WITHHOLD AS AN OFFSET AGAINST THE AMOUNT TO BE REMITTED.

TRADENAME AND CREDIT CARDS

12. (a) OPERATOR shall use the tradenames, trademarks, brand names, labels, insignias, symbols or imprints (hereinafter tradename[s]) if provided by COMPANY for the sale of COMPANY'S PRODUCTS. OPERATOR agrees that products received from others besides COMPANY will not be sold, dispensed, or distributed by OPERATOR under any tradename provided by COMPANY or commingled with any PRODUCT supplied by COMPANY. OPERATOR acknowledges that COMPANY does not own the tradenames but merely provides them to the Premises. OPERATOR agrees that during the effective period of this Agreement, COMPANY, at its sole discretion, may enter the Premises to install or remove tradenames to be used with the sale of PRODUCTS consigned under this Agreement. COMPANY may



also enter the Premises to exchange the tradenames of one supplier of COMPANY for the tradenames of another supplier of COMPANY. Upon termination, cancellation, or expiration of this Agreement (or prior thereto upon demand by COMPANY), OPERATOR shall (i) discontinue the use, posting, mounting, display, or other use of tradenames and (ii) either deliver the tradenames to COMPANY at COMPANY'S office or hold the tradenames at no charge for COMPANY to pick up.

(b) OPERATOR shall not mix, commingle, adulterate, or otherwise change the composition of any of PRODUCTS consigned hereunder and sold by COMPANY at the Premises under said tradenames. OPERATOR further agrees to take no action which will diminish the value of such tradenames or other identifications provided by COMPANY. OPERATOR will not remove or take down tradenames from the locations where COMPANY places them or cover, or block the visibility of, such tradenames.

(c) When tradenames are provided under which tradenames the PRODUCTS shall be sold, OPERATOR shall maintain the minimum standards of appearance of all Premises and services at Premises required by COMPANY'S supplier of such PRODUCTS. OPERATOR shall also maintain the Premises in accordance with the appearance standards of said supplier and COMPANY established, and amended from time-to-time, for a retail facility selling the brand of motor fuel which is sold from the Premises.

(d) COMPANY shall provide OPERATOR a list of credit cards acceptable to COMPANY. OPERATOR acknowledges receipt of a credit card guide that governs the use of such credit cards (the "Guide"). OPERATOR will comply fully with the instructions and policies stated in the Guide. Any credit cards that are charged back because of failure to comply with the then-current instructions and policies in the Guide, or because of customer dispute, will be the responsibility of OPERATOR. OPERATOR agrees to be responsible for imprints lent to it. In the event an imprinter is lost, stolen, or damaged beyond repair, OPERATOR agrees to pay three hundred twenty-five dollars (\$325.00) within thirty (30) days of receiving the bill for this amount.

PREMISES

13. OPERATOR shall ensure that there shall be adequate:

- (i) uniformed and trained personnel on Premises at all times to supervise the sale and provide for the security of COMPANY'S PRODUCTS; and
- (ii) supervision of all persons handling COMPANY'S PRODUCTS is exercised over such persons.

14. OPERATOR shall be responsible for the employment, retention, compensation, conduct, and control of its employees and agents. The employees and agents of OPERATOR shall not be employees or agents of COMPANY. OPERATOR shall assume full responsibility as employer for injury or death to such employees or agents and for injuries and damages caused by such employees or agents. OPERATOR shall be responsible for procuring and paying all expenses connected with its employees, including but not limited to workmen's compensation insurance, liability insurance, unemployment insurance, and social security payments.

15. COMPANY is not responsible for any operating expenses of Premises except those expressly agreed to in this Agreement.

QUALITY AND APPEARANCE STANDARDS

16. (a) OPERATOR shall maintain the Premises in accordance with a high standard of quality, appearance and service, including but not limited to:



- (1) operating the Premises with due care;
- (2) not engaging in dishonest, fraudulent, or scare-selling practices;
- (3) promoting diligently the sale of motor fuels;
- (4) keeping the Premises, including, but not limited to the product dispensers and the kitchen, open for business and properly lighted during all hours of operation;
- (5) promptly investigating all customer complaints and making adjustments when appropriate;
- (6) maintaining the appearance of the Premises as a first-class service station according to COMPANY'S Standards of Appearance. All signs must be professionally prepared with COMPANY'S Standards of Appearance. OPERATOR agrees to immediately remove any signage deemed to be in violation of this provision upon receipt of notice from COMPANY;
- (7) maintaining the Premises in a clean and healthful condition; and
- (8) providing services comparable to those of competitive service stations of similar type, age and style.

(b) OPERATOR shall be given written notice of any failure to maintain quality and appearance standards. Upon failure to correct said violations within thirty (30) days, (without prejudice to any other remedy available to COMPANY) OPERATOR, upon notice from COMPANY, will discontinue the use of tradenames provided by COMPANY. The removal of tradenames provided by COMPANY shall not terminate or affect other obligations or terms of this Agreement. Upon the failure of OPERATOR to cure any violation of the quality and appearance standards after notice and opportunity as provided above, COMPANY at its sole discretion (without prejudice to any other remedy available to it) may enter and maintain or repair the Premises to bring the Premises up to the standards of quality and appearance listed herein. If COMPANY exercises this option, OPERATOR will reimburse OPERATOR for the repair and maintenance done by COMPANY.

INSURANCE

17. (a) OPERATOR shall, at its sole expense, obtain insurance from a reputable insurance company (AM Best A- or Higher; VII) lawfully authorized to do business on an admitted basis in the jurisdiction in which the Premises is located providing full and continuous coverage for the full term of this Agreement and all renewal periods and furnish to the COMPANY Certificates of Insurance evidencing same. Below are the minimum insurance requirements as required by COMPANY:

- Commercial General Liability (including Premises - Operations, Independent Contractors, Products/Completed Operations, Personal Injury and Broad Form Property Damage) of \$1,000,000 each occurrence, \$2,000,000 general aggregate, \$1,000,000 products/Completed Operations, \$1,000,000 Personal and Advertising Injury, and \$300,000 Damage to Rented Premises (Fire legal liability).
- Automotive Liability – Coverage to include: (1) All Owned, Hired and Non-Owned Vehicles (Any Auto) (2) Contractual Liability Coverage (including Liability for Employee Injury assumed under a contract), in the amount of \$1,000,000 per accident combined single limit.
- Worker's Compensation and Employer's Liability insurance: in the State in which the Premises is located and elsewhere as may be required and shall include, where applicable, U.S. Longshoremen's and Harbor Workers' Coverage. (1) Workers Compensation Coverage - Statutory Requirements (2) Employers Liability Limits not less than: Bodily injury by Accident: \$100,000



Each Accident, Bodily Injury by Disease \$100,000 Each Employee and Bodily Injury by Disease \$500,000 Policy Limit.

- Property Insurance: OPERATOR shall bring or keep property upon the Premises solely at its own risk and OPERATOR, at its sole cost and expense, will keep all Personal Property, Stock, and Leasehold Improvements, COMPANY's loaned equipment to include, but not limited to trade fixtures and signage, dispensers, canopy, EPOS, etc., now and hereafter located on the Premises insured against "All Risk" of Loss with an Insurer in an amount at least equal to the replacement value. OPERATOR is financially responsible for any motor fuel product loss.
- Commercial Umbrella Liability: Occurrence Limit: \$2,000,000, Aggregate Limit (where applicable): \$2,000,000. Policy to apply excess of the Commercial General Liability (following form Per Location Aggregate Limit), Commercial Automobile Liability and Employers Liability Coverages.
- To the fullest extent permitted by law, COMPANY and any other parent, subsidiary or affiliated entities and Mortgagees (including their agents, employees, representatives, officers, directors, stockholders, partners, members and OPERATORS) shall be added and/or included as Additional Insured on all Liability Policies, even for claims regarding their sole negligence. The coverage offered to the ADDITIONAL INSURED on OPERATOR'S liability policies shall be primary coverage to any other coverage maintained by the ADDITIONAL INSURED and shall not permit or require such other coverage to contribute to the payment of any loss. The OPERATOR shall provide a waiver of subrogation on All Liability Policies in favor of COMPANY. Within 10 days of execution of this Agreement, OPERATOR is required to produce a complete copy of the General Liability and Umbrella Liability Insurance policies to include the endorsements which adds COMPANY and any other parent, subsidiary or affiliated entities and Mortgagees (including their agents, employees, representatives, officers, directors, stockholders, partners, members and OPERATORS) as additional insured.

(b) OPERATOR will be responsible to pay COMPANY the cost of repair, or replacement, for any damage or destruction caused by OPERATOR, its employees, customers, vandals, etc. whether caused accidentally, negligently, intentionally, or by act of God, during the use or operation of the Premises, and for any loss, damage, expense COMPANY incurs as a result thereof. OPERATOR will be responsible for the repair and/or replacement of any damage to COMPANY's equipment that may or may not be covered by OPERATOR's insurance policy.

(c) If COMPANY requires, before COMPANY delivers product to the Premises to OPERATOR and at any other time thereafter, OPERATOR shall furnish COMPANY with certificates of such insurance that provides that coverage will not be canceled or materially changed prior to thirty (30) days' advance written notice to COMPANY. The insurance required hereunder in no way limits or restricts OPERATOR's obligations under subparagraph (a) of this paragraph as to indemnification of COMPANY. Further, the insurance to be carried shall be in no way limited by any limitation placed as a matter of law upon the indemnity therein given.

(d) In the event of a failure of OPERATOR to furnish and maintain said insurance and to furnish satisfactory evidence thereof, COMPANY shall have the right (but not the obligation) to take out and maintain such insurance as specified above as will protect COMPANY. In such event, OPERATOR agrees to furnish all necessary information therefor and to pay the cost thereof to COMPANY immediately upon presentation of an invoice.

(e) All insurance policies covered by subparagraph 17(b) will name COMPANY and the Supplier as additional insured and will be primary as to any other existing, valid and collectible insurance.



All such insurance shall contain provisions whereby the insurer releases all rights of subrogation against COMPANY. The foregoing requirements are minimum insurance requirements only and may or may not adequately meet the entire insurance needs of OPERATOR. COMPANY may require OPERATOR to carry additional types and amounts of insurance coverage, including modifications to any existing insurance required under subparagraph 6(b) above. Each policy or policies shall provide that the liability coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured.

INDEMNITY

18. OPERATOR SHALL INDEMNIFY COMPANY AND HOLD COMPANY HARMLESS AGAINST ALL FEES (INCLUDING BUT NOT LIMITED TO FEES FOR ATTORNEYS AND EXPERT WITNESSES), DAMAGES, EXPENSES, JUDGMENTS, COSTS, PAYMENTS, LOSSES, INJURIES, PENALTIES, AND FINES (INCLUDING BUT NOT LIMITED TO PENALTIES AND FINES FOR VIOLATIONS OF LAWS, ORDINANCES, REGULATIONS, RULES, OR ORDERS ISSUED BY A GOVERNMENTAL AUTHORITY), LIABILITIES AND CLAIMS (INCLUDING, BUT NOT LIMITED TO THOSE CLAIMS BY OPERATOR, BY COMPANY, BY COMPANY'S CUSTOMERS, THE EMPLOYEES, CONTRACTORS, OR AGENTS OF EITHER OPERATOR OR COMPANY, OR OTHERS UNDER THE CONTROL OF EITHER), ARISING OUT OF (i) THE OPERATION OF THE PREMISES OR THE ACTIVITIES OF ANY PERSON AT THE PREMISES; (ii) OPERATOR'S FAILURE TO MEET ANY OF ITS OBLIGATIONS UNDER THIS AGREEMENT, OR (iii) ANY ACT OR OMISSION BY OPERATOR OR THE AFFILIATES FOR WHICH A LAW, ORDINANCE, REGULATION, RULE, OR ORDER IMPOSES LIABILITY. OPERATOR'S DUTY OF INDEMNIFICATION SHALL EXTEND TO ALL PAYMENTS MADE BY COMPANY IN ORDER TO SETTLE CLAIMS WHERE SUCH CLAIMS WOULD BE INCLUDED WITHIN THE PREVIOUS SENTENCE. OPERATOR SHALL PAY THE AMOUNT OWED COMPANY UNDER THIS PARAGRAPH WITHIN THIRTY (30) DAYS OF COMPANY'S DEMAND.

BEST EFFORTS

19. OPERATOR shall use its best efforts to promote, solicit and complete sales of COMPANY'S PRODUCTS. As an indicia of best efforts, OPERATOR shall keep Premises open for sale of COMPANY'S PRODUCTS from **12:00 A.M. to 11:59 P.M.**, daily, but hours may be varied pursuant to periodic "Right Hour Studies" conducted by COMPANY if in the opinion of COMPANY a change is warranted.

REMEDIES

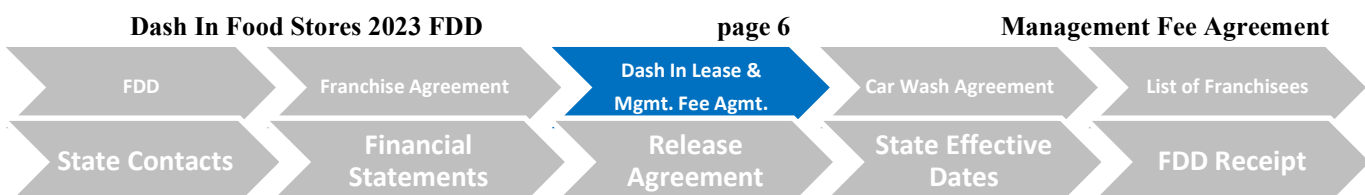
20. (a) COMPANY may terminate or cancel this Agreement for any ground allowed by law.

(b) The occurrence of any one of the following also constitutes a ground for termination or cancellation by COMPANY immediately:

(i) failure by OPERATOR to report immediately any leak from any tanks or product dispensing system on the Premises;

(ii) failure of OPERATOR to obtain insurance as required by this Agreement;

(iii) OPERATOR'S failure to remove, within thirty (30) days after the levy thereof, any lien, attachment, execution or encumbrance against the Premises, OPERATOR'S interest therein, or OPERATOR'S business, arising from an act or default of OPERATOR;



(iv) cancellation or termination by OPERATOR or COMPANY of any other agreement between the Parties, if the Parties have other agreements, or expiration of any such agreement; or

(v) OPERATOR'S failure to comply with Paragraphs 9, 10, and 11 of this Agreement or any of them.

(c) OPERATOR'S default under any provision of this Agreement not listed in subparagraph (b) or (d) of this Paragraph shall also be a ground for termination or cancellation by COMPANY if, after written notice by COMPANY, OPERATOR does not make a good faith effort to meet its obligations under the provision. COMPANY shall, in its notice to OPERATOR, state the amount of time OPERATOR shall have to meet its obligations.

(d) Upon the occurrence of any of the following, this Agreement shall automatically terminate:

(i) OPERATOR'S taking advantage of any law for the benefit of debtors;

(ii) assignment by OPERATOR to a creditor of substantially all its assets connected with the Premises; or

(iii) if insolvency, bankruptcy, or receivership proceedings, instituted against or by OPERATOR, are not contested by OPERATOR and dismissed or result in a declaration of bankruptcy or judicial determination of insolvency of OPERATOR.

(e) COMPANY may terminate this Agreement:

(i) if OPERATOR loses possession of the Premises; or

(ii) if a court suit is filed against OPERATOR'S interest in the Premises and not dismissed within ninety (90) days after commencement.

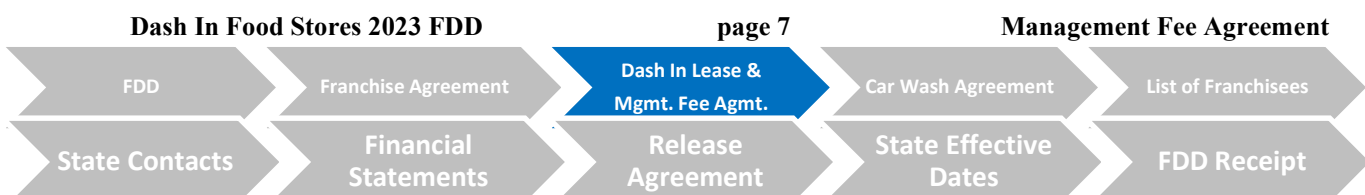
(f) COMPANY retains all remedies allowed by law for OPERATOR'S breach of any term or condition of this Agreement. Upon such breach by OPERATOR, COMPANY may withhold performance of its obligations pending cure by OPERATOR or until termination or cancellation of this Agreement.

(g) COMPANY'S remedies are cumulative and not exclusive and COMPANY'S choice of one remedy does not preclude COMPANY from contemporaneously or subsequently choosing another remedy or other remedies. COMPANY may properly consider previous breaches, whether waived or not, in consideration of its remedies. Any termination or cancellation shall be without prejudice to COMPANY'S accrued rights.

(h) If COMPANY initiates legal proceedings to enforce its right hereunder or to collect money owed it by OPERATOR and COMPANY substantially prevails on its claim, OPERATOR shall pay COMPANY its costs and reasonable attorney's fees within ten (10) days or such longer period, as established by COMPANY, of receiving a bill therefore from COMPANY.

ALLOCATION

21. COMPANY agrees that in the case of any shortage due to whatever cause, including but not limited to governmental law, order, or regulation, COMPANY shall allocate PRODUCT equitably among its Consignees.



RELEASES AND CLAIMS

22. Any claim by OPERATOR of any kind, based on or arising out of this Agreement or otherwise, shall be waived and barred unless COMPANY is given notice within ninety (90) days after the event, action, or inaction to which such claim relates (except as otherwise in this Agreement), and the claim is asserted by the commencement of an action within twelve (12) months after the event, action, or inaction to which such claim relates. If OPERATOR commences an action against COMPANY and OPERATOR'S claim is dismissed and is also not substantially justified, OPERATOR will reimburse COMPANY for costs and reasonable attorney's fees incurred. In no event shall COMPANY be liable for prospective profits or special, indirect, or consequential damages. The provisions of this Paragraph shall survive any termination, cancellation, or expiration of this Agreement.

FORCE MAJEURE

23. (a) COMPANY'S obligations under this Agreement shall be tolled and COMPANY is not liable for losses or damages, including but not limited to damages for loss of goodwill, special or consequential damages, or damages for failure to meet any of its obligations under this Agreement where its failure to perform results, and said losses and damages result, from any cause substantially beyond its control, in the sole discretion of the COMPANY, whether or not such cause is or was reasonably within the contemplation of the parties. Where it is possible for COMPANY to remove or ameliorate such cause, COMPANY is not obligated to take measures to effect such removal or amelioration if such measures will involve additional expense or a departure from COMPANY'S normal practices. Without limitation of any other possible causes, compliance by COMPANY with any law, regulation, order or request issued by any person, organization, agency, or department of any government or governmental authority with jurisdiction over COMPANY, COMPANY'S assets, or COMPANY'S operations, and acting under color of law shall constitute a cause substantially beyond COMPANY'S control.

(b) Upon cessation of any cause and effects, identified in this Paragraph, performance hereof shall be resumed, but such failure or delay shall not operate to extend the term(s) of this Agreement nor obligate either Party to supply omitted performance.

(c) Nothing herein contained shall excuse OPERATOR from remitting to COMPANY according to COMPANY'S procedures the proceeds from the sale of COMPANY'S PRODUCTS then due or in its possession.

(d) In the event any law, regulation, order or request (hereinafter referred to generally as legislation) issued by any person, organization, agency or department of any government or governmental authority with jurisdiction over COMPANY, COMPANY'S assets or COMPANY'S operation, and acting under color of law prohibits or alters COMPANY'S ability to perform under this Agreement or makes necessary additional costs for COMPANY, the COMPANY at its sole discretion may terminate this Agreement at the effective date of the legislation or thereafter on thirty (30) days' notice to OPERATOR without incurring any liability for damages, including but not limited to goodwill.

COMMISSION

24. COMPANY shall compensate OPERATOR on a daily basis **Commission Rate (Cents per Gallon or Flat Rate per Day)** for all gallons of motor fuel sold, including diesel and kerosene gallons sold, at the Premises during said month. COMPANY agrees to pay all credit card fees associated with fuel and c-store sales outside of the commission payment to OPERATOR.



REPORTING OBLIGATIONS; PRODUCT HANDLING PROCEDURES; RESPONSIBILITIES AND LIABILITY

25. (a) OPERATOR recognizes on behalf of itself, its employees, and those under its control including but not limited to customers at the Premises (hereinafter “affiliates”) that OPERATOR and the affiliates are handling hazardous substances. OPERATOR agrees on behalf of itself and the affiliates that in receiving, storing, handling, offering for sale, selling, delivering for use, exchanging in trade or using itself products purchased from COMPANY, OPERATOR will in all respects exercise the strictest care required by law and that it will comply with any and all of COMPANY’S Equipment, Product Handling and Reporting Obligations set forth in this Agreement, as well as all applicable federal, state and local laws, ordinances, regulations, rules and orders, as exist now, or as my hereinafter come into force, including but not limited to, those governing dispensing equipment, pollution, the maximum sulfur content of fuel, the maximum lead content of motor fuel, the requirements for oxygenated and reformulated fuel, the maximum RVP of motor fuel, the labeling of pump stands and dispensers of motor fuel, the use and labeling of product containers, the use, maintenance and labeling of product storage tanks, the prevention of spills, leaks, venting or other improper escape from product containers or storage tanks, and the method of cleanup or disposal of a product which has leaked, spilled, vented, or otherwise improperly escaped from containers or storage tanks. OPERATOR understands that it is an “operator” for purposes of 40 C.F.R. 280-81 and any other applicable federal, state and/or local laws, regulations or ordinances related to the prevention of pollution from storage tanks or the taking of corrective action thereunder. OPERATOR WILL INDEMNIFY AND HOLD COMPANY, ITS SUCCESSORS AND ASSIGNS, HARMLESS AGAINST ALL LOSSES, CLAIMS, CAUSES OF ACTION, PENALTIES AND LIABILITIES ARISING OUT OF OPERATOR’S FAILURE TO COMPLY WITH THIS SUBPARAGRAPH, AND SUCH FAILURE SHALL ENTITLE COMPANY TO CANCEL THIS AGREEMENT IMMEDIATELY.

(b) OPERATOR agrees that for safety of PRODUCT and Premises, OPERATOR will check daily for leaking tanks, pumps, dispensers, and pipe work connected thereto, and check the water level in the gasoline tanks. OPERATOR will keep adequate inventory control records, including but not limited to recorded daily stick readings and other gauge readings of storage equipment and records of daily pump meter readings. Such inventory reconciliation shall comply with API Publication 1621 and all applicable laws.

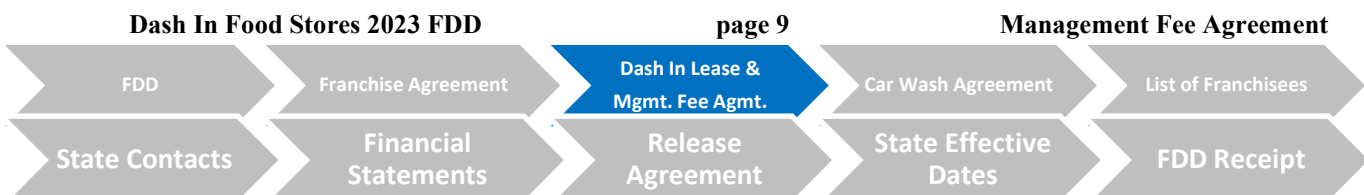
(c) OPERATOR will, in the event of leaks, spills or seepage make emergency repairs and take such other emergency action as is necessary to limit or eliminate the damage, costs, and expenses from any such happening.

(d) In the event of leakage, spills, inventory shortages, or seepage from storage, pumping, or dispensing equipment or pipework connected thereto, or in the event of reasonable suspicion of such events, OPERATOR will immediately notify COMPANY orally and send COMPANY written notice within twenty-four (24) hours. This duty of sending written notice may be discharged by sending an email to the Area Manager copying the Sales Manager, as well as entering a maintenance request. Lessee is financially responsible for any motor fuel product loss.

(e) OPERATOR will take all reasonable steps to prevent sales of any contaminated PRODUCT. If any PRODUCT consigned by COMPANY is found to be contaminated, OPERATOR shall not permit sale of such contaminated PRODUCT.

(f) OPERATOR agrees to order or accept deliveries of COMPANY’S PRODUCTS or do both according to the procedures provided in the instructions that may be given by COMPANY.

(g) From time to time, as requested by COMPANY, OPERATOR will cooperate in measurement and audit of COMPANY’S PRODUCTS at the Premises.



(h) COMPANY will seal the totalizers on pumps. OPERATOR is not permitted to remove the seals under any circumstances. If upon inspection by the COMPANY, the seal has been tampered with, OPERATOR agrees to pay COMPANY the cost of all inventory losses since the previous audit. OPERATOR will be provided, upon request, copies of audit results.

(i) OPERATOR agrees to keep records that show its compliance with the terms and conditions of this Agreement.

(j) COMPANY shall have the right both to specify records to be kept by OPERATOR and to examine and copy these records and all relevant records of OPERATOR, wherever such records may be located. COMPANY retains the right to inspect and copy such records for a reasonable time after the expiration, termination, or cancellation of this Agreement.

(k) COMPANY retains the right to enter and inspect the Premises and procedures adopted by OPERATOR at reasonable times and in a reasonable manner with such employees and equipment as it may deem necessary to determine if the obligations assumed by OPERATOR under this Agreement are being fulfilled.

(l) OPERATOR agrees to cooperate fully with COMPANY in the investigation, defense, and negotiations arising out of any alleged violation of any duties identified by this Paragraph concerning the COMPANY'S PRODUCTS, whether concerning PRODUCT-handling responsibilities or those prohibiting dispensing of adulterated products.

(m) In the event that any spills, leaks, venting or other unintended discharges from product containers, pumps, piping or storage tanks ("facilities") requires corrective action for any reason or cause, COMPANY is authorized to suspend immediately its supply and other obligations under this and related contracts until such time as all required corrective action is completed and COMPANY is further authorized to enter the property at any time and remove all motor fuels from any and all storage tanks owned by COMPANY, and, in its sole discretion, remove storage tanks and related facilities owned by COMPANY. COMPANY shall be under no obligation to replace, repair or restore storage tanks pursuant to this provision and such suspension of obligations and/or removal of storage tanks shall not constitute fault hereunder or give rise to any claim for damages or other compensation. When all required corrective action is completed, COMPANY may demand a renegotiation of any term of this or related agreements, including the rental terms in any reasonable manner that compensates COMPANY for its out of pocket expenses and additional necessary investments occasioned by the discharge or restoration of the site.

(n) OPERATOR agrees to perform price surveys of trade area competition and report competitive prices daily to COMPANY'S time specifications and in the format requested.

INDEPENDENT CONTRACTOR

26. OPERATOR is an independent contractor with the right and obligation to direct and control the business operations of the Premises. OPERATOR, in its sound discretion shall determine methods and procedures of operation and OPERATOR shall not be subject in this regard to any control by COMPANY. OPERATOR has no authority to employ anyone as an employee or agent of the COMPANY for any purpose. Any person performing work at OPERATOR'S request is an employee or agent of OPERATOR and not of the COMPANY. Nothing in this Paragraph is to be read in derogation of the duties undertaken by the OPERATOR in this Agreement. COMPANY disclaims all liability for actions of OPERATOR, OPERATOR'S employees, contractors, and any others under OPERATOR'S control.



SUPERVISION

27. OPERATOR shall adequately supervise its employees and contractors, so that they all comply with the provisions and meet the obligations of OPERATOR under this Agreement and will similarly adequately supervise other persons under its control so far as such persons may be responsible for such compliance and for such obligations.

NOTICES

28. (a) Any notice required by this Agreement shall be in writing, if not otherwise required to be more immediate or if not otherwise provided for. It shall be deemed served when delivered to an authorized COMPANY representative by hand, or delivered personally to COMPANY'S office, or when mailed via certified mail, postage prepaid, to the COMPANY at the address indicated on the first page of this Agreement.

(b) Any notice to the OPERATOR shall be deemed served when delivered to OPERATOR personally by hand wherever found, or when deposited in the United States mail, certified, postage prepaid, addressed to the Premises address or the day immediately following deposit with an overnight courier.

(c) Oral notice is deemed served as of the date given, provided it is confirmed in writing within a reasonable time thereafter.

ASSIGNMENTS; SUCCESSORS AND ASSIGNS

29. (a) OPERATOR shall have no power to assign, transfer in any way including transfer upon retirement, mortgage, pledge, bequeath, or sell this Agreement or its interests herein or ownership interests in itself, in whole or in part, directly or indirectly (all such possible actions hereinafter referred to as "transfer"), without the prior written consent of COMPANY, which will not be unreasonably withheld. Any attempts to transfer this Agreement or any right under it, in whole or in part, directly or indirectly, without the COMPANY'S prior written approval shall be null, void, invalid, and of no effect. A request for COMPANY'S approval of transfer shall be made at least sixty (60) days prior to the date on which OPERATOR desires to make the transfer. If OPERATOR is a natural person and dies during the term of this Agreement without making such request, the heir to OPERATOR'S rights under this Agreement or the legatee of them may make such request. If the heir or legatee does so, then, if OPERATOR does not exercise its rights under subsection 11(b)(8) of the accompanying Lease between the Parties and/or subsection 21(b)(iv) of this Agreement, all terms of this Section 29 shall apply as if the heir or legatee was the original OPERATOR. If, however, the heirs or legatees are OPERATOR'S spouse, adult children, or adult step-children, or any of them, subsection 11(b)(8) of the accompanying Lease does not apply. If OPERATOR has submitted information on such heir(s) or legatee(s) as of the latest date under subsection (c) below, then the heir(s) or legatee(s) need provide no additional information under the following two sentences as part of this request for COMPANY'S approval beyond bringing the latest information submitted current to the date of OPERATOR'S death. In the request for approval, OPERATOR shall state the name, address, and business experience during the preceding five (5) years of the prospective transferee and provide a description of any pollution or contamination of any kind, regardless of fault, that occurred or was discovered at any site or premises at which the prospective transferee was an employee or operator. The request shall also include a statement of the financial qualifications during the preceding three (3) years of the prospective transferee. In addition, in the request OPERATOR shall submit a proposed agreement by the prospective transferee which provides that in consideration of acceptance by COMPANY of the prospective transferee, the prospective transferee will comply with all the terms and conditions of this Agreement, and also with all the terms and conditions of the Lease between the Parties. COMPANY may, in its discretion, consider (i) any other relevant information concerning the prospective transferee or the



OPERATOR or (ii) the circumstances or operation of the Premises, and may give most weight to this other information, or these other factors, or both, in deciding whether to approve or disapprove the request. COMPANY will provide its response to the request by the sixtieth (60th) day after receiving all necessary documents and information concerning the prospective transferee. OPERATOR also agrees and understands that upon transfer it will remain obligated under this Agreement until its expiration date. Upon or after transfer COMPANY waives no rights it may have against Buyer.

(b) COMPANY shall have the right to assign or transfer this Agreement upon ten (10) days' prior written notice.

(c) For OPERATOR'S spouse, adult children, and adult step-children at the time when OPERATOR executes this Agreement, or for persons who become such relatives to OPERATOR during the term of this Agreement, OPERATOR shall each year submit information concerning their business experience for the preceding five (5) years, financial experience for the preceding three (3) years, and submit a description of any pollution or contamination of any kind, regardless of fault, that occurred or was discovered at any site or premises at which the spouse, or adult children, or adult step-children, or those who became such relatives of OPERATOR during the term of this Agreement, were employees or operators. OPERATOR shall submit all this information within ninety (90) days of the effective date of this Agreement and submit whatever additional information falls under this subsection, within ninety (90) days of the anniversary date of this Agreement.

(d) If OPERATOR is a natural person and dies during the term of this Agreement without requesting the COMPANY'S prior written consent for a transfer or before COMPANY has responded to OPERATOR'S request for such consent, then if COMPANY does not exercise its rights under subsection 11(b)(8) of the accompanying Lease and subsection 20(b)(iv) of this Agreement, COMPANY may, under its rights under Section 13 of the accompanying Lease, reenter and repossess the Premises to operate them until the transfer, if any, to OPERATOR'S successor is completed. Such reentry, repossession, and operation by COMPANY shall not prejudice the rights of the transferee, if any, that transferee may have under law.

(e) It is mutually agreed that the terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of, the parties hereto, their heirs, successors, and assigns, respectively.

(f) COMPANY'S consent to any request to transfer OPERATOR'S rights and obligations under this Agreement shall be subject to an evaluation of the ability of the prospective transferee to operate a retail service station at the Premises. Such evaluation shall consist of, without being limited to, an examination by COMPANY of the following factors or information concerning the prospective transferee to be provided to COMPANY: (i) business experience during the preceding five (5) years of the prospective transferee; (ii) description of any pollution or contamination of any kind, regardless of fault, that occurred or was discovered at any site at which the prospective transferee was an owner, employee, or operator; (iii) a financial statement of the prospective transferee for the preceding three (3) years; (iv) a copy of the proposed assignment agreement between the OPERATOR and the prospective transferee; (v) the business reputation of the prospective transferee; (vi) credit worthiness and reliability of the prospective transferee; and (vii) any other relevant information concerning the prospective transferee. OPERATOR shall cause the prospective transferee to provide COMPANY with all documents and information concerning the prospective transferee reasonably necessary to conduct such evaluation. Unless OPERATOR has paid such fee with respect to the transfer of its rights under the Agreement, OPERATOR shall reimburse COMPANY a fee for the costs and expenses related to the evaluation of said transferee in an amount equal to SIX THOUSAND FIVE HUNDRED and NO/100 DOLLARS (\$6,500.00). OPERATOR also agrees and understands that upon the transfer of its rights and obligations hereunder,



OPERATOR will remain obligated under this Agreement until written consent is given to the new retailer and the assignment agreement has been executed in full. COMPANY'S consent to any transfer is not a waiver of the terms of this Article 24 as to any subsequent transfer.

WAIVER AND MODIFICATION

30. Any modification or waiver of provisions hereof shall be binding only after acceptance by COMPANY and OPERATOR as evidenced by the signature of duly authorized representatives of both on any written modification or waiver of the terms herein. The waiver by COMPANY of any condition herein shall be limited to the particular act or omission to which the waiver applies. It shall not be construed as a waiver of that condition prospectively or as a waiver of any other condition herein. Commencement of performance hereunder prior to acceptance of this Agreement by COMPANY and OPERATOR shall not waive the provision of the first two sentences of this Paragraph.

LAWS

31. (a) OPERATOR understands and agrees that the provisions of the Federal Petroleum Marketing Practices Act, 15 U. S. C. Section 2801 et seq do not apply to this Agreement.

(b) OPERATOR understands and agrees that the provisions of Maryland's Gasohol and Gasoline Products Act, Commercial Code, Article 3, Title 11 do not apply to this Agreement.

(c) Both Parties expressly agree that it is the intention of both parties to fully comply with all statutory or common law and that if any sentence, paragraph, clause or combination of same is in violation of any law, such sentences, paragraphs, clauses or combinations of same shall be inoperative and the remainder of this Agreement shall remain binding upon the Parties hereto, unless, in either party's judgment, the remaining portions hereof are inadequate to define the rights and obligations of the parties. In this event such party shall have the right, upon making such determination, to terminate this Agreement upon thirty (30) days' notice.

SECURITY INTERESTS

32. OPERATOR agrees that it will sign whatever further papers may be necessary to allow COMPANY to establish or perfect its title or interest to COMPANY'S PRODUCTS governed by this Agreement.

TITLES

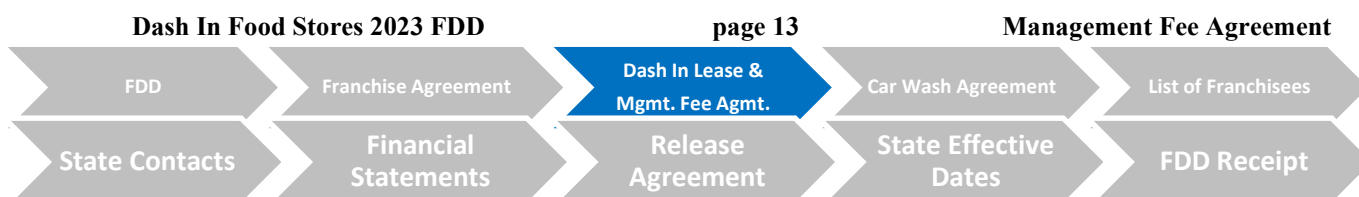
33. Titles in this Agreement are inserted for the sake of convenience only and not as a source of meaning. The rights and obligations of this Agreement are as delineated in the text or body of the Agreement.

WARRANTY OF AUTHORITY

34. (a) Where OPERATOR is a business entity other than a sole proprietorship, the undersigned individual executing this Agreement on behalf of OPERATOR warrants that the entity that said individual represents (e.g., partnership, limited liability company, or corporation) is authorized to grant the rights and assume the obligations it is undertaking under this Agreement.

(b) The undersigned individual warrants that it has authority to sign the Agreement on behalf of the OPERATOR.

(c) OPERATOR will on request allow COMPANY to inspect such documents that verify these authorizations.



(d) The undersigned individual warrants and agrees that said individual OPERATOR is personally liable and bound to meet all obligations under this Agreement undertaken by OPERATOR and is also personally liable for any breach of one or more of such obligations.

COMPANY'S RIGHT OF FIRST REFUSAL

35. (a) In this Section "third party" means any person or entity besides OPERATOR and COMPANY.

(b) For any proposed transfer by OPERATOR (except to OPERATOR'S spouse, an adult child, or adult step-child (i) upon OPERATOR'S retirement, (ii) by bequest or (iii) by intestate succession of any interest in this Agreement, before OPERATOR offers this interest to a third party, OPERATOR must offer the interest to COMPANY and wait a reasonable time (not to exceed the thirty-first (31st) day after COMPANY receives OPERATOR'S offer) for COMPANY'S response before OPERATOR may offer the interest to anyone else. In addition, COMPANY has a right of first refusal regarding any such interest that OPERATOR proposes to transfer. This right of first refusal is a reoccurring and continuing right. By its terms OPERATOR must inform COMPANY and continue to inform COMPANY:

(i) of any bona fide offer by OPERATOR to a third party (after OPERATOR has offered the interest to COMPANY and waited for COMPANY'S response) or any bona fide offer by a third party to OPERATOR (which OPERATOR desires to accept) to have any interest in this Agreement transferred, including the name and address of the third party, and the complete terms of the offer; and

(ii) any subsequent offer by either OPERATOR or the third party as a result of negotiations between OPERATOR and the third party; or

(iii) the withdrawal of the interest from availability for transfer.

(c) With regard to any offer brought to COMPANY in respect of COMPANY'S right of first refusal (whether the first offer or any subsequent offer), COMPANY at its option, by the thirty-first (31st) day after it receives the offer, may match said offer, in which case OPERATOR'S interest for which the offer was made will be transferred by OPERATOR to COMPANY. If the interest to be transferred constitutes substantially all of OPERATOR'S rights under this Agreement, OPERATOR and COMPANY will enter into a mutual termination of the relationship between the Parties to be effective on the date of the transfer of the interest or within ten (10) calendar days thereafter.

JOINT AND SEVERAL LIABILITY

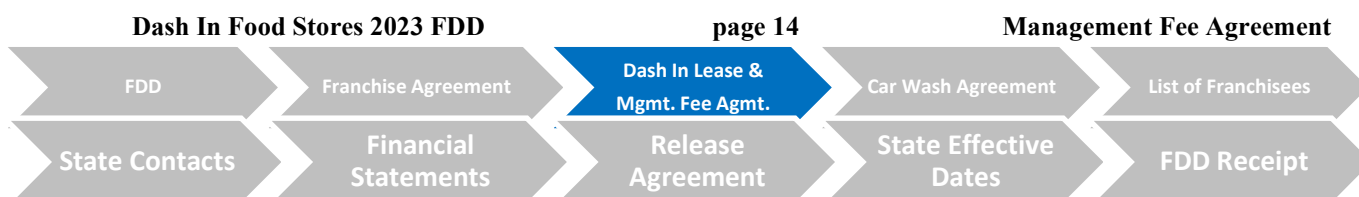
36. All acknowledgments, representations, warranties, and obligations of OPERATOR under this Agreement are made, and binding on, all those signing this Agreement, including any individual person executing the Agreement on behalf of the OPERATOR, jointly and severally as the OPERATOR.

ENTIRE AGREEMENT

37. This Agreement represents the entire agreement and understanding between COMPANY and OPERATOR pertaining to the subject matter of the Agreement and there are no oral representations, stipulations, warranties, or understandings relating thereto which are not fully set forth herein.

TERM

38. The original term of this Agreement shall commence on **Effective Date** and continue through **End Date**. COMPANY may terminate this Agreement at any time by providing ninety (90) days written notification to OPERATOR. If any other agreement between the Parties is extended which is



connected with or is an integral part hereof, this Agreement is also extended for such term without any need for written confirmation of same.

ACCOMPANYING LEASE

39. If the accompanying Lease for the Premises is terminated or not renewed for any reason, then this Agreement shall contemporaneously terminate at the COMPANY'S sole discretion and election.

PRIOR AGREEMENTS

40. This Agreement cancels and supersedes all prior agreements between the Parties concerning the subject matter contained herein.



IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed in duplicate. The Agreement shall not be binding on COMPANY until properly executed by an authorized representative of COMPANY.

OPERATOR:

Operator Company

By: _____

Title: _____

Print Name: _____

Date: _____

By: _____

Title: _____

Print Name: _____

Date: _____

COMPANY:

Dash In Food Stores, Inc.

By: _____

Title: Director of Retail Operations

Print Name: Brian Chase

Date: _____



GUARANTY OF PERFORMANCE

As an inducement to Dash In Foods, Inc. (“**Company**”) to execute the Lease Agreement made and entered into on the same date as that certain agreement by and between Company and Operator (as identified therein) (the “**Agreement**”), the undersigned, jointly and severally, absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, the full and punctual payment and performance of all present and future obligations, liabilities, covenants and agreements required to be observed and performed or paid or reimbursed by Operator under or relating to the Agreement, plus all costs, expenses and fees (including the reasonable fees and expenses of Company’s counsel) in any way relating to the enforcement or protection of Company’s rights hereunder (collectively, the “**Obligations**”).

The undersigned hereby unconditionally and irrevocably waive (a) promptness, diligence, notice of acceptance, presentment, demand for performance, notice of non-performance, default, acceleration, protest or dishonor and any other notice with respect to any of the Obligations and this Guaranty and any requirement that Company protect, secure, perfect or insure any lien or any property subject thereto; (b) any right to require Company to pursue or exhaust any remedy, including any legal or equitable relief, against Operator, prior to selling to enforce this Guaranty; (c) any right the undersigned may have to require that an action be brought against Operator or any other person as a condition of the undersigned’s liability; (d) all rights to payments and claims for reimbursement or subrogation which Operator may have against Operator arising as a result of your execution of and performance under this Guaranty; (e) all other notices and legal or equitable defenses to which the undersigned may be entitled in their capacity as guarantors; and (f) any right to revoke this Guaranty and acknowledges that this Guaranty is continuing in nature and applies to all presently existing and future Obligations, until the complete, irrevocable and indefeasible payment and satisfaction in full of the Obligations.

Without affecting the Obligations of the undersigned under this Guaranty, Company may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Operator, or settle, adjust, or compromise any claims against Operator. The undersigned waive notice of amendment of the Agreement and protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by the undersigned, and agree to be bound by any and all such amendments and changes to the Agreement.

The undersigned agree that its Obligations under this Guaranty are irrevocable, continuing, absolute and unconditional and shall not be discharged or impaired or otherwise affected by, and the undersigned hereby irrevocably waive any defenses to enforcement it may have (now or in the future) by reason of:

(a) Any illegality, invalidity or unenforceability of any Obligation or the Agreement or any related agreement or instrument, or any law, regulation, decree or order of any jurisdiction or any other event affecting any term of the Obligations.

(b) Any change in the time, place or manner of payment or performance of, or in any other term of the Obligations, or any rescission, waiver, release, assignment, amendment or other modification of the Agreement.

(c) Any taking, exchange, substitution, release, impairment, amendment, waiver, modification or non-perfection of any collateral or any other guaranty for the Obligations, or any manner of sale, disposition or application of proceeds of any collateral or other assets to all or part of the Obligations.

(d) Any default, failure or delay, willful or otherwise, in the performance of the Obligations.



(e) Any change, restructuring or termination of the corporate structure, ownership or existence of the undersigned or Operator or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Obligor or its assets or any resulting restructuring, release or discharge of any Obligations.

(f) Any failure of Company to disclose to the undersigned any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of Obligor now or hereafter known to Company, the undersigned waiving any duty of Company to disclose such information.

(g) The failure of any other guarantor or third party to execute or deliver this Guaranty or any other guaranty or agreement, or the release or reduction of liability of the undersigned or any other guarantor or surety with respect to the Obligations.

(h) The failure of Company to assert any claim or demand or to exercise or enforce any right or remedy under the provisions of any Agreement or otherwise.

(i) The existence of any claim, set-off, counterclaim, recoupment or other rights that the undersigned or Obligor may have against Company (other than a defense of payment or performance).

(j) Any other circumstance (including, without limitation, any statute of limitations), act, omission or manner of administering the Agreement or any existence of or reliance on any representation by Company that might vary the risk of the undersigned or otherwise operate as a defense available to, or a legal or equitable discharge of, the undersigned.

Each of the undersigned consent and agree that: (i) the undersigned must render any payment or performance required under the Agreement upon demand if Operator fails or refuses punctually to do so; and (ii) this Guaranty is a direct guaranty and independent of the obligations of Operator under the Agreement and the undersigned's liability will not be contingent or conditioned upon Company's pursuit of any remedies against Operator or any other person. The undersigned agree that its guaranty hereunder shall continue to be effective or be reinstated, as the case may be, if at any time all or part of any payment of any Obligation is voided, rescinded or recovered or must otherwise be returned by Company upon the insolvency, bankruptcy or reorganization of Operator.

The undersigned hereby waive and shall not exercise any rights that it may acquire by way of subrogation, contribution, reimbursement or indemnification for payments made under this Guaranty until all Obligations shall have been indefeasibly paid and discharged in full.

The undersigned hereby agree to defend, indemnify and hold Company harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of investigation, and court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Operator to perform any obligation of Operator under the Agreement, any amendment thereto, or any other agreement executed by Operator referred to therein. To induce Company to enter into the Agreement, the undersigned represents and warrants that: (a) this Guaranty constitutes the undersigned's valid and legally binding agreement in accordance with its terms; (b) the execution, delivery and performance of this Guaranty have been duly authorized by all necessary action and will not violate any order, judgment or decree to which any of the undersigned or any of its/their assets may be subject; and (d) each of the undersigned is currently solvent and will not be rendered insolvent by providing this Guaranty.

The undersigned hereby acknowledge and agree to be individually bound by all of the obligations, duties, and covenants set forth in the Agreement as if the undersigned were the "Operator" thereunder (except that the undersigned shall have no right to exercise Operator's powers under the Agreement).



If Company is required to enforce this Guaranty in any judicial proceeding or any appeals, Operator must reimburse Company for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', paralegals' mediators', arbitrators and expert witness fees, costs of investigation and proof of facts, court costs, filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

This Guaranty shall terminate upon the termination or expiration of the Agreement, except that all Obligations which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement, including, without limitation, Obligations of confidentiality and non-competition, shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guaranty, but only for Obligations hereunder existing at the time of death; and the Obligations of the other guarantors will continue in full force and effect.

Company's officers, directors, owners, members, agents, representatives, affiliates, any cooperative and/or employees are express third party beneficiaries of the Agreement and this Guaranty, and the mediation and arbitration provisions incorporated by reference herein, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by the undersigned.

Nothing contained in this Guaranty shall prevent Company from applying to, or obtaining from, any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Company's interest prior to the filing of any mediation proceeding or pending the arbitration or handing down of a decision or award pursuant to any mediation or arbitration conducted hereunder. Each right, remedy and power hereby granted to Company or allowed it by applicable law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Company at any time or from time to time.

THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT.

The undersigned waive to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages, and agree that in the event of a dispute, the undersigned's recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable, for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

Each of the parties hereby irrevocably waives the right to litigate on a class action basis, in any action, proceeding, or counterclaim, whether at law or in equity, brought by any party.

The undersigned agree that no cause of action arising out of or under this Guaranty or any of the Agreements may be maintained by the undersigned unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that the undersigned may have a claim against, whichever occurs sooner (or such longer period of time required by applicable law), and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off. This Guaranty shall be interpreted and construed under the laws of the State of Maryland. In the event of any conflict of law, the laws of the State of Maryland shall prevail (without regard to, and without giving effect to, the application of Maryland conflict of law rules). **This Guaranty shall be governed and subject to the**



IN WITNESS WHEREOF, each of the undersigned has signed this Guaranty as of the date of the Agreement.

GUARANTOR(S):

Signed: _____
(In his/her individual capacity)

Printed Name: _____

Address: _____

Signed: _____
(In his/her individual capacity)

Printed Name: _____

Address: _____

ACKNOWLEDGED BY:

OPERATOR

«Entity»

COMPANY

DASH IN FOOD STORES, INC.

a Maryland corporation

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Dash In Food Stores 2023 FDD

page 5

Guaranty of Performance

FDD

Franchise Agreement

**Dash In Lease &
Mgmt. Fee Agmt.**

Car Wash Agreement

List of Franchisees

State Contacts

Financial
Statements

Release
Agreement

State Effective
Dates

FDD Receipt

Dear Operator(s):

The purpose of this writing is to outline reporting procedure regarding remittance of daily sales and inventory information as well as the method of the daily cash deposit as outlined in your Dash In Lease and Management Fee Agreement.

Each location is required to have a fax machine with a dedicated phone line at the station in addition to e-mail capability.

The Management Fee Reporting Process includes the following reports:

1. End of Day Console Report – including data outlining;
 - a. Metered Sales (Gallons sold by grade including diesel and kerosene)
 - b. Total daily dollar sales of all petroleum products
 - c. Daily Credit Card Totals (including all types as well as prepaid, debit, manually entered)
 - d. Authorized discount coupon totals (when applicable)
2. Physical Daily Ending Inventory Report
 - a. Consisting of Electronic Monitoring System (Veederroot) or Manual Stick Reading SIR report
 - b. All physical inventory reports must include daily delivery/increase detail by grade as well as Diesel and Kerosene
3. Daily Price Log
 - a. Outlining daily retail pricing by grade including diesel and kerosene
4. Fuelman Shift Settlement Report (Where Applicable)
5. State or Contractor Pump Test Documentation

Reports listed above will be sent to our Corporate Headquarters via facsimile (fax) machine by 12 noon for previous days' business. Report documents from Friday, Saturday and Sunday will be due no later than Monday 12 noon. The Motor Fuels Management Fee Reporting email is MFee@thewillsgroup.com.

If applicable, retail price changes will be sent via email and any retail price changes are to take effect overnight with a deadline of 6 a.m. Failure to perform the reporting and remittance procedures listed above will place you in violation of your current contracts and subject to termination of same. Furthermore, failure to remit all monies in a manner compliant with the guidelines of your current Dash In Food Stores, Inc. Agreement subject to the procedure listed above will be deemed Criminal Conversion and will be promptly prosecuted. Operator has no right to borrow from the amount to be remitted and no right to withhold as an offset against the amount to be remitted.

Dash In Food Stores, Inc. and the Fee Operator have reviewed this document. We have signed below indicating our review. Failure to sign does not eliminate your responsibility.

Sincerely,

Brian Chase
Director of Retail Operations

Fee Operator Signature: Operator 1 Name

Date

Fee Operator Signature: Operator 2 Name
Operator Company
Email Address _____

Date



EXHIBIT C
CAR WASH AGREEMENT



**SPLASH IN ECO CAR WASH
MANAGEMENT AGREEMENT
SUMMARY PAGE**

EFFECTIVE DATE: _____

EXPIRATION DATE: Midnight, local time, on the day immediately preceding the termination of the Dash In Lease and/or Franchise Agreement between Dash In Food Stores, Inc. and Operator Company including any subsequent renewals.

PRIMARY AGREEMENT: Dash In Lease

FRANCHISE AGREEMENT: Franchise Agreement between Operator Company and Dash In Food Stores, Inc. dated EFFECTIVE DATE.

OWNER: Dash In Food Stores, Inc.

ADDRESS FOR NOTICES: 102 Centennial Street
La Plata, Maryland 20646

Telephone Number: (301) 932-3600

Facsimile Number: (301) 932-3668

Email Address: dealeradministrator@twgi.net

OPERATOR: Operator Company

ADDRESS FOR NOTICES: _____

Telephone Number: _____

Facsimile Number: _____

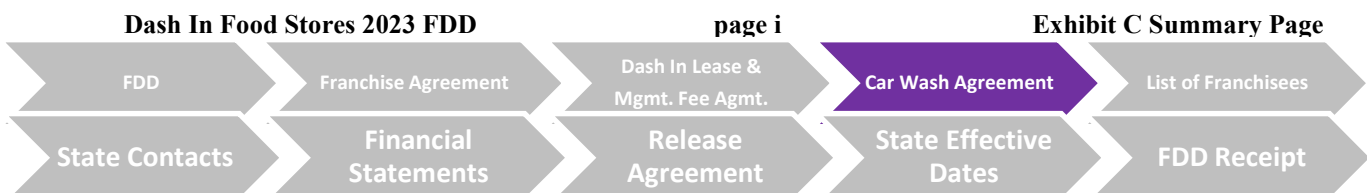
Email Address: _____

LOCATION: Station Name, Loc
Station Address, City, State Zip

UNIT MANAGEMENT FEE: \$2.50 for each Equipment Activation

OWNER Initial

OPERATOR Initial



SPLASH IN ECO CAR WASH MANAGEMENT AGREEMENT (In-Bay Automatic Car Wash)

This Car Wash Management Agreement (“Agreement”) is entered into on the “Effective Date” stated in the Summary Page by and between the “OWNER” and “OPERATOR” identified in the Summary Page. OWNER and OPERATOR are collectively referred to in this Agreement as the “PARTIES.”

WHEREAS, OWNER owns a 24-hour, in-bay automatic car wash business at the “Location” identified in the Summary Page (the “Car Wash”) pursuant to a license agreement (the “License Agreement”);

WHEREAS, OWNER and OPERATOR are parties to that certain Franchise Agreement executed contemporaneous herewith for the operation of a Dash In franchised business at the Location;

WHEREAS, OPERATOR operates a 24-hour gas station at the Location (the “Gas Station”) pursuant to the Primary Agreement identified in the Summary Pages; and

WHEREAS, OWNER desires to engage OPERATOR to operate the Car Wash and to collect customer payments for Car Wash services, and OPERATOR desires to provide such services, all according to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual promises contained in this Agreement and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the PARTIES hereby agree as follows:

1. DEFINITIONS

“Car Wash Attendant” means an individual, who is at least eighteen (18) years of age and proficient in the English language, who is dressed in an OWNER-approved uniform, and who is able to frequently lift ten (10) pounds and occasionally lift thirty (30) pounds.

“Car Wash Facility” means the physical building and all real property used in connection with the operation of the Car Wash business, including the building’s roof, interior and exterior walls, doors, and Equipment, as they exist from time to time.

“Car Wash Gross Revenue” shall be considered the total dollar value of the Equipment Activations during the period less the face value of any promotional coupons or discounts approved by OWNER.

“Equipment” includes all personal property equipment used in connection with the operation of the Car Wash Business, as it exists from time to time, including the Pay Station, car wash technology, car wash hardware, including high pressure washer system, foam applicator, tire applicator, scrubbers, brushes, rinse arch, air compressors, heaters, lights, dryers, wax applicator, water treatment systems, sediment pit, reclaim system, surveillance systems, vacuum equipment, air machines, trash receptacles, and cleaning tools.

“Equipment Activation” means that a customer has purchased and paid for Car Wash services at any of the Car Wash Facility’s pay points, to include the fuel islands, the In-Store Cashier Station(s) and the Pay Station, and activated the car wash equipment.

“Fuel Pumps” means the pumps that draw gasoline and other fuels from underground storage tanks and that also have credit card processing capabilities.

“In-Store Cashier Station” means an enclosed facility, separate and apart from the Car Wash Facility, in which an individual is physically present to accept customer payments.

“OPERATOR’s Account” means the bank account that OPERATOR has designated to receive and to facilitate the electronic exchange or transfer of money pursuant to Article 6.



“Pay Station” means the automated payment terminal located at the entry of the car wash bay at which Car Wash codes are entered and redeemed.

“Service Provider” means the service providers designated by OWNER from time to time.

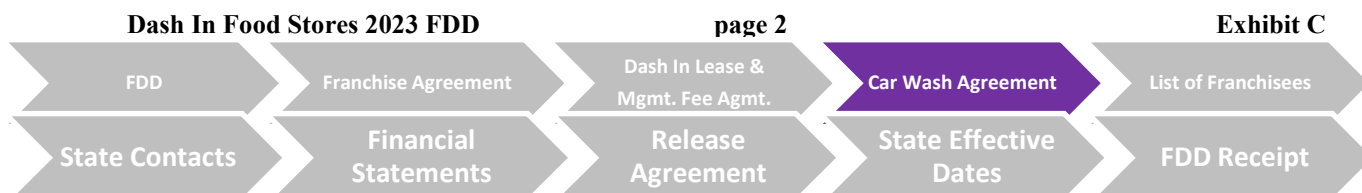
2. TERM

A. This Agreement begins on the Effective Date and expires on the Expiration Date unless earlier terminated as provided herein.

3. MANAGEMENT SERVICES

A. During the term of this Agreement, OPERATOR shall provide the following management services:

- 1) Deliver exemplary customer service to all Car Wash patrons that reflects the values of the Splash In ECO Car Wash Customer Service Pledge which includes the policy that if a customer is not completely satisfied with the operation and quality of the services provided at the Car Wash, OPERATOR shall satisfy the customer by either, at the sole discretion of the customer, issue a re-wash code or refund the full value of the purchase price of said service. OPERATOR shall submit a written record of all refunds and re-washes to OWNER on a monthly basis for validation, verification and reimbursement;
- 2) Regularly monitor the Car Wash to ensure its correct and continuous operations;
- 3) Regularly inspect the Car Wash Facility and Equipment to ensure that they are in excellent repair and working order, and notify OWNER within one (1) hour of any repair and/or maintenance needs per Paragraph 3.B.;
- 4) Ensure that a Car Wash Attendant is physically present at the Location at all times (i.e., twenty-four (24) hours a day) to reset the Car Wash Equipment as needed, and to engage with Service Providers as needed (both via the telephone and in person) to troubleshoot and resolve any issues with the Equipment per Paragraph 3.B.;
- 5) Ensure that appropriate personnel are physically present at the Location at all times (i.e., twenty-four (24) hours a day) to accept customer payments (cash and credit card) at the In-Store Cashier Station and to collect cash payments from the Pay Station as directed by OWNER;
- 6) Collect and deposit customer payments from the Pay Station on an as-needed basis, but no less frequently than every twenty-four (24) hours, and stock and replenish the Pay Station with \$1 bills, \$5 bills, coins and tokens on an as needed basis;
- 7) Maintain the Car Wash Facility and Equipment in the highest possible degree of cleanliness using the cleaning procedures and techniques specified by OWNER from time to time but which shall include, at a minimum, removing and disposing of litter and debris in and around the Car Wash Facility, emptying trash receptacles, power washing the interior of the car wash bay, the car wash equipment and the windows of the car wash building, and graffiti removal on not less than a daily basis;
- 8) Monitor inventories of cleaning chemicals, wax, and other supplies used in the operation of the Car Wash business to ensure that they remain at specified levels, and notify OWNER of replenishment needs using standards and procedures specified by OWNER or the Service Provider (as applicable) from time to time;



- 9) Supply and replenish, at OPERATOR's sole cost and expense, receipt paper for the Pay Station and ensure the receipt paper is dispensing properly at all times;
- 10) Supply, at OPERATOR's sole cost and expense, all water, electricity, natural gas, propane, and other fuel necessary to operate the Car Wash business;
- 11) Provide security to the Car Wash Facility (making sure appropriate doors are locked, etc.) and provide to OWNER and OWNER's authorized agents (including chemical vendors and other contractors) access to the Car Wash Facility on an as-needed basis; and
- 12) Immediately notify and furnish to OWNER within three (3) days after receipt thereof, a copy of all inspection reports, warnings, citations, certificates, and/or rating from inspections conducted by any federal, state or municipal agency with jurisdiction over the Car Wash.

B. In the event of an Equipment failure, OPERATOR shall ensure that operations are fully restored within fifteen (15) minutes of any actual or constructive notification of Equipment failure ("Downtime"). If, despite diligent efforts, operations cannot be fully restored without technical assistance within fifteen (15) minutes of such notification, OPERATOR shall immediately notify the Service Provider for technical assistance and implement the Service Provider's instructions. If, despite technical assistance, operations are not fully restored within one (1) hour after such notification, OPERATOR shall notify OWNER that an Equipment failure occurred, the time of the initial Equipment failure, all curative actions taken or being taken to restore operations, and whether or not a representative of the Service Provider has been dispatched.

C. OPERATOR shall maintain the integrity of the SPLASH IN brand and all of its trademarks, and shall report to OWNER within twenty-four (24) hours any damage or defacement to the Car Wash signage and/or SPLASH IN trademarks or logos and shall only use the trademarks as directed by OWNER.

4. PRICING, ADVERTISING AND PROMOTION

A. OWNER shall set the pricing for all car wash related services, including, but not limited to, the car wash packages, the air concession, and the vacuum concession. OPERATOR understands that, from time to time, OPERATOR shall be instructed by OWNER to offer these services free-of-charge to customers, and OPERATOR agrees to participate fully in these free or discounted offerings.

B. OPERATOR shall ensure that Car Wash customers are offered and that it honors: (1) all customer loyalty and reward programs; (2) all contests, sweepstakes and other prize promotions, and (3) all charity or promotional programs, product combinations, and price promotions that OWNER may develop and implement from time to time.

C. OWNER will communicate to OPERATOR in writing the details of each such program and promotion, and OPERATOR agrees to implement each program and promotion in accordance with OWNER's specifications, which may include, without limitation, placing advertising and point-of-sale material at or near the Fuel Pumps and/or near the In-Store Cash Station.

5. MODIFICATIONS, REPAIR AND MAINTENANCE

A. OWNER shall be responsible, at its sole cost and expense, for routine maintenance of the Car Wash Facility and Equipment and repairs due to ordinary wear and tear caused by normal usage. The parties further acknowledge and agree that OWNER may make modifications to the Car Wash Facility, at its sole cost and expense, at any time without notice to OPERATOR.

B. OPERATOR is responsible, at its sole cost and expense, for repairs necessitated by all causes other than ordinary wear and tear caused by normal usage. For avoidance of doubt, this includes damages



resulting, directly or indirectly, by the negligent or willful act(s) and/or omission(s) of OPERATOR and its employees, licensees, and customers; Acts of God; and criminal acts of vandalism. In such cases, all repairs must be completed within seventy-two (72) hours and at OPERATOR's expense. OPERATOR shall use OWNER's designated suppliers for any repair services related to the Car Wash Facility.

6. ALLOCATION OF EXPENSES

A. OPERATOR shall be responsible for obtaining and maintaining, at its sole cost and expense, all business permits and/or licenses necessary for the operation of the Car Wash Business. OPERATOR also shall be responsible for, and shall pay, the following expenses related to the operation of the Car Wash business: Equipment repair and maintenance costs as provided in Paragraph 5.B. above, utility costs (including water, electricity, natural gas, propane, and other fuel necessary to operate the Car Wash business), merchant account fees associated with payments collected or processed by OPERATOR, employee payroll and payroll taxes for the Attendant and all other personnel providing services in accordance with this Agreement, and insurance premiums for the required insurance described in Article 8.

B. OWNER shall be responsible for and shall pay the following expenses related to the operation of the Car Wash business: Equipment maintenance costs as provided in Paragraph 5.A. above, chemical costs, real estate taxes imposed on the Car Wash Facility, personal property taxes imposed on Equipment, the cost of all point-of-purchase materials, and merchant account fees associated with customer payments collected or processed by OWNER.

7. COMPENSATION AND PAYMENT PROCEDURES

A. In consideration for the services provided under this Agreement, OPERATOR shall be entitled to the "Management Fee" stated in the Summary Pages.

B. The Management Fee will be paid as follows:

(1) The parties acknowledge and agree that Car Wash payments may be collected and processed in various ways, including by OPERATOR at the In-Store Cashier Station or through other electronic payment systems controlled by OPERATOR.

(2) The parties acknowledge and agree that, regardless of how such payments may be collected and/or processed, all payments for Car Wash services and related items, including payments collected or processed by OPERATOR, are the sole property of OWNER. To the extent that OPERATOR collects and/or processes such payment, OPERATOR does so on behalf of, and for the benefit of, OWNER.

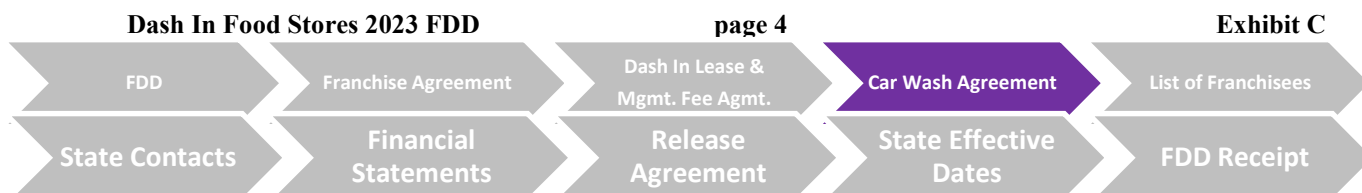
(3) The parties acknowledge and agree that, in order to activate the car wash equipment, a car wash code purchased at the fuel islands or In-Store Cashier Station must be entered into the Pay Station. Furthermore, a customer may activate the car wash equipment by purchasing a car wash, or upgrading a previously purchased car wash, at the Pay Station ("Equipment Activation").

(4) The parties acknowledge and agree that the Pay Station is capable of generating daily and monthly reports that summarize the quantity and dollar value of these Equipment Activations.

(5) The parties acknowledge and agree that the Management Fee shall be calculated by multiplying the Unit Management Fee identified on the Summary Page by the number of Equipment Activations during the period; i.e.,

$$\text{Management Fee} = \text{Unit Management Fee} \times \text{Equipment Activations}$$

(6) No later than the fifth (5th) day of each calendar month, OWNER shall notify OPERATOR of the amount of the Management Fee for the previous calendar month.



(7) No later than the tenth (10th) day of each calendar month, OWNER shall electronically debit from OPERATOR's account an amount calculated as follows: the total dollar value of Equipment Activations less the face value of any promotional coupons or discounts approved by OWNER ("**Car Wash Gross Revenue**") less any portion of Car Wash Gross Revenue collected directly or previously by OWNER less the Management Fee.

8. INSURANCE AND INDEMNIFICATION

A. OPERATOR shall indemnify and hold harmless to the fullest extent permitted by law, OWNER and its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, designees, and employees ("**Indemnities**"), from all Losses and Expenses incurred in connection with any action, suit, proceeding, claim (including, without limitation, customer claims alleging vehicle damage from Car Wash operations), demand, investigation, or formal or informal inquiry, or any settlement (whether or not a formal proceeding or action has been instituted) which arises out of or is based on: (1) the operation of the Car Wash, including any claims of alleged Equipment malfunction and vehicle damage caused by Car Wash operations; (2) the maintenance of, and/or alleged failure to maintain, the Car Wash Facility and/or Equipment; (3) OPERATOR's alleged failure to perform its obligations under this Agreement; and (4) any alleged acts, errors, or omissions of OPERATOR or OPERATOR's agents, servants, employees, contractors, partners, owners, affiliates, or representatives, whether or not related to Car Wash operations.

B. "**Losses and Expenses**" means, without limitation, all losses and expenses including compensatory, exemplary, incidental, consequential or punitive damages, fines, charges, expenses, lost profits, legal fees, expert fees, court costs, settlement amounts, judgments, costs of or resulting from delays, financing, costs of advertising material and media/time/space and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described

C. OPERATOR shall procure, maintain in full force and effect at all times during the term of this Agreement, at OPERATOR's expense, an insurance policy or policies protecting OPERATOR, OWNER, and their respective officers, directors, partners, agents, and employees against any demand or claim with respect to personal injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring upon or in connection with the Car Wash, including, but not limited to, comprehensive general liability insurance with policy limits of not less than \$1 million (\$1,000,000), property and casualty insurance, statutory workers' compensation insurance, product liability insurance and an umbrella insurance policy. Such policies shall be of the type, with coverage limits and deductibles, as specified by OWNER from time to time in writing.

B. Such policies shall be written by a responsible carrier or carriers acceptable to OWNER. To the fullest extent permitted by law, OWNER and any other parent, subsidiary, or affiliated entity (including their agents, employees, representatives, officers, directors, stockholders, partners, members, and managers) will be added/included as additional insureds on all coverages on which additional insureds can be added, even for claims regarding the additional insureds' sole negligence. The coverage offered to the additional insureds will be primary coverage to any other coverage maintained by the additional insureds and will not permit or require such other coverage to contribute to the payment of any loss. Policies must also contain a waiver of subrogation in favor of the additional insureds. OPERATOR will submit to OWNER any documentation required by OWNER to evidence OPERATOR's compliance with this Section, such documents may include, without limitation, additional insured endorsements and OPERATOR's insurance certificates.

C. Within thirty (30) days after the execution of this Agreement and during the term of this Agreement as necessary, OPERATOR shall deliver to OWNER certificates of insurance evidencing OPERATOR's



compliance with the insurance described in this Article 7. OPERATOR shall also maintain certificates of insurance evidencing the proper types and minimum amounts of coverage and furnish to OWNER a copy. All certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given to OWNER in the event of material alteration to or cancellation of the coverages evidenced by such certificates and shall name OWNER and its affiliates as additional insureds.

D. Should OPERATOR, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised by OWNER in the Manuals or otherwise in writing, OWNER shall have the right and authority (but not the obligation) to procure such insurance and to charge same to OPERATOR, which charges, together with a reasonable fee for the expenses of OWNER in so acting, shall be payable by OPERATOR immediately upon notice. The foregoing remedies shall be in addition to any other remedies OWNER may have.

E. OWNER may, from time to time, and in its sole discretion, make such changes in minimum policy limits and endorsements as it may determine

9. DEFAULT AND TERMINATION

A. OWNER has the right to terminate this Agreement, for any or no reason, thirty (30) days after delivery of written notice to OPERATOR.

B. OWNER also has the right to terminate this Agreement immediately upon delivery of written notice to OPERATOR upon the following events of default:

(1) OPERATOR fails to pay or remit any amounts due under this Agreement and fails to cure the deficiency within five (5) days after delivery of written notice;

(2) OPERATOR makes repairs or alterations to the Car Wash Facility without OWNER's approval and/or through a third party not designated by OWNER;

(3) OPERATOR fails to be diligent in reducing Downtime per the requirements of Paragraph 3.B;

(4) OPERATOR fails to maintain the image and cleanliness standards of the Car Wash as defined by the OWNER, and fails to correct such deficiency within twenty-four (24) hours after delivery of written notice by OWNER;

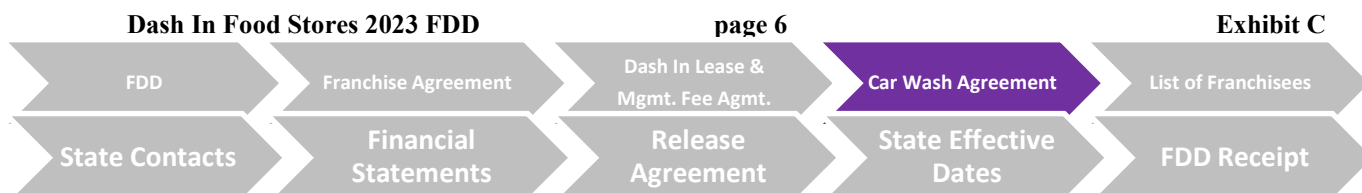
(5) OPERATOR fails to abide by the Customer Satisfaction Guarantee described in Paragraph 3.A.(1);

(6) OPERATOR is otherwise in default under the terms of this Agreement and fails to cure such default within fifteen (15) days after delivery of written notice by OWNER; or

(7) OWNER has delivered to OPERATOR two (2) or more notices of default or deficiency pursuant to this Paragraph 9.B. in any twelve (12) month period, whether or not such defaults or deficiencies were timely cured or such defaults or deficiencies were similar or dissimilar.

10. NOTICES AND CONSTRUCTION

A. Notices. Any notice, instruction, direction or demand under the terms of this Agreement required to be in writing will be duly given upon delivery, if delivered by hand, upon confirmation of receipt by facsimile transmission, one (1) day after being sent via overnight courier, or three (3) days after being sent via certified mail, return receipt requested, to the intended recipient at the Address for Notices identified in



the Summary Pages, or to such other addresses or facsimile numbers as may be specified by like notice to the other party regardless of whether such notice was refused or non-deliverable.

B. Entire Agreement. This Agreement, including the Summary Pages, and any other contemporaneous or subsequent writings signed by the parties that specifically references this Agreement constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter hereof. This Agreement is not intended to confer upon any person or entity other than the parties hereto any rights or remedies hereunder.

C. Assignment. OWNER shall have the right to assign its interest in this Agreement by providing written notice of the assignment to OPERATOR. Any such assignment shall be considered a novation and, upon delivery of written notice to OPERATOR, OWNER shall be fully released from its obligations hereunder. OPERATOR may not assign its interest in this Agreement, may not assign any of its rights under this Agreement, may not transfer any of its ownership interests and may not delegate any of its duties under this Agreement, without the prior written consent of OWNER, which OWNER may grant or withhold in its sole discretion.

D. Waiver. The waiver by either Party of compliance with any provision contained herein shall be in writing and shall in no way be construed as a waiver of any subsequent breach of such provision or the waiver of the provision itself.

E. No Agency, Partnership and Joint Venture. Nothing in this Agreement shall constitute or be deemed to constitute a partnership or joint venture between the parties or constitute or be deemed to constitute any party the agent or employee of the other party for any purpose whatsoever and neither Party shall have authority or power to bind the other or to contract in the name of, or create a liability against, the other in any way or for any purpose.

F. Limitation of Liability. OPERATOR acknowledges and agrees that the products and services contemplated in this Agreement will be provided to OPERATOR by third party suppliers not affiliated with OWNER and, as such, OWNER will in no way be held liable, or incur any liability, with respect to any damage incurred by OPERATOR as a result of any act or omission of such third party supplier.

G. Severability. If any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not render this entire Agreement invalid. Rather, this Agreement shall be construed as if not containing the particular invalid or unenforceable provision, and the rights and obligations of each Party shall be construed and enforced accordingly.

H. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

11. GOVERNING LAW AND VENUE

A. Governing Law. This Agreement takes effect upon its acceptance and execution by OWNER in Maryland, and shall be interpreted and construed under the laws of the State of Maryland. In the event of any conflict of law, the laws of Maryland shall prevail, without regard to, and without giving effect to, the application of Maryland conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of Maryland, and if the business is located outside of Maryland and such provision would be enforceable under the laws of the state in which the business is located, then such provision shall be interpreted and construed under the laws of that state.

B. Dispute Resolution and Venue. In the event of a dispute between the parties arising out of or related to this Agreement, the parties agree to resolve the dispute according to the dispute resolution and



venue provisions contained in the Primary Agreement, the terms of which are incorporated by reference herein.

C. WAIVER OF JURY TRIAL. OWNER AND OPERATOR IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION, PROCEEDING, OR COUNTERCLAIM.

D. WAIVER OF PUNITIVE DAMAGES. OWNER AND OPERATOR HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE, EXEMPLARY, OR MULTIPLE DAMAGES AGAINST THE OTHER.

E. Injunctive Relief. Nothing herein contained shall bar OWNER's right to seek or obtain injunctive relief against threatened conduct that will cause it loss or damages in any court of competent jurisdiction, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or agents as of the day and year first above written.

OWNER: Dash In Food Stores, Inc.
a Maryland corporation

OPERATOR:

Signature

Michael J. Mulhern, Director, Splash In Eco Car Wash
Name, Title

Date

Signature

Name, Title

Date

Signature

Name, Title

Date

PERSONAL GUARANTY

The undersigned, holder of a beneficial interest in the “OPERATOR” identified above, having read and understood the foregoing SPLASH IN ECO CAR WASH Management Agreement (“**Management Agreement**”), hereby personally guarantees to OWNER, unconditionally and irrevocably, the prompt payment and performance when due, and at any time thereafter, of all indebtedness and obligation of every kind and nature of OPERATOR under the Management Agreement.

This is a guaranty of payment and performance and not of collection, and the undersigned further waives any right to require that any action be brought against the OPERATOR or any other person as a condition to enforcement of this Guaranty.

This Guaranty is given as an inducement for OWNER to enter into the Management Agreement with OPERATOR; the parties acknowledge and agree that OWNER would not have entered into the Management Agreement without this Guaranty.

Any notice required under this Guaranty will be duly given upon delivery, if delivered by hand, facsimile transmission, overnight courier, or certified mail, return receipt requested, to the undersigned at the Address for Notices stated below.

This Guaranty shall be interpreted and construed under the laws of the State of Maryland. In the event of any conflict of law, the laws of Maryland shall prevail, without regard to, and without giving effect to, the application of Maryland conflict of law rules.

Signature: _____

Name of Guarantor

Date: _____

Address for Notices:

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Exhibit C Personal Guaranty

FDD

Franchise Agreement

Dash In Lease &
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Car Wash Agreement

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PERSONAL GUARANTY

The undersigned, holder of a beneficial interest in the “OPERATOR” identified above, having read and understood the foregoing SPLASH IN ECO CAR WASH Management Agreement (“**Management Agreement**”), hereby personally guarantees to OWNER, unconditionally and irrevocably, the prompt payment and performance when due, and at any time thereafter, of all indebtedness and obligation of every kind and nature of OPERATOR under the Management Agreement.

This is a guaranty of payment and performance and not of collection, and the undersigned further waives any right to require that any action be brought against the OPERATOR or any other person as a condition to enforcement of this Guaranty.

This Guaranty is given as an inducement for OWNER to enter into the Management Agreement with OPERATOR; the parties acknowledge and agree that OWNER would not have entered into the Management Agreement without this Guaranty.

Any notice required under this Guaranty will be duly given upon delivery, if delivered by hand, facsimile transmission, overnight courier, or certified mail, return receipt requested, to the undersigned at the Address for Notices stated below.

This Guaranty shall be interpreted and construed under the laws of the State of Maryland. In the event of any conflict of law, the laws of Maryland shall prevail, without regard to, and without giving effect to, the application of Maryland conflict of law rules.

Signature: _____

Name of Guarantor

Date: _____

Address for Notices:

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Exhibit C Personal Guaranty

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EXHIBIT D
LIST OF CURRENT FRANCHISEES AND FORMER FRANCHISEES



LIST OF CURRENT FRANCHISEES

(As of September 30, 2022)

No.	Contract Company	Contract Operator(s)	Street Address	City	State	ZIP Code	Email
1284	896 Investments of Delaware, Inc.	Amartej Singh Sawheny	820 S. College Avenue	Newark	DE	19713	mannat123@aol.com
1485	First Stop Gasoline of Delaware, Inc.	Amartej Singh Sawheny	1148 Christiana Road	Newark	DE	19711	mannat123@aol.com
1488	Reliance Petro Group, LLC	Karan Gupta	668 Paper Mill Road	Newark	DE	19711	kg0627@aol.com
1295	295 Enterprises, Inc.	Narinder S. Minhas	414 Main Street	Wilmington	DE	19804	nsminhas76@gmail.com
1410	Stanton Enterprises, Inc.	Narinder S. Minhas	2001 Pennsylvania Avenue	Wilmington	DE	19806	nsminhas76@gmail.com
1491	City Store, Inc.	Narinder S. Minhas	1022 Delaware Avenue	Wilmington	DE	19806	nsminhas76@gmail.com
1456	Kumar Petroleum, Inc.	Suraj Kumar	288 Christiana Road	New Castle	DE	19720	1456@dasin.com
1082	Goldmohr, LLC	Abdullah Asker	3620 Mattawoman/Beantown Road	Waldorf	MD	20601	Abd1987s@gmail.com
1088	none	Dinesh Patel	875 N. Solomon's Island Road	Prince Frederick	MD	20678	1088@dashin.com
1841	Ehtsham Zia, Personally & Individually	Ehtsham Zia	10000 Greenbelt Rd	Lanham	MD	20706	ehtshamzia@aol.com
1109	Willards One Stop, LLC	Greg Grevey	7201 Main Street	Willards	MD	21874	1109@dashin.com
1043	Yafay, LLC	Hamood Yafay	3690 Crain Highway	Waldorf	MD	20602	hamoodyafay@yahoo.com
1522	Ranger Sales Corp	Harmeet Singh Rana	6985 Indian Head Highway	Bryans Road	MD	20616	rangersalescorp@gmail.com
1064	064, Inc.	Harmeet Singh Rana	5105 Indian Head Highway	Indian Head	MD	20640	rangersalescorp@gmail.com
1134	134, Inc.	Harmeet Singh Rana	1378 Mt. Zion Marlboro Road	Lothian	MD	20711	rangersalescorp@gmail.com
1098	098, Inc.	Harmeet Singh Rana	8228 Woodyard Road	Clinton	MD	20735	rangersalescorp@gmail.com
1209	Royal Mart, LLC	Ifenna Fredrick Nnadike (Fred) and Ikechi Mbakwe (Ike)	11001 Livingston Road	Fort Washington	MD	20744	fnnadike@gmail.com
1042	MHII, LLC	Iram Khan	6670 Crain Highway	LaPlata	MD	20646	iramsuhaubkhan@gmail.com

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1465	Rumi & Nomi, LLC	Iram Khan	8906 Woodyard Road	Clinton	MD	20735	iramsuhaibkhan@gmail.com
1537	AJ & Sons, Inc.	Junaid Arshad	8200 Liberty Road	Baltimore	MD	21244	Junaidranjha@hotmail.com
1086	Aden Convenience Solutions, LLC	Khaled Al-Abbadi	2007 Smallwood Drive	Waldorf	MD	20601	khaledalabbadi@gmail.com
1084	Sky Petro Services, Inc.	Khawaja I. Amin	3075 Solomon's Island Road	Edgewater	MD	21401	khamin56@aol.com
1433	AR Group, Inc.	Khawaja I. Amin	401 Thompson Creek Road	Stevensville	MD	21666	khamin56@aol.com
1553	AR Group, Inc.	Khawaja I. Amin	30 Main Street	Reisterstown	MD	21136	khamin56@aol.com
1896	Holden Chase, LLC	Melissa J. Carlson-Parsley	3359 Urbana Pike	Frederick	MD	21704	dashinurbana@gmail.com
1099	Assent Corporation.	Mubashar Ahmad	26065 Point Lookout Road	Leonardtown	MD	20650	shamimohar@yahoo.com
1353	Al-Hamad, Inc.	Mubashar Ahmad	30100 Three Notch Road	Charlotte Hall	MD	20622	shamimohar@yahoo.com
1532	MIR Brothers, Inc.	Nofil Mir	8695 Fort Smallwood Road	Pasadena	MD	21122	nofil_mir@hotmail.com
1035	Shrestha Enterprises, LLC	Prabin Shrestha	601 Charles Street	LaPlata	MD	20646	prabinnpj@gmail.com
1530	4-S, Inc.	Salman A. Choudhary	3900 Mountain Road	Pasadena	MD	21122	salmanchoudhary@gmail.com
1092	Mahato, LLC	Shankar Mahato	136 E. Chesapeake Beach Road	Owings	MD	20736	1092@dashin.com
1832	Haveli, Inc.	Sohail Ahsan	9075 Baltimore National Pike	Ellicott City	MD	21042	sus5227@gmail.com
1108	Ghuman & Bariah, Inc.	Sukhwinder Singh	8910 Crisfield Highway	Westover	MD	21871	kaurninder079@gmail.com
1552	B&J, Inc.	Sukhwinder Singh	15501 Marlboro Pike	Upper Marlboro	MD	20772	kaurninder079@gmail.com
1079	NJH Buahua, Inc	Sukhwinder Singh	7845A Quarterfield Road	Severn	MD	21401	kaurinder079@gmail.com
1518	OM Guru, LLC	Sunny Patel	1517 Caton Avenue	Baltimore	MD	21227	patel.sunny91@gmail.com
1501	OM Guru, LLC	Sunny Patel	1712 Russell Street	Baltimore	MD	21230	patel.sunny91@gmail.com
1526	AZ Warraich, Inc.	Zaman Ali	724 Nursery Road	Linthicum	MD	21090	azaman2335@gmail.com
1873	United 3, LLC	Zeshan Shahid	11150 New Hampshire Ave	Silver Spring	MD	20904	nickkhan11741@aol.com
1851	United 4, LLC	Zeshan Shahid	6000 Sandy Spring Rd	Laurel	MD	20707	nickkhan11741@aol.com
1610	Aizah, Inc.	Asaad Munir	7274 Mechanicsville Turnpike	Mechanicsville	VA	23111	asaad78@aol.com
1618	Irshad, Inc	Ayaz Ahmed	6001 Staples Mill Road	Richmond	VA	23228	ayazbiz@yahoo.com

*This franchisee sold one of its units to us but remains in the system.



LIST OF FORMER FRANCHISEES

(As of September 30, 2022)

Franchisee	City	ST	Phone/E-mail
Chirag Dewan	Baltimore	MD	Chirag.dewan.d@gmail.com
Bashiru Hamzat	Clinton	MD	(410) 972-7854
Afendi Ziad	Fort Washington	MD	301-408-9434

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

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Exhibit D

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Franchise Agreement

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EXHIBIT E
LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS



LIST OF STATE ADMINISTRATORS

Maryland

Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-7042

New York

NYS Department of Law
Bureau of Investor Protection and Securities
28 Liberty Street, 21st Floor
New York, New York 10005
212-416-8236

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
1300 Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

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Exhibit E

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AGENTS FOR SERVICE OF PROCESS

MARYLAND

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

MARYLAND - Registered Agent

J. Blacklock Wills, Jr.
102 Centennial St.
La Plata, MD 20646

NEW YORK

Secretary of State of
the State of New York
One Commerce Plaza
99 Washington Avenue
6th Floor
Albany, New York 12231

VIRGINIA

CT Corporation System
4701 Cox Road Suite 285
Glen Allen, Virginia 23060

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Exhibit E

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EXHIBIT F
FINANCIAL STATEMENTS



The Wills Group, Inc. and Subsidiaries

Consolidated Financial Report
September 30, 2022

Contents

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Independent Auditor's Report

Board of Directors
The Wills Group, Inc.

Opinion

We have audited the consolidated financial statements of The Wills Group, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of September 30, 2022 and 2021, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

RSM US LLP

Baltimore, Maryland
December 16, 2022

The Wills Group, Inc. and Subsidiaries

Consolidated Balance Sheets
September 30, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 59,783,716	\$ 78,800,423
Accounts receivable, net	13,489,034	8,468,577
Taxes receivable	-	3,747,603
Inventories	14,294,462	10,413,707
Prepaid expenses and other current assets	4,881,377	4,420,913
Total current assets	92,448,589	105,851,223
Property and equipment, net	398,917,024	333,058,620
Other assets:		
Prepaid tax and insurance	8,017,822	4,813,103
Intangible assets, net	2,432,724	2,182,069
Goodwill, net	62,458,217	66,203,550
Other	5,458,329	5,821,233
Total other assets	78,367,092	79,019,955
 Total assets	 \$ 569,732,705	 \$ 517,929,798

See notes to consolidated financial statements.

	2022	2021
Liabilities and Stockholders' Equity		
Current liabilities:		
Current maturities of long-term debt, net	\$ 5,417,500	\$ 6,666,667
Accounts payable	65,492,593	50,288,316
Accrued expenses	23,421,483	22,450,827
Total current liabilities	94,331,576	79,405,810
Long-term liabilities:		
Long-term debt, net	67,859,013	73,174,678
Line of credit	5,000,000	5,000,000
Asset retirement obligation	3,469,490	3,275,681
Other long-term liabilities	11,670,310	23,093,850
Total long-term liabilities	87,998,813	104,544,209
Total liabilities	182,330,389	183,950,019
Commitments and contingencies		
Stockholders' equity:		
The Wills Group, Inc. and Subsidiaries	391,712,290	338,893,550
Accumulated other comprehensive loss	(7,686,941)	(7,970,922)
	384,025,349	330,922,628
Noncontrolling interests in subsidiary	3,376,967	3,057,151
Total stockholders' equity	387,402,316	333,979,779
Total liabilities and stockholders' equity	\$ 569,732,705	\$ 517,929,798

The Wills Group, Inc. and Subsidiaries

Consolidated Statements of Income
Years Ended September 30, 2022 and 2021

	2022	2021
Net sales:		
Petroleum products	\$ 1,458,572,000	\$ 902,598,016
Merchandise	106,626,267	97,569,089
Less sales royalty merchandise	(13,025,843)	(16,743,347)
	<u>1,552,172,424</u>	<u>983,423,758</u>
Cost of goods sold	<u>1,359,009,019</u>	<u>824,840,310</u>
Gross margin	<u>193,163,405</u>	<u>158,583,448</u>
Rental income	24,219,550	23,146,188
Rental expense	8,646,022	7,652,609
Net rental income	<u>15,573,528</u>	<u>15,493,579</u>
Sales royalty fee income	<u>649,900</u>	<u>838,673</u>
Loss on sale of net assets of Southern Maryland Oil, Inc.	<u>-</u>	<u>(248,556)</u>
Expenses:		
Salaries and wages	38,571,486	34,355,697
Operating costs	85,137,431	76,957,095
Retirement plans	7,810,985	7,739,299
Interest expense	380,725	1,057,798
Other expense (income), net	1,021,453	(1,623,211)
Total expenses	<u>132,922,080</u>	<u>118,486,678</u>
Net income	<u>76,464,753</u>	<u>56,180,466</u>
Less net income attributable to noncontrolling interests in subsidiary	<u>3,118,387</u>	<u>2,322,337</u>
Net income attributable to The Wills Group, Inc. and Subsidiaries	<u><u>\$ 73,346,366</u></u>	<u><u>\$ 53,858,129</u></u>
Net income per share	<u><u>\$ 1,386</u></u>	<u><u>\$ 1,018</u></u>
Book value per share	<u><u>\$ 7,021</u></u>	<u><u>\$ 6,052</u></u>
Return on stockholders' average investment	<u><u>20.7%</u></u>	<u><u>17.2%</u></u>

See notes to consolidated financial statements.

The Wills Group, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income
Years Ended September 30, 2022 and 2021

	2022	2021
Net income	\$ 76,464,753	\$ 56,180,466
Other comprehensive income:		
Net pension liability adjustment	283,981	1,823,494
Total other comprehensive income	283,981	1,823,494
Comprehensive income	\$ 76,748,734	\$ 58,003,960

See notes to consolidated financial statements.

The Wills Group, Inc. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity Years Ended September 30, 2022 and 2021

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Stockholders' Equity
Balance at September 30, 2020	\$ 55,181	\$ 307,182,727	\$ (9,794,416)	\$ 2,305,778	\$ 299,749,270
Net income	-	53,858,129	-	2,322,337	56,180,466
Other comprehensive income	-	-	1,823,494	-	1,823,494
Distributions to stockholders	-	(22,202,487)	-	(1,570,964)	(23,773,451)
Balance at September 30, 2021	55,181	338,838,369	(7,970,922)	3,057,151	333,979,779
Net income	-	73,346,366	-	3,118,387	76,464,753
Other comprehensive income	-	-	283,981	-	283,981
Distributions to stockholders	-	(20,527,626)	-	(2,798,571)	(23,326,197)
Balance at September 30, 2022	\$ 55,181	\$ 391,657,109	\$ (7,686,941)	\$ 3,376,967	\$ 387,402,316

See notes to consolidated financial statements.

The Wills Group, Inc. and Subsidiaries

Consolidated Statements of Cash Flows Years Ended September 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Net income	\$ 76,464,753	\$ 56,180,466
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	31,219,557	27,690,245
Amortization	11,013,564	10,932,989
Amortization of debt issuance costs	105,168	105,168
Loss on sale of net assets of Southern Maryland Oil, Inc.	-	248,556
Provision for bad debts	-	86,226
Provision for asset retirement obligation	63,369	68,541
Provision for environmental remediation	1,705,434	2,183,578
Loss on disposal of property and equipment	2,904,321	2,915,661
Gain on interest rate swap contract	(2,761,950)	(1,813,721)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(5,020,457)	(2,311,030)
Taxes receivable	3,747,603	(3,747,603)
Inventories	(3,880,755)	(3,394,877)
Prepaid expenses and other current assets	(460,464)	341,101
Prepaid tax and insurance	(3,204,719)	2,254,786
Other assets	362,904	(601,839)
Increase (decrease) in:		
Accounts payable	15,204,277	18,609,366
Accrued expenses	970,656	3,624,119
Other long-term liabilities	(9,952,603)	2,068,712
Net cash provided by operating activities	118,480,658	115,440,444
Cash flows from investing activities:		
Capital expenditures for property and equipment	(89,474,093)	(41,196,744)
Purchase of intangible assets	(527,075)	(400,000)
Cash paid for net assets acquired in business combination	(17,500,000)	-
Net cash used in investing activities	(107,501,168)	(41,596,744)
Cash flows from financing activities:		
Principal payments on long-term debt	(6,670,000)	(6,670,000)
Distributions to stockholders	(23,326,197)	(23,773,451)
Net cash used in financing activities	(29,996,197)	(30,443,451)
Net (decrease) increase in cash and cash equivalents	(19,016,707)	43,400,249
Cash and cash equivalents:		
Beginning of year	78,800,423	35,400,174
End of year	\$ 59,783,716	\$ 78,800,423

(Continued)

Consolidated Statements of Cash Flows (Continued)
Years Ended September 30, 2022 and 2021

	2022	2021
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 3,104,256	\$ 2,833,100
Supplemental schedule of noncash investing and financing activities:		
Pension liability adjustment	\$ (283,981)	\$ (1,823,494)

See notes to consolidated financial statements.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: The Wills Group, Inc. and its subsidiaries (the Company) distribute motor fuel products at retail, primarily through company-operated, franchise-operated and commissioned agent-operated convenience stores, and at wholesale to independent retail operators. Through this network, the Company also engages in the sale of convenience store products and car washes. The Company is headquartered in La Plata, Maryland and markets its products and services in Maryland, Delaware and Virginia.

A summary of the Company's significant accounting policies follows:

Principles of consolidation: The consolidated financial statements include the accounts of The Wills Group, Inc., its wholly owned subsidiaries and the convenience store corporations, all of which are controlled by the Company. The Company's wholly owned subsidiaries include SMO, Incorporated, Delmarva Oil, Inc., Southern Maryland Oil, Inc., Dash In Food Stores, Inc. and Splash In ECO Car Wash, Inc. Potomac Energy Holdings, LLC is a wholly owned subsidiary of SMO, Incorporated. All significant intercompany transactions and balances have been eliminated in consolidation.

The Company has adopted Financial Accounting Standards Board (FASB) authoritative guidance regarding the consolidation of variable interest entities. A variable interest entity is an entity in which the investor has the characteristics of a controlling financial interest or when the investee equity at risk is not sufficient for the entity to finance its activities without additional subordinated financial support. The Company's management has determined that certain Dash In Food Service Stores, Inc. franchisees are variable interest entities in which the Company has the characteristics of a controlling financial interest. These variable interests subject the Company to a majority of any potential losses in these entities and, therefore, require the Company to consolidate these entities into its financial statements. Accordingly, the Company has included the assets, liabilities, equity and results of operations of certain franchise stores in its consolidated financial statements.

Use of estimates: The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: Cash and cash equivalents are comprised of amounts in operating bank accounts and highly liquid, short-term investments with a maturity at purchase of three months or less. The Company invests its excess funds in overnight repurchase accounts.

Concentration of credit risk: The Company has deposits in financial institutions in excess of federally insured limits. The Company has not experienced any loss in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable: Accounts receivable are customer obligations due under normal trade terms. The Company provides currently for the amount of receivables estimated to become uncollectible in the future by providing an allowance for doubtful accounts. Management reviews accounts receivable on a monthly basis to determine if any receivables will potentially be uncollectible. Accounts receivable balances that are determined to be uncollectible, along with a general reserve, are included in the overall allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. Based on the information available, the Company believes the allowance for doubtful accounts as of September 30, 2022 and 2021, is adequate. The Company performs credit evaluations of the financial condition of new customers as well as periodic credit evaluations of existing customers. The Company does not require collateral in extending trade credit.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Fair value of financial instruments: The carrying amounts reported on the consolidated balance sheets for cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value due to the short-term maturities of these instruments. The carrying amount of the Company's long-term debt approximates fair value based on loans with similar terms and average maturities.

The Company recognizes all derivative financial instruments in the consolidated financial statements at their fair value. The Company participates in interest rate swap contracts, which are considered derivative financial instruments.

The Company uses interest rate swap contracts principally to hedge the risk that changes in interest rates have on its floating rate long-term debt. The following is a summary of the Company's risk management strategy on interest rate swap hedges and the effect of this strategy on the consolidated financial statements.

Interest rate swap contracts are used to adjust a portion of the total debt that is subject to variable interest rates. Under the interest rate swap contracts, the Company agrees to pay an amount equal to a specified fixed rate of interest times a notional principal amount, and to receive in return an amount equal to a specified variable rate of interest times the same notional principal amount. No other cash payments are made unless the contracts are terminated prior to maturity, in which case the amount paid or received in settlement is established by agreement at the time of termination, and usually represents the net present value, at current rates of interest, of the remaining obligations to exchange payments under the terms of the contracts.

The change in the fair value of the interest rate swap contracts is recognized immediately in the consolidated statements of income as a component of interest expense.

Fair value measurement: Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability.

Level 1: Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology include (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in inactive markets, (c) inputs other than quoted prices that are observable for the asset or liability and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3: Inputs to the valuation methodology are unobservable for the asset or liability, significant to the fair value measurement, and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The Company had no Level 1 assets or liabilities as of September 30, 2022 and 2021. The Company's interest rate swap contracts are classified as Level 2 and are measured at fair value on a recurring basis. Asset retirement obligations are classified as Level 3 and are measured at fair value on a nonrecurring basis in the annual financial statements. The Company's pension plan assets are invested in pooled separate accounts that are measured using net asset value (NAV) as a practical expedient; therefore, these investments are not included in the leveling hierarchy.

For the interest rate swaps in an asset position, the credit standing of the counterparty is analyzed and factored into the fair value measurement of the asset. FASB guidance states that the fair value measurement of a liability must reflect the nonperformance risk of the entity. Therefore, the impact of the Company's creditworthiness has also been factored into the fair value measurement of the interest rate swaps in a liability position. As of September 30, 2022 and 2021, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of the interest rate swap contracts was provided by valuation experts. The interest rate swap assets, if any, have limited market activity and are valued using an externally developed model that considers unobservable market parameters that is corroborated by market data.

Inventories: Inventories are stated at the lower of cost, first-in, first-out (FIFO) method or net realizable value. Net realizable value is defined as estimated selling price in the ordinary course of business less reasonably predictable costs of completion, disposal and transportation.

Inventories consisted of the following as of September 30, 2022 and 2021:

	2022	2021
Petroleum products	\$ 10,019,038	\$ 6,885,832
Store merchandise	4,275,424	3,527,875
	<u>\$ 14,294,462</u>	<u>\$ 10,413,707</u>

Property and equipment: Property and equipment is stated at cost. Depreciation is provided on the straight-line method over estimated useful lives of seven to 35 years for buildings, improvements and storage facilities, and two to 20 years for machinery and equipment.

The cost and accumulated depreciation of property removed and equipment replaced, retired or otherwise disposed are removed from the accounts, and any resulting gain or loss is credited or charged to income or expense.

Maintenance and repairs are charged to expense as incurred. Improvements and betterments are capitalized and depreciated over the remaining useful life of the related asset.

Intangible assets: Intangible assets consisting of marketing agreements are recorded at cost, less accumulated amortization. Amortization of intangible assets is provided using the straight-line method over the shorter of the term of the asset or its estimated useful life, ranging from three to 20 years.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Valuation of long-lived assets: The Company reviews the valuation of long-lived assets and certain identifiable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Captive insurance: The Company is a member of a captive insurance group for commercial general liability, automobile liability insurance and workers' compensation coverage. Included in prepaid tax and insurance in the accompanying consolidated balance sheets, as of September 30, 2022 and 2021, is approximately \$3,050,000 and \$3,053,000, respectively, representing cumulative premium payments in excess of losses incurred and administrative costs. This estimated refundable balance is net of the incurred loss estimates. The Company could potentially be assessed additional premiums to cover excess claims of the member group.

Goodwill: The Company records as goodwill the excess of purchase price over the fair value of the identifiable net assets acquired in business combinations. The Company follows the accounting alternative provided in FASB Accounting Standards Update (ASU) 2014-02, *Intangibles—Goodwill and Other (Topic 350): Accounting for Goodwill*. This ASU provides for an accounting alternative for private companies that simplifies and reduces the costs associated with the subsequent accounting for goodwill. In accordance with this ASU, the Company has elected the following accounting policies related to goodwill:

- Amortize goodwill over a period of 10 years.
- Evaluate goodwill for impairment at the entity level rather than at the reporting unit level.
- Evaluate goodwill for impairment only when there is a triggering event rather than annually.
- Evaluate and measure goodwill for impairment by comparing the fair value of the entity to its carrying amount rather than performing a two-step goodwill impairment test that requires hypothetical business combination accounting for purposes of measuring an impairment loss.

Debt issuance costs: Costs associated with acquiring debt are capitalized as debt issuance costs. Debt issuance costs related to a recognized debt liability are presented in the consolidated balance sheets as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. These costs are amortized over the term of the related loans using the effective interest method and are included in interest expense in the consolidated statements of income.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Asset retirement obligations: The Company has estimated a liability for the future cost to remove underground storage tanks and recognizes the cost over the estimated useful lives of the storage tanks. A liability for the fair value of an asset retirement obligation with a corresponding increase to the carrying amount of the related long-lived asset is determined at the time an underground storage tank is installed. In measuring fair value, the Company utilizes a present value model that uses a credit-adjusted risk-free rate in deriving the discount rate that is applied to the projected undiscounted cash flows to be incurred in settling the future retirement obligation. The discount rate of 4.5% was used for the years ended September 30, 2022 and 2021. The Company's policy is to amortize the amount added to property and equipment and recognize accretion expense in connection with the discounted liability over the estimated remaining lives of the respective underground storage tanks. As of September 30, 2022 and 2021, the Company recognized a liability of approximately \$3,469,000 and \$3,276,000, respectively, for the estimated future removal and replacement costs associated with the obligation of the underground storage tanks.

Environmental remediation liabilities: The Company has established reserves to cover the anticipated probable costs of environmental remediation, based upon periodic reviews of all sites for which they have, or may have, remediation responsibility. The Company accrues environmental remediation costs when it is probable that a liability has been incurred, the amount of the liability can be reasonably estimated and their responsibility for the liability is established. It is difficult to estimate the ultimate level of future environmental expenditures due to a number of uncertainties surrounding environmental liabilities. These uncertainties include the applicability of laws and regulations, changes in environmental remediation requirements, the enactment of additional regulations, information relating to the exact nature and extent of the contamination at each site and the extent of required cleanup efforts. The Company has recorded the reserves under other long-term liabilities in the consolidated balance sheets.

Revenue recognition: The Company recognizes revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. The five-step model defined by ASC Topic 606 requires the Company to: (1) identify the Company's contracts with customers, (2) identify the Company's performance obligations under those contracts, (3) determine the transaction prices of those contracts, (4) allocate the transaction prices to the Company's performance obligations in those contracts and (5) recognize revenue when each performance obligation under those contracts is satisfied. Revenue is recognized when promised goods or services are transferred to the customer in an amount that reflects the consideration expected in exchange for those goods or services.

Contracts are accounted for when the Company has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Company assesses the contract term as the period in which the parties to the contract have presently enforceable rights and obligations. The Company also evaluates if a contract has multiple promises and if each promise should be accounted for as separate performance obligations or as a single performance obligation. Multiple promises in a contract are typically separate if they are distinct, both individually and in the context of the contract. If multiple promises are highly interrelated or comprise a series of distinct services performed over time, they are combined into a single performance obligation.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Contract modifications are evaluated to determine whether they should be accounted for as part of the original contract or as a separate contract. The Company determines whether the modification either creates new or changes the existing enforceable rights and obligations. Contract modifications are accounted for as a separate contract if the modification adds distinct goods and services, and increases the contract value by the standalone selling price of those goods or services. Modifications that are not determined to be a separate contract are accounted for either as a prospective adjustment to the original contract if the goods or services in the modification are distinct from those transferred before the modification, or as a cumulative adjustment if the goods and services are not distinct and are part of a single performance obligation that is partially satisfied. The Company's contracts may provide customers an option to renew for an additional period of time under the same terms and conditions as the original contract. The renewal options typically do not provide the customer any material rights under the contract and, therefore, are treated as separate contracts when they include distinct services at standalone selling prices.

Petroleum sales are primarily generated when the Company acts as a petroleum reseller. As a petroleum reseller, the Company contemporaneously purchases petroleum products from the supplier, marks it up and resells the product to the customer, generally taking delivery from purchased product at the same place and time as the delivery is made to the customer, recognizing revenue upon delivery. Revenue is recognized at the point of sale for retail sales of gasoline, grocery and merchandise, car washes and commission on lottery. The Company reports revenue net of fuel, sales and other applicable taxes collected from customers and remitted to governmental taxing authorities. Revenue from leases of real estate and related equipment is recognized over time, on a straight-line basis over the terms of the tenant leases. Revenue from franchisees on an ongoing basis is recognized when the services provided to the franchisee have been performed.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring products or services to the customer. Revenue is recorded based on the transaction price, which is generally fixed consideration. See Note 3 for further discussion of franchise fee revenue.

Advertising costs: The costs of advertising and marketing services and materials are expensed as incurred. Related expenses totaled \$3,273,131 and \$3,042,699 for the years ended September 30, 2022 and 2021, respectively.

Income taxes: The Company is taxed under the provisions of the S Corporation section of the Internal Revenue Code (IRC). Under those provisions, the Company is not subject to corporate income taxes. Instead, the tax results of the Company's operations are included in the income tax returns of its stockholders. The Company declares and pays distributions to its stockholders for the purpose of paying these income taxes. Distributions for any remaining income taxes due related to income, for the year ended September 30, 2022, are not reflected in the accompanying consolidated financial statements.

Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for tax years before 2019.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Recent accounting pronouncements: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Company is currently evaluating the effect that this standard will have on the consolidated financial statements.

In August 2018, the FASB issued ASU 2018-14, *Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans*, which modifies the disclosure requirements for defined benefit pension plans and other post-retirement plans. The Company adopted this standard in 2022. The adoption did not have an impact on the consolidated financial statements.

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. This standard requires that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606 as if the acquirer had originated the contracts. This standard is effective for fiscal years and interim periods in those years beginning after December 15, 2023 for nonpublic entities with early adoption permitted. The Company early adopted this standard in 2022, in conjunction with the acquisition of a business. The adoption did not have an impact on the consolidated financial statements.

Subsequent events: Management has evaluated subsequent events through December 16, 2022, which is the date the consolidated financial statements were available to be issued.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Business Acquisition

On June 3, 2022, the Company acquired certain assets of 1008 Operating LLC, 1008 Land LLC, 800 Operating LLC and 800 Land LLC from a common seller (collectively, the seller d/b/a Blue Hen) for the purpose of expanding its carwash offerings through a “tunnel” car wash platform. Cash consideration paid at closing was \$17,500,000. The acquisition is presented in the financial statements as a business combination.

The following table summarizes the purchase price allocation based on the estimated fair value of the acquired assets. No liabilities were assumed:

Consideration:	
Cash	\$ 17,500,000
Recognized amounts of identifiable assets acquired:	
Land	\$ 2,500,000
Carwash equipment	2,000,000
Carwash building	3,100,000
Canopy	325,000
Site improvements	1,750,000
Operating equipment	275,000
Total identifiable assets	9,950,000
Goodwill	7,550,000
Net assets acquired	\$ 17,500,000

Goodwill of \$7,550,000 is deductible for tax purposes. Transaction expenses of \$188,052 were recorded in the consolidated statement of income.

Note 3. Franchising and Royalties

The Company began franchising its Dash In Food Stores brand in 2005. As of September 30, 2022, the Company had 35 franchise locations and a total of 56 locations. The franchise agreements have a 10-year term, and an initial franchise fee of \$25,000. The Company recognizes these fees as income at the time it has fulfilled its obligations under the franchise agreement. There were \$50,000 of initial franchise fees recognized as income for the year ended September 30, 2022. There were no initial franchise fees recognized as income for the year ended September 30, 2021.

Most of the franchise agreements call for the franchisee to pay to the Company an ongoing fee, referred to as the Dash In Charge, which is equal to a range of 50% to 70% of the gross profit of the franchise stores, depending on the franchise agreement. In addition, franchisees receive either a management fee commission of three to five cents per gallon sold or 25% of petroleum gross profit, or a combination thereof, per the agreement. The franchisees own 100% of the store inventory.

The Dash in Charge is considered a continuing franchise fee for the franchisee to use the Company's operating system and trademarks, and for the continuing services provided by the Company including merchandising, advertising, recordkeeping, store audits and preparation of financial summaries.

The Company has presented the merchandise sales and cost of goods sold of the stores operated by the franchisees with the results of the Company-owned stores.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 3. Franchising and Royalties (Continued)

Total Dash in Charges were \$5,365,817 and \$5,361,362 for the years ended September 30, 2022 and 2021, respectively.

In addition, the Company offered a sales royalty program that provided for an alternative ongoing fee structure with the franchisees. Royalty fees charged to franchisees relate to franchisees' use of the Company's operating system, trademarks and for the continuing services provided to the franchisees for activities such as merchandising, advertising and record keeping. Under the sales royalty program, the Company generally earns a 3% to 6% royalty fee and a 2% advertising fee on merchandise gross sales by the franchisee. The Company provided discounts for multiple store operations and certain sales categories. The net royalty fee is presented as sales royalty fee income on the consolidated statements of income.

Royalties received under this program, for the years ended September 30, 2022 and 2021, were as follows:

	2022	2021
Sales royalty fee income	\$ 389,383	\$ 503,845
Sales royalty advertising income	260,517	334,828
Sales royalty total fee income	<u>\$ 649,900</u>	<u>\$ 838,673</u>

The Company offers a management fee agreement where the Company purchases the car wash equipment and the operator is generally paid a commission of \$2.50 per car wash for operating the car wash on behalf of the Company.

Note 4. Accounts Receivable

Accounts receivable consisted of the following as of September 30, 2022 and 2021:

	2022	2021
Accounts receivable	\$ 13,669,260	\$ 8,649,969
Less allowance for doubtful accounts	(180,226)	(181,392)
	<u>\$ 13,489,034</u>	<u>\$ 8,468,577</u>

The Company's accounts receivable are primarily from sales of petroleum to customers, including those from credit card sales.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 5. Property and Equipment

Property and equipment consisted of the following as of September 30, 2022 and 2021:

	2022	2021
Buildings, improvements and storage facilities	\$ 230,986,390	\$ 186,379,294
Machinery and equipment	192,548,619	162,557,890
Construction in process	34,163,015	22,987,867
	<u>457,698,024</u>	<u>371,925,051</u>
Less accumulated depreciation	(172,810,138)	(147,158,964)
	<u>284,887,886</u>	<u>224,766,087</u>
Land	114,029,138	108,292,533
	<u>\$ 398,917,024</u>	<u>\$ 333,058,620</u>

Depreciation of property and equipment was \$31,219,557 and \$27,690,245 for the years ended September 30, 2022 and 2021, respectively.

On October 1, 2020, the Company transferred property and equipment between Dash In Food Stores, Inc. and SMO, Incorporated. These asset transfers resulted in a decrease to net property and equipment of Dash In Food Stores, Inc. of \$1,021,637 and a corresponding increase to SMO, Incorporated of the same amount.

On October 1, 2021, the Company transferred property and equipment between Dash In Food Stores, Inc. and SMO, Incorporated. These asset transfers resulted in a decrease to net property and equipment of Dash In Food Stores, Inc. of \$2,732,062 and a corresponding increase to SMO, Incorporated of the same amount.

SMO, Incorporated and Dash In Food Stores, Inc. entered into agency agreements to facilitate these asset transfers.

In May 2019, the Company sold substantially all of the net assets of Southern Maryland Oil, Inc. as a strategic decision to exit the home and commercial heating fuel and related services business. The carrying amount of the net assets associated with this business was approximately \$17,500,000. The gain on sale of the net assets was \$25,702,618 for the year ended September 30, 2019. During 2020 and 2021, the sales of additional assets were finalized resulting in a gain of \$1,106,617 in 2020 and a loss of \$248,556 in 2021.

In March 2022, the Company acquired \$45,000,000 of property and equipment from MAPCO Express, Inc. The transaction was accounted for as an asset acquisition.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 6. Intangible Assets and Goodwill

Intangible assets and goodwill consisted of the following as of September 30, 2022 and 2021:

	2022	2021
Intangible assets:		
Marketing agreements	\$ 4,288,535	\$ 3,761,460
Less accumulated amortization	(1,855,811)	(1,579,391)
	<u>\$ 2,432,724</u>	<u>\$ 2,182,069</u>
Goodwill:		
Cost	\$ 113,695,676	\$ 106,703,865
Less accumulated amortization	(51,237,459)	(40,500,315)
	<u>\$ 62,458,217</u>	<u>\$ 66,203,550</u>

Amortization expense recognized on intangibles assets was \$276,420 and \$266,317 for the years ended September 30, 2022 and 2021, respectively. Amortization expense recognized on goodwill was \$10,737,144 and \$10,666,672 for the years ended September 30, 2022 and 2021, respectively.

Estimated aggregate amortization expense for each of the next five years and thereafter is as follows:

	Intangible Assets	Goodwill	Total
Years ending September 30:			
2023	\$ 277,388	\$ 11,369,568	\$ 11,646,956
2024	243,702	11,369,568	11,613,270
2025	212,840	11,369,568	11,582,408
2026	154,037	11,369,568	11,523,605
2027	196,142	11,369,568	11,565,710
Thereafter	1,348,615	5,610,377	6,958,992
	<u>\$ 2,432,724</u>	<u>\$ 62,458,217</u>	<u>\$ 64,890,941</u>

Note 7. Financing Arrangements

Credit agreement: The Company is a borrower on a Credit Agreement with a bank group, which includes a \$100,000,000 term loan and a \$150,000,000 revolving credit facility that cumulatively allow for maximum borrowings of \$250,000,000. The term loan is payable in quarterly installments of principal and interest, based on a 15-year amortization. The outstanding balance on the revolving credit facility was \$5,000,000 as of September 30, 2022 and 2021. As of September 30, 2022, the outstanding balance on the revolving credit facility and remaining principal balance on the term loan were due in May 2023.

The Credit Agreement requires the Company to maintain certain financial covenants and places restrictions on the payment of dividends, sales of facilities, purchases of property and equipment and indebtedness. Further, the Credit Agreement prohibits liens from being placed on the Company's assets, provides for a pledge of the Company's equity in its subsidiaries as collateral and does not stipulate a prepayment penalty if the loans are fully repaid in advance of maturity. The Credit Agreement is guaranteed by SMO, Incorporated, Delmarva Oil, Inc., Southern Maryland Oil, Inc., Dash In Food Stores, Inc., and Splash In ECO Car Wash, Inc.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 7. Financing Arrangements (Continued)

In addition, under the terms of the Credit Agreement, the Company has the ability to issue up to \$30,000,000 in letters of credit. There were no outstanding letters of credit as of September 30, 2022 and 2021.

Interest is based on a fluctuating rate chosen by the Company as either the Credit Base Rate Option or the Credit London Interbank Offered Rate (LIBOR) Option that includes a Base Rate plus an Applicable Margin as defined in the Credit Agreement. As of September 30, 2022 and 2021, the interest rate outstanding was 3.69% and 1.09%, respectively.

The following is a summary of the outstanding term loan as of September 30, 2022 and 2021:

	2022	2021
Term loan payable	\$ 73,320,000	\$ 79,990,000
Less unamortized debt issuance costs	(43,487)	(148,655)
Less current maturities	(5,417,500)	(6,666,667)
Long-term debt	<u>\$ 67,859,013</u>	<u>\$ 73,174,678</u>

Interest expense was \$380,725 and \$1,057,798 for the years ended September 30, 2022 and 2021, respectively. Amortization of debt issuance costs were \$105,168 for the years ended September 30, 2022 and 2021, respectively.

As described in Note 13, in November 2022, the Company refinanced its credit agreement with a bank group. The Company made payments on outstanding debt of \$1,667,500, during the period from October 1, 2022 up to the refinancing date. These payments are included in the current maturities of long-term debt on the consolidated balance sheet at September 30, 2022, and in the schedule of future maturities of long-term debt presented in Note 13.

Interest rate swap contract: The Company has an interest rate swap contract with a notional amount of \$55,000,000 and \$60,000,000 at September 30, 2022 and 2021, respectively. The swap contract expires in May 2023. Under this swap contract, the Company pays a fixed monthly interest rate and receives a variable floating rate credit. The fair value of this interest rate swap contract was an asset of \$392,812 and a liability \$2,369,138 as of September 30, 2022 and 2021, respectively.

Note 8. Capital Stock

Capital stock authorized, issued and outstanding at September 30, 2022 and 2021, was as follows:

	2022	2021
Common stock, \$1 par value, voting; 100,000 shares authorized; 45,230 shares issued and outstanding	\$ 45,230	\$ 45,230
Class B common stock, \$1 par value, nonvoting; 100,000 shares authorized; and 9,951 shares issued and outstanding	9,951 <u>\$ 55,181</u>	9,951 <u>\$ 55,181</u>

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 9. Retirement Plans

The Company has a defined benefit pension plan and a 401(k) retirement savings plan covering all of its employees who have worked 1,000 hours or more in the calendar year.

The Company accounts for its pension plan in accordance with FASB authoritative guidance. This guidance requires an employer to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability on the balance sheet and to recognize changes in that funded status in the year in which the changes occur through comprehensive income. Funded status is measured as the difference between plan assets at fair value and the benefit obligation.

In March 2008, the Company elected to freeze pension benefits in the defined benefit plan for those employees with less than 20 years of service or age 55 with less than 10 years of service. In addition, effective March 15, 2014, accrued benefits were frozen for all highly compensated employees. As provided by the plan, those employees with frozen pension benefits receive a defined contribution of up to 3% of their compensation based on their length of service with the Company. This benefit is contributed through the plan directly to the participants' 401(k) retirement savings plan accounts throughout the year as payroll is processed. The Company contributed \$279,806 and \$237,472 for the years ended September 30, 2022 and 2021, respectively, into the 401(k) retirement savings plan accounts related to this defined contribution benefit.

In May 2022, the Company initiated the termination of the defined benefit plan through required filings with the Internal Revenue Service and Pension Benefit Guaranty Corporation and is awaiting approval.

The 401(k) retirement savings plan is a safe harbor plan, whereby the Company makes matching contributions of a participant's contribution up to approximately 7% of eligible annual compensation. Also provided by the plan, depending on profits, the Company may make a discretionary profit-sharing contribution to eligible participants in the 401(k) retirement savings plan. The Company provided \$5,054,717 and \$3,383,808 toward the Company match and discretionary profit-sharing contribution for the years ended September 30, 2022 and 2021, respectively.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 9. Retirement Plans (Continued)

The following sets forth the funded status and amounts recognized in the consolidated financial statements related to the Company's defined benefit plan as of September 30, 2022 and 2021:

	2022	2021
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 12,038,458	\$ 12,985,317
Interest cost	309,603	307,783
Actuarial loss	(2,704,937)	(339,782)
Benefits paid	(710,618)	(486,424)
Effect of settlement	-	(428,436)
Benefit obligation at end of year	<u>8,932,506</u>	<u>12,038,458</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	11,219,794	10,528,537
Actual return on plan assets	(2,296,878)	1,356,117
Employer contribution	-	250,000
Benefits paid	(710,618)	(486,424)
Effect of settlement	-	(428,436)
Fair value of plan assets at end of year	<u>8,212,298</u>	<u>11,219,794</u>
Funded status	<u>\$ (720,208)</u>	<u>\$ (818,664)</u>
Accumulated benefit obligation	<u>\$ 8,932,506</u>	<u>\$ 12,038,458</u>
Components of net periodic benefit cost:		
Interest cost	\$ 309,603	\$ 307,783
Expected return on assets	(438,241)	(529,983)
Amortization of net loss	314,163	373,610
Loss due to settlement	-	283,968
Net periodic benefit cost	<u>\$ 185,525</u>	<u>\$ 435,378</u>
Amounts recognized in the financial statements consist of the following:		
Assets	\$ -	\$ -
Liabilities (other long-term liabilities)	(720,208)	(818,664)
Accrued pension liability	<u>\$ (720,208)</u>	<u>\$ (818,664)</u>
Amount included in accumulated other comprehensive loss not yet recognized as components of net periodic benefit cost:		
Accumulated loss	<u>\$ 7,686,941</u>	<u>\$ 7,970,922</u>

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 9. Retirement Plans (Continued)

Weighted-average assumptions used to determine benefit obligations and net benefit cost at September 30, 2022 and 2021, are as follows:

	2022	2021
Weighted-average assumptions used in computing ending obligations:		
Discount rate	5.30%	2.65%
Rate of compensation increase	N/A	3.00%
Weighted-average assumptions used in computing net cost:		
Discount rate	2.65%	2.45%
Rate of compensation increase	3.00%	3.00%
Expected return on plan assets	4.50%	6.00%

The weighted-average expected long-term rate of return for the plan's total assets is based on the expected return of each of the asset categories weighted based on the median of the target allocation for each investment class. The rate of compensation increase is not applicable because there are no participants accruing additional benefits from continued service.

The pension plan benefits are based on years of service and the employee's final average compensation. The Company makes annual contributions to the pension plan equal to the amount required under accepted actuarial principles to maintain the plan in a sound condition and to satisfy minimum funding requirements.

The Company considers various factors in estimating the expected long-term rate of return on plan assets. The factors considered include the historical long-term returns on plan assets, the current and expected allocation of plan assets, input from actuaries and investment consultants, and long-term inflation assumptions. The expected allocation of plan assets is based on a diversified portfolio consisting of fixed income as well as domestic and international equity securities. The Company's target asset and actual asset allocations by category for the defined benefit plan, as of September 30, 2022 and 2021, are as follows:

	September 30		Target
	2022	2021	Range
Asset category:			
Bonds	100%	70%	100%
Common stocks	-	30%	0%
Total	100%	100%	

The investment policy for the defined benefit plan is to balance risk and return using a diversified portfolio consisting primarily of high-quality equity and fixed income securities. To accomplish this goal, the plan's assets are actively managed by outside investment managers with the objective of optimizing long-term return while maintaining a high standard of portfolio quality and proper diversification. The maturities of fixed income securities are monitored so there is sufficient liquidity to meet current benefit payment obligations. The pension committee provides oversight of the plan's investments and performance of the investment managers. The pension committee shifted the targeted range of investments entirely to bonds during 2022.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 9. Retirement Plans (Continued)

The defined benefit plan assets consist of pooled separate accounts which are measured using net asset value (NAV) as a practical expedient. The following table summarizes investments for which fair value is estimated using NAV per share (or its equivalent) as a practical expedient as of September 30, 2022 and 2021.

Investment	Fair Value Estimated Using NAV per Share	
	2022	2021
Pooled separate accounts:		
Fixed income	\$ 8,212,298	\$ 7,825,383
Large-cap	-	2,080,115
International	-	1,147,355
Small-cap	-	166,941
	<u>\$ 8,212,298</u>	<u>\$ 11,219,794</u>

There are no unfunded commitments for the pooled separate accounts at September 30, 2022 and 2021. All pooled separate accounts may be redeemed and reinvested in the plan as necessary with minimal redemption notice.

The benefits expected to be paid in the five years subsequent to September 30, 2022, and the aggregate five years thereafter are approximately as follows:

Years ending September 30:

2023	\$ 740,000
2024	630,000
2025	640,000
2026	660,000
2027	660,000
2028-2032	3,440,000

Note 10. Deferred Compensation Arrangements

The Company has entered into individual deferred compensation arrangements with certain key executives calling for periodic payments commencing at the retirement or death of the employees. The liability has been accrued each year using the present value method at discount rates of approximately 5.3% and 2.6% for the years ended September 30, 2022 and 2021, respectively, and is included in other long-term liabilities on the consolidated balance sheets. The total accumulated benefit obligation under the individual deferred compensation arrangements was approximately \$3,730,000 and \$3,490,000 as of September 30, 2022 and 2021, respectively. The Company has purchased split life insurance policies, which it intends to use to partially fund this obligation. The cash surrender value of these policies was approximately \$5,602,000 and \$5,651,000 as of September 30, 2022 and 2021, respectively.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10. Deferred Compensation Arrangements (Continued)

The Company also maintains separate long-term incentive arrangements for certain senior executives calling for lump-sum payments upon the employee's separation of service from the Company, as defined. The liability under these arrangements has been determined based upon annual bonus accruals, which are calculated from economic value added and net book value target criteria, as defined in the agreement.

The combined obligation under the deferred compensation and long-term incentive arrangements was approximately \$9,203,000 and \$18,355,000 as of September 30, 2022 and 2021, respectively. Payments under these arrangements were approximately \$11,441,000 and \$150,000 for the years ended September 30, 2022 and 2021, respectively. One participant withdrew from his separate long-term incentive arrangement, due to retirement, during the year ending September 30, 2022. This withdrawal contributed to a \$11,291,420 decrease in the long-term incentive obligation. The combined expense under the Company's deferred compensation and long-term incentive arrangements was approximately \$2,291,000 and \$3,683,000 for the years ended September 30, 2022 and 2021, respectively.

Note 11. Commitments and Contingencies

Environmental remediation costs: The Company incurred remediation expenses of \$1,116,129 and \$1,538,947, and recorded a provision for estimated future costs of \$1,705,434 and \$2,183,578, for the years ended September 30, 2022 and 2021, respectively. The Company's remediation reserve was \$2,140,002 and \$1,550,697, as of September 30, 2022 and 2021, respectively, which is included in other long-term liabilities in the accompanying consolidated balance sheets. Due to the nature and timing of remediation expenses, management's estimate changes from period to period, and the actual expense incurred will likely be different from that recorded at the end of any year.

Leases: The Company leases various equipment and real property under agreements classified as noncancelable operating leases. Most of the leases contain options for renewal and contain escalation clauses. Total expense under the agreements for the years ended September 30, 2022 and 2021, was as follows:

	2022	2021
Rental expense	\$ 8,646,022	\$ 7,652,609
Sublease rental income	(8,503,484)	(7,934,406)
	<u>\$ 142,538</u>	<u>\$ (281,797)</u>

For the purposes of this disclosure, the Company is assuming a five-year sublease rental agreement, except when the lease expires during the five-year period. The Company is also assuming a lease option renewal when the sublease is greater than the lease agreement, if options exist for the lease. As of September 30, 2022, future minimum lease payments under these agreements are as follows:

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 11. Commitments and Contingencies (Continued)

	Minimum Rental Expense	Less Sublease Rental	Net Rental Expense
Years ending September 30:			
2023	\$ 7,763,554	\$ (5,787,123)	\$ 1,976,431
2024	6,375,199	(3,718,322)	2,656,877
2025	5,287,521	(1,146,419)	4,141,102
2026	3,701,935	(399,750)	3,302,185
2027	2,866,587	(175,500)	2,691,087
Thereafter	5,694,439	-	5,694,439
	<u>\$ 31,689,235</u>	<u>\$ (11,227,114)</u>	<u>\$ 20,462,121</u>

In addition, the Company is the lessor of real property under agreements that are classified as noncancelable operating leases. These leases are generally for a five-year term. The Company had rental income for the years ended September 30, 2022 and 2021, of \$24,219,550 and \$23,146,188, respectively, which includes the sublease rental income shown in the table above.

At September 30, 2022, future minimum rental income under these agreements is as follows:

	Minimum Rental Income
Years ending September 30:	
2023	\$ 15,553,997
2024	10,094,089
2025	3,974,678
2026	359,894
2027	145,725
	<u>\$ 30,128,383</u>

Construction commitments: In the ordinary course of business, the Company has entered into contracts for construction and renovation of certain locations. The remaining commitments on these contracts approximated \$5,657,333 at September 30, 2022.

COVID-19: On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a “Public Health Emergency of International Concern” and on March 11, 2020, declared COVID-19 a pandemic. COVID-19 could negatively impact the Company’s operations and operating results through quarantines, labor shortages, supply chain shortages or other disruptions. In addition, a significant outbreak of this pandemic could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, including the geographical area in which the Company operates, resulting in an economic downturn that could affect the demand for its products. As of the date of these financial statements, the Company has taken measures to mitigate the impact of COVID-19, as provided for in the Company’s pandemic response plan. The extent to which COVID-19 impacts the Company’s results will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19 and actions taken to contain the virus or its impact.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 12. Major Supplier

During the normal course of business, the Company transacts business with many suppliers. For the years ended September 30, 2022 and 2021, the Company purchased 72% and 76%, respectively, of its petroleum products from one supplier. As of September 30, 2022 and 2021, approximately \$28,573,000 and \$24,789,000, respectively, was due to this supplier.

Note 13. Subsequent Events

On November 18, 2022, the Company entered into a new Credit Agreement with a bank group, which includes \$100,000,000 senior secured term loan (term loan) and a \$150,000,000 revolving credit facility that cumulatively allows for maximum borrowings of \$250,000,000. The Credit Agreement also allows for a \$100,000,000 option to increase the maximum borrowings on either the term loan or the revolving line of credit.

The term loan is payable in quarterly installments of \$1,250,000 beginning on March 31, 2023. The revolving credit facility and remaining principal balance on the term loan are due in November 2027.

The Credit Agreement requires the Company to maintain certain financial covenants and requires proceeds from the credit facilities to be used to refinance the previously existing indebtedness and to fund ongoing working capital, capital expenditures, and other general corporate purposes. There was no change in collateral noted as a result of the refinancing. The Credit Agreement is guaranteed by SMO, Incorporated, Potomac Energy Holdings, LLC and Dash In Food Stores, Inc.

In addition, under the terms of the Credit Agreement, the Company has the ability to issue up to \$30,000,000 in letters of credit and a \$20,000,000 sublimit available for swingline loans.

Interest is based on a fluctuating rate based on a performance-based grid as defined in the Credit Agreement or the Secured Overnight Financing Rate (SOFR) that includes a Base Rate plus and Applicable Margin as defined in the Credit Agreement.

Maturities of long-term debt are due in future years as follows, as a result of this refinancing:

Years ending September 30:

2023	\$ 5,417,500
2024	5,000,000
2025	5,000,000
2026	5,000,000
2027	5,000,000
Thereafter	47,902,500
	<u>\$ 73,320,000</u>

Independent Auditor's Report on the Supplementary Information

Board of Directors
The Wills Group, Inc.

We have audited the consolidated financial statements of The Wills Group, Inc. and its subsidiaries as of and for the years ended September 30, 2022 and 2021, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. See pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information and other supplementary information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information and other supplementary information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

RSM US LLP

Baltimore, Maryland
December 16, 2022

The Wills Group, Inc. and Subsidiaries

Consolidating Balance Sheet September 30, 2022

	Consolidated Totals	Eliminations	Total Before Eliminations	SMO, Incorporated	Delmarva Oil, Inc.	Southern Maryland Oil, Inc.	Dash In Food Stores, Inc.	Dash In Franchise Minority Interest	Splash In ECO Car Wash, Inc.	The Wills Group, Inc.
Assets										
Current assets:										
Cash and cash equivalents	\$ 59,783,716	\$ -	\$ 59,783,716	\$ (1,052,906)	\$ -	\$ -	\$ 4,901,879	\$ 15,043	\$ -	\$ 55,919,700
Accounts receivable, net	13,489,034	(598,105)	14,087,139	7,461,557	-	31,995	5,822,176	598,105	-	173,306
Taxes receivable	-	-	-	-	-	-	-	-	-	-
Inventories	14,294,462	-	14,294,462	7,135,900	-	-	4,394,694	2,763,868	-	-
Prepaid expenses and other current assets	4,881,377	-	4,881,377	2,874,734	-	11,846	1,683,927	-	35,522	275,348
Due from related entities	-	(326,912,990)	326,912,990	287,380,288	1,760,528	37,772,174	-	-	-	-
Total current assets	92,448,589	(327,511,095)	419,959,684	303,799,573	1,760,528	37,816,015	16,802,676	3,377,016	35,522	56,368,354
Property and equipment, net	398,917,024	-	398,917,024	217,421,884	-	-	164,437,542	-	-	17,057,598
Other assets:										
Investments in subsidiaries	-	(729,565,327)	729,565,327	-	-	-	-	-	-	729,565,327
Goodwill, net	62,458,217	-	62,458,217	51,798,750	-	-	10,659,467	-	-	-
Other	15,908,875	-	15,908,875	2,439,718	-	200,766	134,100	-	-	13,134,291
Total other assets	78,367,092	(729,565,327)	807,932,419	54,238,468	-	200,766	10,793,567	-	-	742,699,618
Total assets	\$ 569,732,705	\$ (1,057,076,422)	\$ 1,626,809,127	\$ 575,459,925	\$ 1,760,528	\$ 38,016,781	\$ 192,033,785	\$ 3,377,016	\$ 35,522	\$ 816,125,570
Liabilities and Stockholders' Equity										
Current liabilities:										
Current maturities of long-term debt, net	\$ 5,417,500	\$ -	\$ 5,417,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,417,500
Accounts payable	65,492,593	(598,105)	66,090,698	56,068,751	-	59,184	8,245,303	51	13,487	1,703,922
Accrued expenses	23,421,483	-	23,421,483	3,417,143	3,916	(5,795)	2,626,412	-	(3,248)	17,383,055
Due to related entities	-	(326,912,991)	326,912,991	-	-	-	464,083	-	3,985,209	322,463,699
Total current liabilities	94,331,576	(327,511,096)	421,842,672	59,485,894	3,916	53,389	11,335,798	51	3,995,448	346,968,176
Long-term liabilities:										
Long-term debt, net	67,859,013	-	67,859,013	-	-	-	-	-	-	67,859,013
Line of credit	5,000,000	-	5,000,000	-	-	-	-	-	-	5,000,000
Asset retirement obligation and other long-term liabilities	15,139,800	-	15,139,800	4,036,312	-	355,722	1,851,700	-	-	8,896,066
Total long-term liabilities	87,998,813	-	87,998,813	4,036,312	-	355,722	1,851,700	-	-	81,755,079
Total liabilities	182,330,389	(327,511,096)	509,841,485	63,522,206	3,916	409,111	13,187,498	51	3,995,448	428,723,255
Stockholders' equity	387,402,316	(729,565,326)	1,116,967,642	511,937,719	1,756,612	37,607,670	178,846,287	3,376,965	(3,959,926)	387,402,315
Total liabilities and stockholders' equity	\$ 569,732,705	\$ (1,057,076,422)	\$ 1,626,809,127	\$ 575,459,925	\$ 1,760,528	\$ 38,016,781	\$ 192,033,785	\$ 3,377,016	\$ 35,522	\$ 816,125,570

See note to consolidating supplementary information.

The Wills Group, Inc. and Subsidiaries

Consolidating Statement of Income Year Ended September 30, 2022

	Consolidated Totals	Eliminations	Total Before Elimination	SMO, Incorporated	Delmarva Oil, Inc.	Southern Maryland Oil, Inc.	Dash In Food Stores, Inc.	Dash In Franchise Minority Interest	Splash In ECO Car Wash, Inc.	The Wills Group, Inc.
Net sales:										
Petroleum products	\$ 1,458,572,000	\$ -	\$ 1,458,572,000	\$ 1,026,517,012	\$ -	\$ -	\$ 432,054,988	\$ -	\$ -	\$ -
Merchandise	106,626,267	-	106,626,267	2,643,755	-	-	29,051,755	74,930,757	-	-
Less sales royalty merchandise	(13,025,843)	-	(13,025,843)	-	-	-	-	(13,025,843)	-	-
	1,552,172,424	-	1,552,172,424	1,029,160,767	-	-	461,106,743	61,904,914	-	-
Cost of goods sold	1,359,009,019	-	1,359,009,019	921,790,154	-	-	394,696,614	42,522,251	-	-
Gross margin	193,163,405	-	193,163,405	107,370,613	-	-	66,410,129	19,382,663	-	-
Rental income	24,219,550	(1,479,598)	25,699,148	22,766,468	-	-	2,601,281	-	-	331,399
Rental expense	8,646,022	(1,479,598)	10,125,620	7,207,040	-	-	1,438,982	1,479,598	-	-
Net rental income (expense)	15,573,528	-	15,573,528	15,559,428	-	-	1,162,299	(1,479,598)	-	331,399
Sales royalty fee income	649,900	-	649,900	-	-	-	649,900	-	-	-
Expenses:										
Salaries and wages	38,571,486	-	38,571,486	1,927,079	-	-	11,800,870	7,828,293	470,179	16,545,065
Operating costs	85,137,431	-	85,137,431	36,613,461	-	297,612	30,288,115	6,949,675	543,211	10,445,357
Retirement plans	7,810,985	-	7,810,985	551,635	-	-	1,256,484	-	104,199	5,898,667
Interest expense	380,725	-	380,725	-	-	-	-	-	-	380,725
Other expense (income), net	1,021,453	-	1,021,453	(2,777,405)	-	546,175	554,368	6,710	-	2,691,605
Allocation of overhead	-	-	-	22,074,303	-	1,260,545	13,035,476	-	-	(36,370,324)
Total expenses	132,922,080	-	132,922,080	58,389,073	-	2,104,332	56,935,313	14,784,678	1,117,589	(408,905)
Equity in earnings of subsidiaries	-	(75,724,449)	75,724,449	-	-	-	-	-	-	75,724,449
Net income (loss)	76,464,753	(75,724,449)	152,189,202	64,540,968	-	(2,104,332)	11,287,015	3,118,387	(1,117,589)	76,464,753
Less net income attributable to noncontrolling: Interests in subsidiary	3,118,387	3,118,387	-	-	-	-	-	-	-	-
Net income (loss) attributable to The Wills Group Inc. and Subsidiaries	\$ 73,346,366	\$ (78,842,836)	\$ 152,189,202	\$ 64,540,968	\$ -	\$ (2,104,332)	\$ 11,287,015	\$ 3,118,387	\$ (1,117,589)	\$ 76,464,753

See note to consolidating supplementary information.

The Wills Group, Inc. and Subsidiaries

Note to Consolidating Supplementary Information

Note A. Intercompany Transactions

The Wills Group, Inc. provides general and administrative services to its subsidiaries. Each subsidiary is allocated overhead based on factors of sales volume, personnel or usage.

The Wills Group, Inc. and Subsidiaries

Consolidated Financial Report
September 30, 2020

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Independent Auditor's Report

RSM US LLP

Board of Directors
The Wills Group, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Wills Group, Inc. and its subsidiaries, which comprise the consolidated balance sheets as of September 30, 2020 and 2019, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Wills Group, Inc. and its subsidiaries as of September 30, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

Baltimore, Maryland
December 21, 2020

The Wills Group, Inc. and Subsidiaries

Consolidated Balance Sheets
September 30, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 35,400,174	\$ 32,151,584
Accounts receivable, net	6,243,773	7,652,354
Inventories	7,018,830	7,526,769
Prepaid expenses and other current assets	4,762,014	4,791,808
Total current assets	53,424,791	52,122,515
Property and equipment, net	322,716,338	294,890,979
Other assets:		
Prepaid tax and insurance	7,067,889	3,028,688
Intangible assets, net	2,048,385	2,330,943
Goodwill, net	76,870,223	87,543,063
Other	5,219,394	4,848,213
Total other assets	91,205,891	97,750,907
 Total assets	 \$ 467,347,020	 \$ 444,764,401

See notes to consolidated financial statements.

	2020	2019
Liabilities and Stockholders' Equity		
Current liabilities:		
Current maturities of long-term debt, net	\$ 6,666,667	\$ 6,666,667
Accounts payable	31,678,950	50,409,109
Accrued expenses	18,826,708	11,179,647
Deferred income	-	10,000
Total current liabilities	57,172,325	68,265,423
Long-term liabilities:		
Long-term debt, net	79,739,510	86,304,343
Line of credit	5,000,000	5,000,000
Asset retirement obligation	3,317,838	3,305,490
Other long-term liabilities	22,368,077	17,776,910
Total long-term liabilities	110,425,425	112,386,743
Total liabilities	167,597,750	180,652,166
Commitments and contingencies		
Stockholders' equity:		
The Wills Group, Inc. and Subsidiaries	307,237,908	271,844,036
Accumulated other comprehensive loss	(9,794,416)	(9,144,939)
	297,443,492	262,699,097
Noncontrolling interests in subsidiary	2,305,778	1,413,138
Total stockholders' equity	299,749,270	264,112,235
Total liabilities and stockholders' equity	\$ 467,347,020	\$ 444,764,401

The Wills Group, Inc. and Subsidiaries

Consolidated Statements of Income
Years Ended September 30, 2020 and 2019

	2020	2019
Net sales:		
Petroleum products	\$ 729,237,976	\$ 1,036,384,078
Merchandise	85,974,267	88,281,384
Less sales royalty merchandise	(26,852,237)	(37,569,054)
Other	43,396	9,253,735
	<u>788,403,402</u>	<u>1,096,350,143</u>
Cost of goods sold	<u>646,534,446</u>	<u>973,220,050</u>
Gross margin	<u>141,868,956</u>	<u>123,130,093</u>
Rental income	22,678,418	24,006,757
Rental expense	7,481,937	7,484,047
Net rental income	<u>15,196,481</u>	<u>16,522,710</u>
Sales royalty fee income	<u>1,391,882</u>	<u>1,941,572</u>
Gain on sale of net assets of Southern Maryland Oil, Inc.	<u>1,106,617</u>	<u>25,702,618</u>
Expenses:		
Salaries and wages	32,755,219	31,918,220
Operating costs	68,832,653	73,393,622
Retirement plans	6,354,178	5,296,522
Interest expense	4,458,302	9,571,257
Other income, net	(1,232,849)	(115,935)
Total expenses	<u>111,167,503</u>	<u>120,063,686</u>
Net income	<u>48,396,433</u>	<u>47,233,307</u>
Less net income attributable to noncontrolling interests in subsidiary	<u>1,954,467</u>	<u>745,869</u>
Net income attributable to		
The Wills Group, Inc. and Subsidiaries	<u>\$ 46,441,966</u>	<u>\$ 46,487,438</u>
Net income per share	<u>\$ 877</u>	<u>\$ 856</u>
Book value per share	<u>\$ 5,432</u>	<u>\$ 4,786</u>
Return on stockholders' average investment	<u>16.6%</u>	<u>18.7%</u>

See notes to consolidated financial statements.

The Wills Group, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income
Years Ended September 30, 2020 and 2019

	2020	2019
Net income	\$ 48,396,433	\$ 47,233,307
Other comprehensive loss:		
Net pension liability adjustment	(649,477)	(547,062)
Total other comprehensive loss	(649,477)	(547,062)
Comprehensive income	\$ 47,746,956	\$ 46,686,245

See notes to consolidated financial statements.

The Wills Group, Inc. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity Years Ended September 30, 2020 and 2019

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Stockholders' Equity
Balance at September 30, 2018	\$ 55,181	\$ 231,852,421	\$ (8,597,877)	\$ 1,426,630	\$ 224,736,355
Net income	-	46,487,438	-	745,869	47,233,307
Other comprehensive loss	-	-	(547,062)	-	(547,062)
Distributions to stockholders	-	(6,551,004)	-	(759,361)	(7,310,365)
Balance at September 30, 2019	55,181	271,788,855	(9,144,939)	1,413,138	264,112,235
Net income	-	46,441,966	-	1,954,467	48,396,433
Other comprehensive loss	-	-	(649,477)	-	(649,477)
Distributions to stockholders	-	(11,048,094)	-	(1,061,827)	(12,109,921)
Balance at September 30, 2020	\$ 55,181	\$ 307,182,727	\$ (9,794,416)	\$ 2,305,778	\$ 299,749,270

See notes to consolidated financial statements.

The Wills Group, Inc. and Subsidiaries

Consolidated Statements of Cash Flows Years Ended September 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Net income	\$ 48,396,433	\$ 47,233,307
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	24,251,819	22,178,959
Amortization	10,955,398	11,402,316
Amortization of debt issuance costs	105,167	112,528
Gain on sale of net assets of Southern Maryland Oil, Inc.	(1,106,617)	(25,702,618)
Provision for bad debts	464,107	95,922
Provision for asset retirement obligation	79,789	119,611
Provision for environmental remediation	1,800,000	2,003,999
Loss on disposal of property and equipment	91,618	687,895
Loss on interest rate swap contracts	1,384,589	3,739,605
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	944,474	7,272,281
Inventories	507,939	337,199
Prepaid expenses and other current assets	29,794	338,817
Prepaid tax and insurance	(4,039,201)	2,443,763
Other assets	(371,181)	(3,052,682)
Increase (decrease) in:		
Accounts payable	(18,730,159)	(8,160,157)
Accrued expenses	7,647,061	3,710,848
Customer account credits	-	(5,210,382)
Deferred income	(10,000)	(19,166)
Other long-term liabilities	689,660	4,519,845
Net cash provided by operating activities	73,090,690	64,051,890
Cash flows from investing activities:		
Capital expenditures for property and equipment	(52,195,146)	(39,603,704)
Net proceeds from sale of net assets of Southern Maryland Oil, Inc.	1,132,967	43,473,851
Net cash (used in) provided by investing activities	(51,062,179)	3,870,147
Cash flows from financing activities:		
Principal payments on long-term debt	(6,670,000)	(6,670,000)
Net repayments on line of credit	-	(49,000,000)
Distributions to stockholders	(12,109,921)	(7,310,365)
Net cash used in financing activities	(18,779,921)	(62,980,365)
Net increase in cash and cash equivalents	3,248,590	4,941,672
Cash and cash equivalents:		
Beginning of year	32,151,584	27,209,912
End of year	\$ 35,400,174	\$ 32,151,584

(Continued)

The Wills Group, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (Continued)
Years Ended September 30, 2020 and 2019

	2020	2019
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 3,228,614</u>	<u>\$ 5,718,682</u>
Supplemental schedule of noncash investing and financing activities:		
Pension liability adjustment	<u>\$ 649,477</u>	<u>\$ 547,062</u>

See notes to consolidated financial statements.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: The Wills Group, Inc. (the Company) distributes motor fuel products at retail, primarily through company-operated, franchise-operated and commissioned agent-operated convenience stores, and at wholesale to independent retail operators. Through this network, the Company also engages in the sale of convenience store products and car washes. Prior to the fiscal year ended September 30, 2020, the Company was engaged in the sale of home and commercial heating fuel and related services to end consumers. The Company is headquartered in La Plata, Maryland, and markets its products and services in Maryland, Delaware and Virginia.

A summary of the Company's significant accounting policies follows:

Principles of consolidation: The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries and the convenience store corporations, all of which are controlled by the Company. The Company's wholly owned subsidiaries include SMO, Incorporated, Delmarva Oil, Inc., Southern Maryland Oil, Inc., Dash In Food Stores, Inc. and Splash In ECO Car Wash, Inc. As of December 15, 2017, Potomac Energy Holdings, LLC is a wholly owned subsidiary of SMO, Incorporated. In May 2019, the Company sold significantly all of the net assets of Southern Maryland Oil, Inc. All significant intercompany transactions and balances have been eliminated in consolidation.

The Company has adopted Financial Accounting Standards Board (FASB) authoritative guidance regarding the consolidation of variable interest entities. A variable interest entity is an entity in which the investor has the characteristics of a controlling financial interest or when the investee equity at risk is not sufficient for the entity to finance its activities without additional subordinated financial support. The Company's management has determined that certain Dash In Food Service Stores, Inc. franchisees are variable interest entities in which the Company has the characteristics of a controlling financial interest. These variable interests subject the Company to a majority of any potential losses in these entities and, therefore, require the Company to consolidate these entities into its financial statements. Accordingly, the Company has included the assets, liabilities, equity and results of operations of certain franchise stores in its consolidated financial statements.

Use of estimates: The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: Cash and cash equivalents are comprised of amounts in operating bank accounts and highly liquid, short-term investments with a maturity at purchase of three months or less. The Company invests its excess funds in overnight repurchase accounts.

Concentration of credit risk: The Company has deposits in financial institutions in excess of federally insured limits. The Company has not experienced any loss in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Accounts receivable: Accounts receivable are customer obligations due under normal trade terms. The Company provides currently for the amount of receivables estimated to become uncollectible in the future by providing an allowance for doubtful accounts. Management reviews accounts receivable on a monthly basis to determine if any receivables will potentially be uncollectible. Accounts receivable balances that are determined to be uncollectible, along with a general reserve, are included in the overall allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. Based on the information available, the Company believes the allowance for doubtful accounts as of September 30, 2020 and 2019, is adequate. The Company performs credit evaluations of the financial condition of new customers as well as periodic credit evaluations of existing customers. The Company does not require collateral in extending trade credit.

Fair value of financial instruments: The carrying amounts reported on the consolidated balance sheets for cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and deferred income approximate fair value due to the short-term maturities of these instruments. The carrying amount of the Company's long-term debt approximates fair value based on loans with similar terms and average maturities.

The Company recognizes all derivative financial instruments in the consolidated financial statements at their fair value. The Company participates in interest rate swap contracts, which are considered derivative financial instruments.

The Company uses interest rate swap contracts principally to hedge the risk that changes in interest rates have on its floating rate long-term debt. The following is a summary of the Company's risk management strategy on interest rate swap hedges and the effect of this strategy on the consolidated financial statements.

Interest rate swap contracts are used to adjust a portion of the total debt that is subject to variable interest rates. Under the interest rate swap contracts, the Company agrees to pay an amount equal to a specified fixed rate of interest times a notional principal amount, and to receive in return an amount equal to a specified variable rate of interest times the same notional principal amount. No other cash payments are made unless the contracts are terminated prior to maturity, in which case the amount paid or received in settlement is established by agreement at the time of termination, and usually represents the net present value, at current rates of interest, of the remaining obligations to exchange payments under the terms of the contracts.

The change in the fair value of the interest rate swap contracts is recognized immediately in the consolidated statements of income as a component of interest expense.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Fair value measurement: FASB Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability.

Level 1: Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology include (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in inactive markets, (c) inputs other than quoted prices that are observable for the asset or liability and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3: Inputs to the valuation methodology are unobservable for the asset or liability, significant to the fair value measurement, and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The Company had no Level 1 assets or liabilities as of September 30, 2020 and 2019. The Company's interest rate swap contracts are classified as Level 2 and are measured at fair value on a recurring basis. Asset retirement obligations are classified as Level 3 and are measured at fair value on a nonrecurring basis in the annual financial statements.

For the interest rate swaps in an asset position, the credit standing of the counterparty is analyzed and factored into the fair value measurement of the asset. FASB guidance states that the fair value measurement of a liability must reflect the nonperformance risk of the entity. Therefore, the impact of the Company's creditworthiness has also been factored into the fair value measurement of the interest rate swaps in a liability position. As of September 30, 2020 and 2019, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of the interest rate swap contracts was provided by valuation experts. The interest rate swap assets, if any, have limited market activity and are valued using an externally developed model that considers unobservable market parameters that is corroborated by market data.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Inventories: Inventories are stated at the lower of cost, first-in, first-out (FIFO) method and net realizable value. Net realizable value is defined as estimated selling price in the ordinary course of business less reasonably predictable costs of completion, disposal and transportation.

Inventories consisted of the following as of September 30, 2020 and 2019:

	2020	2019
Petroleum products	\$ 4,270,066	\$ 5,542,558
Store merchandise	2,748,764	1,984,211
	<u>\$ 7,018,830</u>	<u>\$ 7,526,769</u>

Property and equipment: Property and equipment are stated at cost. Depreciation is provided on the straight-line method overestimated useful lives of 7 to 40 years for buildings, improvements and storage facilities, and 2 to 20 years for machinery and equipment.

The cost and accumulated depreciation of property removed and equipment replaced, retired or otherwise disposed are removed from the accounts, and any resulting gain or loss is credited or charged to income or expense.

Maintenance and repairs are charged to expense as incurred. Improvements and betterments are capitalized and depreciated over the remaining useful life of the related asset.

Intangible assets: Intangible assets consisting of marketing agreements are recorded at cost, less accumulated amortization. Amortization of intangible assets is provided using the straight-line method over the shorter of the term of the asset or its estimated useful life, ranging from 3 to 20 years.

Valuation of long-lived assets: The Company reviews the valuation of long-lived assets and certain identifiable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Captive insurance: The Company is a member of a captive insurance group for commercial general liability, automobile liability insurance and workers' compensation coverage. Included in prepaid tax and insurance in the accompanying consolidated balance sheets, as of September 30, 2020 and 2019, is approximately \$2,939,000 and \$2,983,000, respectively, representing cumulative premium payments in excess of losses incurred and administrative costs. This estimated refundable balance is net of the incurred loss estimates. The Company could potentially be assessed additional premiums to cover excess claims of the member group.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Goodwill: The Company records as goodwill the excess of purchase price over the fair value of the identifiable net assets acquired in business combinations. The Company follows the accounting alternative provided in FASB Accounting Standards Update (ASU) 2014-02, *Intangibles – Goodwill and Other (Topic 350): Accounting for Goodwill*. This ASU provides for an accounting alternative for private companies that simplifies and reduces the costs associated with the subsequent accounting for goodwill. In accordance with this ASU, the Company has elected the following accounting policies related to goodwill:

- Amortize goodwill over a period of 10 years.
- Evaluate goodwill for impairment at the entity level rather than at the reporting unit level.
- Evaluate goodwill for impairment only when there is a triggering event rather than annually.
- Evaluate and measure goodwill for impairment by comparing the fair value of the entity to its carrying amount rather than performing a two-step goodwill impairment test that requires hypothetical business combination accounting for purposes of measuring an impairment loss.

Debt issuance costs: Costs associated with acquiring debt are capitalized as debt issuance costs. Debt issuance costs related to a recognized debt liability are presented in the consolidated balance sheets as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. These costs are amortized over the term of the related loans using the effective interest method, and are included in interest expense in the consolidated statements of income.

Asset retirement obligations: The Company has estimated a liability for the future cost to remove underground storage tanks and recognizes the cost over the estimated useful lives of the storage tanks. A liability for the fair value of an asset retirement obligation with a corresponding increase to the carrying amount of the related long-lived asset is determined at the time an underground storage tank is installed. In measuring fair value, the Company utilizes a present value model that uses a credit-adjusted risk free rate in deriving the discount rate that is applied to the projected undiscounted cash flows to be incurred in settling the future retirement obligation. The discount rate of 4.5% was used for the years ended September 30, 2020 and 2019. The Company's policy is to amortize the amount added to property and equipment and recognize accretion expense in connection with the discounted liability over the estimated remaining lives of the respective underground storage tanks. As of September 30, 2020 and 2019, the Company recognized a liability of approximately \$3,318,000 and \$3,305,000, respectively, for the estimated future removal and replacement costs associated with the obligation of the underground storage tanks.

Environmental remediation liabilities: The Company has established reserves to cover the anticipated probable costs of environmental remediation, based upon periodic reviews of all sites for which they have, or may have, remediation responsibility. The Company accrues environmental remediation costs when it is probable that a liability has been incurred, the amount of the liability can be reasonably estimated and their responsibility for the liability is established. It is difficult to estimate the ultimate level of future environmental expenditures due to a number of uncertainties surrounding environmental liabilities. These uncertainties include the applicability of laws and regulations, changes in environmental remediation requirements, the enactment of additional regulations, information relating to the exact nature and extent of the contamination at each site and the extent of required cleanup efforts. The Company has recorded the reserves under other long-term liabilities in the consolidated balance sheets.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Revenue recognition: On October 1, 2019, the Company adopted FASB ASC Topic 606, *Revenue from Contracts with Customers*, (ASC Topic 606). The five-step model defined by ASC Topic 606 requires the Company to: (1) identify the Company's contracts with customers, (2) identify the Company's performance obligations under those contracts, (3) determine the transaction prices of those contracts, (4) allocate the transaction prices to the Company's performance obligations in those contracts and (5) recognize revenue when each performance obligation under those contracts is satisfied. Revenue is recognized when promised goods or services are transferred to the customer in an amount that reflects the consideration expected in exchange for those goods or services. The Company adopted ASC Topic 606 using the modified retrospective method. Under this method, prior periods are not adjusted to reflect the application of Topic 606, but rather a cumulative effect adjustment directly to stockholders' equity is recorded as of the date of adoption. The adoption of this new standard had no impact on the consolidated financial statements, but resulted in additional disclosures.

Contracts are accounted for when the Company has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Company assesses the contract term as the period in which the parties to the contract have presently enforceable rights and obligations. The Company also evaluates if a contract has multiple promises and if each promise should be accounted for as separate performance obligations or as a single performance obligation. Multiple promises in a contract are typically separate if they are distinct, both individually and in the context of the contract. If multiple promises are highly interrelated or comprise a series of distinct services performed over time, they are combined into a single performance obligation.

Contract modifications are evaluated to determine whether they should be accounted for as part of the original contract or as a separate contract. The Company determines whether the modification either creates new or changes the existing enforceable rights and obligations. Contract modifications are accounted for as a separate contract if the modification adds distinct goods and services, and increases the contract value by the standalone selling price of those goods or services. Modifications that are not determined to be a separate contract are accounted for either as a prospective adjustment to the original contract if the goods or services in the modification are distinct from those transferred before the modification, or as a cumulative adjustment if the goods and services are not distinct and are part of a single performance obligation that is partially satisfied. The Company's contracts may provide customers an option to renew for an additional period of time under the same terms and conditions as the original contract. The renewal options typically do not provide the customer any material rights under the contract, and therefore, are treated as separate contracts when they include distinct services at standalone selling prices.

Petroleum sales are primarily generated when the Company acts as a petroleum reseller. As a petroleum reseller, the Company contemporaneously purchases petroleum products from the supplier, marks it up and resells the product to the customer, generally taking delivery from purchased product at the same place and time as the delivery is made to the customer, recognizing revenue upon delivery. Revenue is recognized at the point of sale for retail sales of gasoline, grocery and merchandise, car washes and commission on lottery. The Company reports revenue net of fuel, sales and other applicable taxes collected from customers and remitted to governmental taxing authorities. Revenue from leases of real estate and related equipment is recognized over time, on a straight-line basis over the terms of the tenant leases. Revenue from franchisees on an ongoing basis is recognized when the services provided to the franchisee have been performed.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring products or services to the customer. Revenue is recorded based on the transaction price, which is generally fixed consideration. See Note 2 for further discussion of franchise fee revenue.

Advertising costs: The costs of advertising and marketing services and materials are expensed as incurred. Related expenses totaled \$1,766,528 and \$1,897,180 for the years ended September 30, 2020 and 2019, respectively.

Income taxes: The Company is taxed under the provisions of the S-Corporation section of the Internal Revenue Code (IRC). Under those provisions, the Company is not subject to corporate income taxes. Instead, the tax results of the Company's operations are included in the income tax returns of its stockholders. The Company declares and pays distributions to its stockholders for the purpose of paying these income taxes. Distributions for any remaining income taxes due related to income, for the year ended September 30, 2020, are not reflected in the accompanying consolidated financial statements.

Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for tax years before 2016.

Recent accounting pronouncements: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Company is currently evaluating the effect that this standard will have on the consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU applies the provisions of recently released Chapter 8, "Notes to Financial Statements," of the FASB's Conceptual Framework for Financial Reporting, resulting in the removal, modification and addition of certain disclosure requirements. The new standard is effective for fiscal years beginning after December 15, 2019. The adoption of this standard is not expected to have a significant effect on the consolidated financial statements.

In August 2018, the FASB issued ASU 2018-14, *Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans*, which modifies the disclosure requirements for defined benefit pension plans and other post-retirement plans. The amendments in ASU 2018-14 are effective for the Company for fiscal years ending after December 15, 2021, with early adoption permitted. The adoption of this standard is not expected to have a significant effect on the consolidated financial statements.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

In January 2017, the FASB issued ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The ASU simplifies the measurement of goodwill impairment by eliminating the requirement that an entity compute the implied fair value of goodwill based on the fair values of its assets and liabilities to measure impairment. Instead, goodwill impairment will be measured as the difference between the fair value of the reporting unit and the carrying value of the reporting unit. The ASU also clarifies the treatment of the income tax effect of tax deductible goodwill when measuring goodwill impairment loss. The new standard is effective for fiscal years beginning after December 15, 2022. The adoption of this standard is not expected to have a significant effect on the consolidated financial statements.

Subsequent events: Management has evaluated subsequent events through December 21, 2020, which is the date the consolidated financial statements were available to be issued.

Note 2. Franchising and Royalties

The Company began franchising its Dash In Food Stores brand in 2005. As of September 30, 2020, the Company had 44 franchisees and a total of 56 locations. The franchise agreements have a 10-year term, and an initial franchise fee of \$25,000. The Company recognizes these fees as income at the time it has fulfilled its obligations under the franchise agreement. Initial franchise fees recognized as income were \$75,000 and \$25,000 for the years ended September 30, 2020 and 2019, respectively.

Most of the franchise agreements call for the franchisee to pay to the Company an ongoing fee, referred to as the Dash In Charge, which is equal to a range of 39% to 50% of the gross profit of the franchise stores, depending on the franchise agreement. In addition, franchisees receive either a management fee commission of three to five cents per gallon sold or 25% of petroleum gross profit, or a combination thereof, per the agreement. The franchisees own 100% of the store inventory.

The Dash in Charge is considered a continuing franchise fee for the franchisee to use the Company's operating system and trademarks, and for the continuing services provided by the Company including merchandising, advertising, recordkeeping, store audits and preparation of financial summaries.

The Company has presented the merchandise sales and cost of goods sold of the stores operated by the franchisees with the results of the Company-owned stores.

Total Dash in Charges were \$3,869,496 and \$3,372,492 for the years ended September 30, 2020 and 2019, respectively.

In addition, the Company offered a sales royalty program that provided for an alternative ongoing fee structure with the franchisees. Royalty fees charged to franchisees relate to franchisees' use of the Company's operating system, trademarks, and for the continuing services provided to the franchisees for activities such as merchandising, advertising and recordkeeping. Under the sales royalty program, the Company generally earns a 3% to 6% royalty fee and a 2% advertising fee on merchandise gross sales by the franchisee. The Company provided discounts for multiple store operations and certain sales categories. The net royalty fee is presented as sales royalty fee income on the consolidated statements of income.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Franchising and Royalties (Continued)

Royalties received under this program, for the years ended September 30, 2020 and 2019, were as follows:

	2020	2019
Sales royalty fee income	\$ 854,965	\$ 1,190,873
Sales royalty advertising income	536,917	750,699
Sales royalty total fee income	<u>\$ 1,391,882</u>	<u>\$ 1,941,572</u>

The Company offers a management fee agreement where the Company purchases the car wash equipment and the operator is generally paid a commission of \$2.50 per car wash for operating the car wash on behalf of the Company.

Note 3. Accounts Receivable

Accounts receivable consisted of the following as of September 30, 2020 and 2019:

	2020	2019
Accounts receivable	\$ 6,432,182	\$ 7,901,679
Less allowance for doubtful accounts	(188,409)	(249,325)
	<u>\$ 6,243,773</u>	<u>\$ 7,652,354</u>

The Company's accounts receivable are primarily from sales of petroleum to customers, including those from credit card sales.

Note 4. Property and Equipment

Property and equipment consisted of the following as of September 30, 2020 and 2019:

	2020	2019
Buildings, improvements and storage facilities	\$ 177,032,975	\$ 148,838,957
Machinery and equipment	178,436,478	155,703,467
Construction in process	25,690,113	29,558,010
	<u>381,159,566</u>	<u>334,100,434</u>
Less accumulated depreciation	(161,658,884)	(141,600,808)
	<u>219,500,682</u>	<u>192,499,626</u>
Land	103,215,656	102,391,353
	<u>\$ 322,716,338</u>	<u>\$ 294,890,979</u>

Depreciation of property and equipment was \$24,251,819 and \$22,178,959 for the years ended September 30, 2020 and 2019, respectively.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 4. Property and Equipment (Continued)

On October 1, 2018, the Company transferred property and equipment to Dash In Food Stores, Inc. from SMO, Incorporated to better align the financial position and results of operations of each subsidiary for the Company's management reporting. These asset transfers resulted in an increase of \$12,168,539 to net property and equipment of Dash In Food Stores, Inc. and a corresponding decrease to SMO, Incorporated of the same amount.

On October 1, 2019, the Company transferred property and equipment between Dash In Food Stores, Inc. and SMO, Incorporated. These asset transfers resulted in a net decrease to net property and equipment of Dash In Food Stores, Inc. of \$1,313,724 and a corresponding increase to SMO, Incorporated of the same amount.

SMO, Incorporated and Dash In Food Stores, Inc. entered into agency agreements to facilitate these asset transfers.

In May 2019, the Company sold substantially all of the net assets of Southern Maryland Oil, Inc. as a strategic decision to exit the home and commercial heating fuel and related services business. The carrying amount of the net assets associated with this business was approximately \$17,500,000. The gain on sale of the net assets was \$25,702,618 for the year ended September 30, 2019. During 2020, the remaining net assets were sold resulting in a gain on sale of \$1,106,617. These gains are presented on the consolidated statements of income as gain on sale of net assets of Southern Maryland Oil, Inc.

Note 5. Intangible Assets and Goodwill

Intangible assets and goodwill consisted of the following as of September 30, 2020 and 2019:

	2020	2019
Intangible assets:		
Marketing agreements	\$ 3,361,459	\$ 3,360,815
Less accumulated amortization	(1,313,074)	(1,029,872)
	<u>\$ 2,048,385</u>	<u>\$ 2,330,943</u>
Goodwill:		
Cost	\$ 106,703,865	\$ 106,703,865
Less accumulated amortization	(29,833,642)	(19,160,802)
	<u>\$ 76,870,223</u>	<u>\$ 87,543,063</u>

Amortization expense recognized on intangibles assets was \$282,558 and \$731,929 for the years ended September 30, 2020 and 2019, respectively. Amortization expense recognized on goodwill was \$10,672,840 and \$10,670,387 for the years ended September 30, 2020 and 2019, respectively.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 5. Intangible Assets and Goodwill (Continued)

Estimated aggregate amortization expense for each of the next five years and thereafter is as follows:

	Intangible Assets	Goodwill	Total
Years ending September 30:			
2021	\$ 243,656	\$ 10,670,386	\$ 10,914,042
2022	221,919	10,670,386	10,892,305
2023	194,472	10,670,386	10,864,858
2024	160,787	10,670,386	10,831,173
2025	133,859	10,670,386	10,804,245
Thereafter	1,093,692	23,518,293	24,611,985
	<u>\$ 2,048,385</u>	<u>\$ 76,870,223</u>	<u>\$ 78,918,608</u>

Note 6. Financing Arrangements

Credit agreement: The Company is a borrower on a Credit Agreement with a bank group, which includes a \$100,000,000 term loan and a \$150,000,000 revolving credit facility that cumulatively allow for maximum borrowings of \$250,000,000. The term loan is payable in quarterly installments of principal and interest, based on a 15-year amortization. The outstanding balance on the revolving credit facility was \$5,000,000 as of September 30, 2020 and 2019. The outstanding balance on the revolving credit facility and remaining principal balance on the term loan are due in May 2023.

The Credit Agreement requires the Company to maintain certain financial covenants and places restrictions on the payment of dividends, sales of facilities, purchases of property and equipment and indebtedness. Further, the Credit Agreement prohibits liens from being placed on the Company's assets, provides for a pledge of the Company's equity in its subsidiaries as collateral, and does not stipulate a prepayment penalty if the loans are fully repaid in advance of maturity. The Credit Agreement is guaranteed by SMO, Incorporated, Delmarva Oil, Inc., Southern Maryland Oil, Inc., Dash In Food Stores, Inc., Potomac Energy Holdings, LLC, and Splash In ECO Car Wash, Inc.

In addition, under the terms of the Credit Agreement, the Company has the ability to issue up to \$30,000,000 in letters of credit. The Company had one outstanding letter of credit in the amount of \$80,341 as of September 30, 2019, which terminated in May 2020. There were no outstanding letters of credit at September 30, 2020.

Interest is based on a fluctuating rate chosen by the Company as either the Credit Base Rate Option or the Credit London Interbank Offered Rate (LIBOR) Option that includes a Base Rate plus an Applicable Margin as defined in the Credit Agreement. As of September 30, 2020 and 2019, the interest rate outstanding was 1.16% and 3.11%, respectively.

The following is a summary of the outstanding term loan as of September 30, 2020 and 2019:

	2020	2019
Term loan payable	\$ 86,660,000	\$ 93,330,000
Less unamortized debt issuance costs	(253,823)	(358,990)
Less current maturities	(6,666,667)	(6,666,667)
Long-term debt	<u>\$ 79,739,510</u>	<u>\$ 86,304,343</u>

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 6. Financing Arrangements (Continued)

Interest expense was \$4,458,302 and \$9,571,257 for the years ended September 30, 2020 and 2019, respectively. Amortization of debt issuance costs was \$105,167 and \$112,528 for the years ended September 30, 2020 and 2019, respectively.

Principal payments on long-term debt at September 30, 2020, are due in future years as follows:

Years ending September 30:

2021	\$ 6,666,667
2022	6,666,667
2023	73,326,666
	<u>\$ 86,660,000</u>

Interest rate swap contracts: The Company had an interest rate swap contract with a notional amount of \$35,833,333 at September 30, 2019. Under this swap contract, the Company paid a fixed monthly interest rate and received a variable floating rate credit. The fair value of this interest rate swap contract was an asset of \$67,128 as of September 30, 2019. The swap contract expired in July 2020, at which time the notional amount of an interest rate swap contract with another financial institution was modified, as described below.

The Company has an interest rate swap contract with a notional amount of \$65,000,000 and \$33,333,333 at September 30, 2020 and 2019, respectively. The swap contract expires in May 2023. Under this swap contract, the Company pays a fixed monthly interest rate and receives a variable floating rate credit. The fair value of this interest rate swap contract was a liability of \$4,182,859 and \$2,865,398 as of September 30, 2020 and 2019, respectively.

Note 7. Capital Stock

Capital stock authorized, issued and outstanding at September 30, 2020 and 2019, was as follows:

	2020	2019
Common stock, \$1 par value, voting; 100,000 shares authorized; 45,230 shares issued and outstanding	\$ 45,230	\$ 45,230
Class B common stock, \$1 par value, nonvoting; 100,000 shares authorized; and 9,951 shares issued and outstanding	9,951	9,951
	<u>\$ 55,181</u>	<u>\$ 55,181</u>

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 8. Retirement Plans

The Company has a defined benefit pension plan and a 401(k) retirement savings plan covering all of its employees who have worked 1,000 hours or more in the calendar year.

The Company accounts for its pension plan in accordance with FASB authoritative guidance. This guidance requires an employer to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability on the balance sheet and to recognize changes in that funded status in the year in which the changes occur through comprehensive income. Funded status is measured as the difference between plan assets at fair value and the benefit obligation.

In March 2008, the Company elected to freeze pension benefits in the defined benefit plan for those employees with less than 20 years of service or age 55 with less than 10 years of service. In addition, effective March 15, 2014, accrued benefits were frozen for all highly compensated employees. As provided by the plan, those employees with frozen pension benefits receive a defined contribution of up to 3% of their compensation based on their length of service with the Company. This benefit is contributed through the plan directly to the participants' 401(k) retirement savings plan accounts throughout the year as payroll is processed. The Company contributed \$229,303 and \$303,990 for the years ended September 30, 2020 and 2019, respectively, into the 401(k) retirement savings plan accounts related to this defined contribution benefit.

The defined contribution plan is a safe harbor plan, whereby the Company makes matching contributions of a participant's contribution up to approximately 7% of eligible annual compensation. Also provided by the plan, depending on profits, the Company may make a discretionary profit-sharing contribution to eligible participants in the 401(k) retirement savings plan. The Company provided \$3,074,204 and \$1,291,681 toward the Company match and discretionary profit-sharing contribution for the years ended September 30, 2020 and 2019, respectively.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 8. Retirement Plans (Continued)

The following sets forth the funded status and amounts recognized in the consolidated financial statements related to the Company's defined benefit plan as of September 30, 2020 and 2019:

	2020	2019
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 12,338,182	\$ 11,893,197
Service cost	-	11,037
Interest cost	385,895	512,079
Actuarial loss (gain)	1,116,900	(66,188)
Assumptions	-	1,657,957
Benefits paid	(855,660)	(1,669,900)
Benefit obligation at end of year	<u>12,985,317</u>	<u>12,338,182</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	10,476,406	11,635,710
Actual return on plan assets	660,349	510,596
Employer contribution	247,442	-
Benefits paid	(855,660)	(1,669,900)
Fair value of plan assets at end of year	<u>10,528,537</u>	<u>10,476,406</u>
Funded status	<u>\$ (2,456,780)</u>	<u>\$ (1,861,776)</u>
Accumulated benefit obligation	<u>\$ 12,985,317</u>	<u>\$ 12,338,182</u>
Components of net periodic benefit cost:		
Service cost	\$ -	\$ 11,037
Interest cost	385,895	512,079
Expected return on assets	(527,717)	(788,522)
Amortization	334,791	302,356
Settlement cost	-	994,364
Net periodic benefit cost	<u>\$ 192,969</u>	<u>\$ 1,031,314</u>
Amounts recognized in the financial statements consist of the following:		
Assets	\$ -	\$ -
Liabilities (other long-term liabilities)	(2,456,780)	(1,861,776)
Accrued pension liability	<u>\$ (2,456,780)</u>	<u>\$ (1,861,776)</u>
Amount included in accumulated other comprehensive loss not yet recognized as components of net periodic benefit cost:		
Accumulated loss	<u>\$ 9,794,416</u>	<u>\$ 9,144,939</u>

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 8. Retirement Plans (Continued)

Weighted-average assumptions used to determine benefit obligations and net benefit cost at September 30, 2020 and 2019, are as follows:

	2020	2019
Weighted-average assumptions used in computing ending obligations:		
Discount rate	2.45%	3.24%
Rate of compensation increase	3.00%	3.00%
Weighted-average assumptions used in computing net cost:		
Discount rate	3.24%	4.47%
Rate of compensation increase	3.00%	3.00%
Expected return on plan assets	7.00%	7.00%

The weighted-average expected long-term rate of return for the plan's total assets is based on the expected return of each of the asset categories weighted based on the median of the target allocation for each investment class.

The pension plan benefits are based on years of service and the employee's final average compensation. The Company makes annual contributions to the pension plan equal to the amount required under accepted actuarial principles to maintain the plan in a sound condition and to satisfy minimum funding requirements.

The Company considers various factors in estimating the expected long-term rate of return on plan assets. The factors considered include the historical long-term returns on plan assets, the current and expected allocation of plan assets, input from actuaries and investment consultants, and long-term inflation assumptions. The expected allocation of plan assets is based on a diversified portfolio consisting of fixed income as well as domestic and international equity securities. The Company's target asset and actual asset allocations by category for the defined benefit plan, as of September 30, 2020 and 2019, are as follows:

	September 30		Target
	2020	2019	Range
Asset category:			
Bonds	45%	46%	25% – 55%
Common stocks	55%	54%	45% – 75%
Total	100%	100%	

The investment policy for the defined benefit plan is to balance risk and return using a diversified portfolio consisting primarily of high quality equity and fixed income securities. To accomplish this goal, the plan's assets are actively managed by outside investment managers with the objective of optimizing long-term return while maintaining a high standard of portfolio quality and proper diversification. The maturities of fixed income securities are monitored so there is sufficient liquidity to meet current benefit payment obligations. The pension committee provides oversight of the plan's investments and performance of the investment managers.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 8. Retirement Plans (Continued)

The following table presents the fair value hierarchy for the plan's assets as of September 30, 2020 and 2019:

Description	Assets at Fair Value as of September 30, 2020			
	Level 1	Level 2	Level 3	Total
Pooled separate accounts:				
Small-cap	\$ -	\$ 301,354	\$ -	\$ 301,354
Fixed income	-	4,759,742	-	4,759,742
Large-cap	-	3,469,562	-	3,469,562
International	-	1,997,879	-	1,997,879
	<u>\$ -</u>	<u>\$ 10,528,537</u>	<u>\$ -</u>	<u>\$ 10,528,537</u>
Description	Assets at Fair Value as of September 30, 2019			
	Level 1	Level 2	Level 3	Total
Pooled separate accounts:				
Small-cap	\$ -	\$ 404,400	\$ -	\$ 404,400
Fixed income	-	4,818,149	-	4,818,149
Large-cap	-	3,267,924	-	3,267,924
International	-	1,985,933	-	1,985,933
	<u>\$ -</u>	<u>\$ 10,476,406</u>	<u>\$ -</u>	<u>\$ 10,476,406</u>

The benefits expected to be paid in the five years subsequent to September 30, 2020, and the aggregate five years thereafter are approximately as follows:

Years ending September 30:	
2021	\$ 660,000
2022	590,000
2023	620,000
2024	640,000
2025	660,000
2026-2030	3,480,000

Note 9. Deferred Compensation Arrangements

The Company has entered into individual deferred compensation arrangements with certain key executives calling for periodic payments commencing at the retirement or death of the employees. The liability has been accrued each year using the present value method at discount rates of approximately 2.7% and 3.2% for the years ended September 30, 2020 and 2019, respectively, and is included in other long-term liabilities on the consolidated balance sheets. The total accumulated benefit obligation under the individual deferred compensation arrangements was approximately \$3,248,000 and \$3,044,000 as of September 30, 2020 and 2019, respectively. The Company has purchased split life insurance policies, which it intends to use to partially fund this obligation. The cash surrender value of these policies was approximately \$4,918,000 and \$4,464,000 as of September 30, 2020 and 2019, respectively.

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 9. Deferred Compensation Arrangements (Continued)

The Company also maintains separate deferred compensation arrangements for certain senior executives calling for lump-sum payments upon the employee's separation of service from the Company, as defined. The liability under these arrangements has been determined based upon annual bonus accruals, which are calculated from economic value added and net book value target criteria, as defined in the agreement.

The combined obligation under the deferred compensation arrangements was approximately \$14,822,000 and \$11,866,000 as of September 30, 2020 and 2019, respectively. The combined expense under the Company's deferred compensation arrangements was approximately \$3,105,000 and \$2,644,000 for the years ended September 30, 2020 and 2019, respectively.

Note 10. Commitments and Contingencies

Environmental remediation costs: The Company incurred remediation expenses of \$2,145,282 and \$1,706,901, and recorded a provision for estimated future costs of \$1,800,000 and \$2,003,999, for the years ended September 30, 2020 and 2019, respectively. The Company's remediation reserve was \$906,066 and \$1,251,348, including the assumed PEH reserve, as of September 30, 2020 and 2019, respectively, which is included in other long-term liabilities in the accompanying consolidated balance sheets. Due to the nature and timing of remediation expenses, management's estimate changes from period to period, and the actual expense incurred will likely be different from that recorded at the end of any year.

Leases: The Company leases various equipment and real property under agreements classified as noncancelable operating leases. Most of the leases contain options for renewal and contain escalation clauses. Total expense under the agreements for the years ended September 30, 2020 and 2019 was as follows:

	2020	2019
Minimum rental expense	\$ 7,481,937	\$ 7,484,047
Sublease rental income	(7,639,394)	(8,199,393)
	<u>\$ (157,457)</u>	<u>\$ (715,346)</u>

For the purposes of this disclosure, the Company is assuming a five-year sublease rental agreement, except when the lease expires during the five-year period. The Company is also assuming a lease option renewal when the sublease is greater than the lease agreement, if options exist for the lease. As of September 30, 2020, future minimum lease payments under these agreements are as follows:

	Minimum Rental Expense	Less Sublease Rental	Net Rental Expense
Years ending September 30:			
2021	\$ 6,046,056	\$ (5,121,895)	\$ 924,161
2022	5,807,315	(2,657,452)	3,149,863
2023	4,812,877	(1,107,554)	3,705,323
2024	3,628,085	(170,550)	3,457,535
2025	2,626,909	(173,550)	2,453,359
Thereafter	9,780,179	(200,050)	9,580,129
	<u>\$ 32,701,421</u>	<u>\$ (9,431,051)</u>	<u>\$ 23,270,370</u>

The Wills Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10. Commitments and Contingencies (Continued)

In addition, the Company is the lessor of real property under agreements that are classified as noncancelable operating leases. These leases are generally for a five-year term. The Company had rental income for the years ended September 30, 2020 and 2019, of \$22,678,418 and \$24,006,757, respectively, which includes the sublease rental income shown in the table above.

At September 30, 2020, future minimum rental income under these agreements is as follows:

	Minimum Rental Income
Years ending September 30:	
2021	\$ 13,531,981
2022	8,063,861
2023	2,825,058
2024	459,616
2025	216,148
Thereafter	1,023,000
	<u>\$ 26,119,664</u>

Construction commitments: In the ordinary course of business, the Company has entered into contracts for construction and renovation of certain locations. The remaining commitments on these contracts approximated \$896,000 at September 30, 2020.

COVID-19: On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a “Public Health Emergency of International Concern” and on March 10, 2020, declared COVID-19 a pandemic. COVID-19 could negatively impact the Company’s operations and operating results through quarantines, labor shortages, supply chain shortages or other disruptions. In addition, a significant outbreak of this pandemic could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, including the geographical area in which the Company operates, resulting in an economic downturn that could affect the demand for its products. As of the date of these financial statements, the Company has taken measures to mitigate the impact of COVID-19, as provided for in the Company’s pandemic response plan. The extent to which COVID-19 impacts the Company’s results will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19 and actions taken to contain the virus or its impact.

Note 11. Major Supplier

During the normal course of business, the Company transacts business with many suppliers. For the years ended September 30, 2020 and 2019, the Company purchased 77% and 74%, respectively, of its petroleum products from one supplier. As of September 30, 2020 and 2019, approximately \$12,262,000 and \$21,226,000, respectively, was due to this supplier.

Independent Auditor's Report on the Supplementary Information

Board of Directors
The Wills Group, Inc.

We have audited the consolidated financial statements of The Wills Group, Inc. and its subsidiaries as of and for the years ended September 30, 2020 and 2019, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements (see page 1). Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating and other supplementary information is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating and other supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

RSM US LLP

Baltimore, Maryland
December 21, 2020

The Wills Group, Inc. and Subsidiaries

Consolidating Balance Sheet September 30, 2020

	Consolidated Totals	Eliminations	Total Before Eliminations	SMO, Incorporated	Delmarva Oil, Inc.	Southern Maryland Oil, Inc.	Dash In Food Stores, Inc.	Dash In Franchise Minority Interest	Splash In ECO Car Wash, Inc.	The Wills Group, Inc.
Assets										
Current assets:										
Cash and cash equivalents	\$ 35,400,174	\$ -	\$ 35,400,174	\$ -	\$ -	\$ -	\$ 3,977,708	\$ 26,448	\$ -	\$ 31,396,018
Accounts receivable, net	6,243,773	(411,244)	6,655,017	4,245,602	-	1,218	1,722,211	411,244	-	274,742
Inventories	7,018,830	-	7,018,830	2,910,091	-	95	2,198,359	1,910,285	-	-
Prepaid expenses and other current assets	4,762,014	-	4,762,014	2,740,490	-	7,689	1,580,513	-	23,984	409,338
Due from related entities	-	(227,850,505)	227,850,505	185,584,613	1,760,528	40,505,364	-	-	-	-
Total current assets	53,424,791	(228,261,749)	281,686,540	195,480,796	1,760,528	40,514,366	9,478,791	2,347,977	23,984	32,080,098
Property and equipment, net	322,716,338	-	322,716,338	164,034,178	-	796,508	141,629,206	-	-	16,256,446
Other assets:										
Investments in subsidiaries	-	(591,578,546)	591,578,546	-	-	-	-	-	-	591,578,546
Goodwill, net	76,870,223	-	76,870,223	72,500,168	-	-	4,370,055	-	-	-
Other	14,335,668	(298,132)	14,633,800	2,023,694	-	210,080	851,538	-	-	11,548,488
Total other assets	91,205,891	(591,876,678)	683,082,569	74,523,862	-	210,080	5,221,593	-	-	603,127,034
Total assets	\$ 467,347,020	\$ (820,138,427)	\$ 1,287,485,447	\$ 434,038,836	\$ 1,760,528	\$ 41,520,954	\$ 156,329,590	\$ 2,347,977	\$ 23,984	\$ 651,463,578
Liabilities and Stockholders' Equity										
Current liabilities:										
Current maturities of long-term debt, net	\$ 6,666,667	\$ -	\$ 6,666,667	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,666,667
Accounts payable	31,678,950	(411,244)	32,090,194	27,675,140	-	15,863	3,577,297	42,201	8	779,685
Accrued expenses	18,826,708	-	18,826,708	3,533,754	3,916	77,037	2,345,849	-	(720)	12,866,872
Due to related entities	-	(227,850,505)	227,850,505	-	-	-	95	-	2,129,353	225,721,057
Total current liabilities	57,172,325	(228,261,749)	285,434,074	31,208,894	3,916	92,900	5,923,241	42,201	2,128,641	246,034,281
Long-term liabilities:										
Long-term debt, net	79,739,510	-	79,739,510	-	-	-	-	-	-	79,739,510
Line of credit	5,000,000	-	5,000,000	-	-	-	-	-	-	5,000,000
Asset retirement obligation and other long-term liabilities	25,685,915	(298,132)	25,984,047	3,751,463	-	433,621	858,446	-	-	20,940,517
Total long-term liabilities	110,425,425	(298,132)	110,723,557	3,751,463	-	433,621	858,446	-	-	105,680,027
Total liabilities	167,597,750	(228,559,881)	396,157,631	34,960,357	3,916	526,521	6,781,687	42,201	2,128,641	351,714,308
Stockholders' equity	299,749,270	(591,578,546)	891,327,816	399,078,479	1,756,612	40,994,433	149,547,903	2,305,776	(2,104,657)	299,749,270
Total liabilities and stockholders' equity	\$ 467,347,020	\$ (820,138,427)	\$ 1,287,485,447	\$ 434,038,836	\$ 1,760,528	\$ 41,520,954	\$ 156,329,590	\$ 2,347,977	\$ 23,984	\$ 651,463,578

See note to consolidating supplementary information.

The Wills Group, Inc. and Subsidiaries

Consolidating Statement of Income Year Ended September 30, 2020

	Consolidated Totals	Eliminations	Total Before Elimination	SMO, Incorporated	Delmarva Oil, Inc.	Southern Maryland Oil, Inc.	Dash In Food Stores, Inc.	Dash In Franchise Minority Interest	Splash In ECO Car Wash, Inc.	The Wills Group, Inc.
Net sales:										
Petroleum products	\$ 729,237,976	\$ -	\$ 729,237,976	\$ 524,241,224	\$ -	\$ -	\$ 204,996,752	\$ -	\$ -	\$ -
Merchandise	85,974,267	-	85,974,267	2,090,490	-	-	20,568,083	63,315,694	-	-
Less sales royalty merchandise	(26,852,237)	-	(26,852,237)	-	-	-	-	(26,852,237)	-	-
Other	43,396	-	43,396	43,396	-	-	-	-	-	-
	<u>788,403,402</u>	<u>-</u>	<u>788,403,402</u>	<u>526,375,110</u>	<u>-</u>	<u>-</u>	<u>225,564,835</u>	<u>36,463,457</u>	<u>-</u>	<u>-</u>
Cost of goods sold	646,534,446	-	646,534,446	444,674,616	-	(4,952)	176,426,349	25,438,433	-	-
Gross margin	<u>141,868,956</u>	<u>-</u>	<u>141,868,956</u>	<u>81,700,494</u>	<u>-</u>	<u>4,952</u>	<u>49,138,486</u>	<u>11,025,024</u>	<u>-</u>	<u>-</u>
Rental income	22,678,418	(1,004,721)	23,683,139	19,062,142	-	-	4,358,216	-	-	262,781
Rental expense	7,481,937	(1,004,721)	8,486,658	6,091,740	-	-	1,390,197	1,004,721	-	-
Net rental income (expense)	<u>15,196,481</u>	<u>-</u>	<u>15,196,481</u>	<u>12,970,402</u>	<u>-</u>	<u>-</u>	<u>2,968,019</u>	<u>(1,004,721)</u>	<u>-</u>	<u>262,781</u>
Sales royalty fee income	1,391,882	-	1,391,882	-	-	-	1,391,882	-	-	-
Gain on sale of net assets of Southern Maryland Oil, Inc.	1,106,617	-	1,106,617	-	-	1,106,617	-	-	-	-
Expenses:										
Salaries and wages	32,755,219	-	32,755,219	2,536,939	-	302	8,917,767	4,335,863	420,664	16,543,684
Operating costs	68,832,653	-	68,832,653	31,914,409	-	368,068	23,506,337	3,747,484	153,391	9,142,964
Retirement plans	6,354,178	-	6,354,178	617,472	-	(741)	803,045	-	64,717	4,869,685
Interest expense	4,458,302	-	4,458,302	-	-	-	-	-	-	4,458,302
Other (income) expense, net	(1,232,849)	-	(1,232,849)	(1,862,153)	-	106,683	(356,950)	(17,511)	-	897,082
Allocation of overhead	-	-	-	15,283,242	-	806,800	9,650,961	-	-	(25,741,003)
Total expenses	<u>111,167,503</u>	<u>-</u>	<u>111,167,503</u>	<u>48,489,909</u>	<u>-</u>	<u>1,281,112</u>	<u>42,521,160</u>	<u>8,065,836</u>	<u>638,772</u>	<u>10,170,714</u>
Equity in earnings of subsidiaries	-	(58,304,366)	58,304,366	-	-	-	-	-	-	58,304,366
Net income (loss)	<u>48,396,433</u>	<u>(58,304,366)</u>	<u>106,700,799</u>	<u>46,180,987</u>	<u>-</u>	<u>(169,543)</u>	<u>10,977,227</u>	<u>1,954,467</u>	<u>(638,772)</u>	<u>48,396,433</u>
Less net income attributable to noncontrolling: Interests in subsidiary	1,954,467	1,954,467	-	-	-	-	-	-	-	-
Net income (loss) attributable to The Wills Group Inc. and Subsidiaries	<u>\$ 46,441,966</u>	<u>\$ (60,258,833)</u>	<u>\$ 106,700,799</u>	<u>\$ 46,180,987</u>	<u>\$ -</u>	<u>\$ (169,543)</u>	<u>\$ 10,977,227</u>	<u>\$ 1,954,467</u>	<u>\$ (638,772)</u>	<u>\$ 48,396,433</u>

See note to consolidating supplementary information.

The Wills Group, Inc. and Subsidiaries

Note to Consolidating Supplementary Information

Note A. Intercompany Transactions

The Wills Group, Inc. provides general and administrative services to its subsidiaries. Each subsidiary is allocated overhead based on factors of sales volume, personnel or usage.

EXHIBIT G
GENERAL RELEASE AGREEMENT
(SAMPLE FORM)



RELEASE AGREEMENT

The following is our current form of general release agreement that we may require a franchisee and/or transferor to sign as part of a transaction involving a transfer. We may, in our sole discretion, periodically modify our form of the release agreement.

GENERAL RELEASE

THIS GENERAL RELEASE (the “Release”) is made and entered into on this day of _____, 20____ (the “Effective Date”), by and between:

Dash In Food Stores, Inc. a Maryland corporation whose principal place of business is 102 Centennial Street, La Plata, Maryland 20646 (“**Franchisor**”); and _____ a [resident of] [corporation organized in] [limited liability company organized in] _____ and having offices at _____ (“**Transferor**”).

BACKGROUND

- A. Franchisor and Franchisee are party to a Franchise Agreement dated _____ (the “**Agreement**”);
- B. Franchisor and Franchisee have agreed, under the Agreement, to permit a transfer or assignment of _____ under the Agreement (the “**Transfer Transaction**”), and, in connection with the Transfer Transaction, Franchisor and [Franchisee] has agreed to execute this Release, along with such other documents related to the approved Transfer Transaction.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

- Release by Transferor. Transferor, its officers and directors and Owners, and their respective agents, heirs, administrators, successors and assigns (the “**Franchisee Group**”), hereby forever release and discharge, and forever hold harmless Franchisor, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors and assigns (the “**Franchisor Group**”) from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which Franchisee Group and/or its Owners had, have or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Agreement, the relationship created by the Agreement, or the development, ownership or operation of the Dash In Store. The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense or damages (actual or consequential) including, without limitation, reasonable attorneys’, accountants’ and expert witness fees, costs of investigation and proof of facts, court costs and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor or other third party now has, ever had, or hereafter would or could have, as a result of, arising from or relating to the Agreement or the Dash In Store. The Franchisee Group and its Owners represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements or promises described herein.
- Release by Franchisor in Renewal Transactions. Franchisor, acting for itself, and its respective successors and assigns and all other persons acting on their behalf or claiming under its name, hereby



releases and forever discharges, and forever hold harmless the Franchisee Group from any and all claims, demands, debts, liabilities, actions or cause of action, costs, agreements, promises and expenses of every kind and nature whatsoever (provided, however, that this release does not apply to Post-Closing Obligations), whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which the Franchisor now owns or holds or has at any time heretofore owned or held, or may at any time own or hold against any or all of the Franchisee Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Agreement, the relationship created by the Agreement, or the development, ownership or operation of the Dash In Store; provided, however, that nothing in this Article 2 shall release the Franchisee Group from any obligations set forth under this Release, nor under the indemnification clauses of the Agreement, nor with respect to any other obligation that is due in the ordinary course of business with respect to any other franchise agreement between Franchisor and any of the Franchisee Group, individually, and/or in any combination.

3. General Terms.

3.1. This Release shall be binding upon, and inure to the benefit of, each party's respective heirs, representatives, successors, and assigns.

3.2. This Release shall take effect upon its acceptance and execution by each of the parties hereto.

3.3. This Release may be executed in counterparts, and signatures exchanged by fax, and each such counterpart, when taken together with all other identical copies of this Release also signed in counterpart, shall be considered as one Release.

3.4. The captions in this Release are for the sake of convenience only, and shall neither amend nor modify the terms hereof.

3.5. Notwithstanding any provisions in the Agreement requiring that certain claims or actions are subject to mediation and/or arbitration, the parties agree that any action under, arising out of, or related to, this Release, brought by either party against the other shall be brought in court, and not in a mediation or arbitration proceeding, and such action in any court, whether in federal or state court, shall be brought within the judicial district in which Franchisor has its principal place of business at the time the action is initiated, except that Franchisee may bring its legal action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law and regulations promulgated thereunder, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. This Release shall be interpreted and construed under the laws of the State of Maryland. In the event of any conflict of law, the laws of the State of Maryland shall prevail (without regard to, and without giving effect to, the application of Maryland conflict of law rules).

3.6. This Release constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof, and supersedes all prior agreements and communications concerning the subject matter hereof. No other representations have induced the parties to execute this Release. The parties agree that they have not relied upon anything other than the words of this Release in deciding whether to enter into this Release.

3.7. No amendment, change, or variance from this Release shall be binding on either party unless in writing and agreed to by all of the parties hereto.



IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Release in duplicate on the day and year first above written.

Dash In Food Stores, Inc.

Franchisor

Franchisee/Transferor

By:_____

By:_____

Name:_____

Name:_____

Title:_____

Title:_____

Dash In Food Stores 2023 FDD

page 3

Exhibit G

FDD

Franchise Agreement

Dash In Lease &
Mgmt. Fee Agmt.

Car Wash Agreement

List of Franchisees

State Contacts

Financial
Statements

Release
Agreement

State Effective
Dates

FDD Receipt

EXHIBIT H
STATE EFFECTIVE DATES PAGE



State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Maryland	PENDING
New York	January 18, 2023
Virginia	PENDING

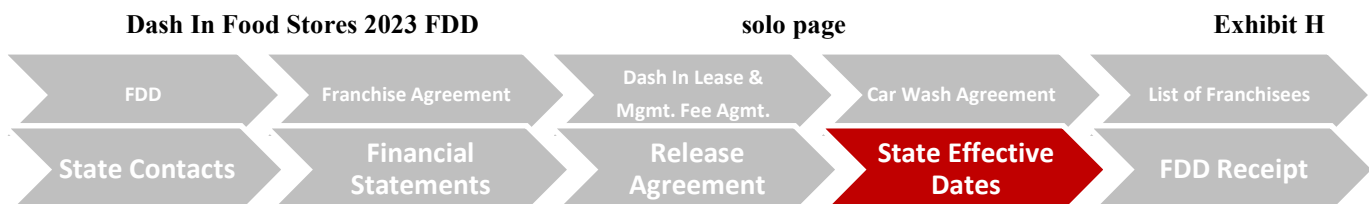


**EXHIBIT I
RECEIPTS**



RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Dash In Food Stores, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale (or sooner if required by state law). New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Dash In Food Stores, Inc. 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and your state agency listed in Exhibit E. Our agents for service of process are listed in Exhibit E.

Issuance Date: January 18, 2023

The following individual(s) offer the franchise for sale: Jim Tisack, _____, _____, and _____, 102 Centennial Street, La Plata, Maryland 20646, 1-866-612-3274.

I have received a Franchise Disclosure Document dated January 18, 2023 (or the date reflected on the State Effective Dates Page). This Disclosure Document included the following Exhibits:

State Appendix

- A Franchise Agreement and Attachments
- B-1 Dash In Lease
- B-2 Management Fee Agreement
- C Car Wash Agreement
- D List of Current Franchisees and Former Franchisees
- E List of State Administrators and Agents for Service of Process
- F Financial Statements
- G General Release Agreement (Sample Form)
- H State Effective Dates Page
- I Receipt

Date

Prospective Franchisee's Signature

Printed Name

Date

Prospective Franchisee's Signature

Printed Name

If signing on behalf of a corporation or other entity, please complete the following:

Name of Entity

By: _____

Name: _____

Title: _____

(to be retained by prospective franchisee)

Date: _____

Dash In Food Stores 2023 FDD

Exhibit I



RECEIPT

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If Dash In Food Stores, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale (or sooner if required by state law). New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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- F Financial Statements
- G General Release Agreement (Sample Form)
- H State Effective Dates Page
- I Receipt

Date

Prospective Franchisee's Signature

Printed Name

Date

Prospective Franchisee's Signature

Printed Name

If signing on behalf of a corporation or other entity, please complete the following:

Name of Entity

(to be returned to franchisor)

By: _____

Name: _____

Title: _____

Date: _____

Dash In Food Stores 2023 FDD

Exhibit I

