Franchise Disclosure Document

Holiday Diversified Services, LLC
A Minnesota Limited Liability Company
4567 American Boulevard West
Minneapolis, Minnesota 55437
(952) 830-8700
www.holidaystationstores.com
franchise@holidaystationstores.com

The franchise offered is for the operation of a Holiday Stationstore®. Holiday Stationstores® sell "Automotive Fuels," including gasoline and other motor vehicle fuels, as well as "Groceries, Food Service Items and Merchandise," including foods, groceries, food service items (hot and cold sandwiches, hot dogs, bratwursts, salads, fruit, bakery), convenience store items and general merchandise.

The total investment necessary to begin operation of a new Holiday Stationstore® ranges from $3,341,950 to $7,734,100. To convert a pre-existing store, your estimated initial investment ranges from $898,600 to $3,244,100. These initial investment estimates assume that you will own the land and building for your Holiday Stationstore® unless it is a conversion, and assume that you will choose to incur the costs of constructing and equipping an optional car wash. These amounts include $118,950 to $252,666 that must be paid to us or our affiliates, as detailed in Item 5.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of the disclosures in different formats, contact Cullen Prouty at 4567 American Boulevard West, Minneapolis, Minnesota, (952) 830-8700.

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 accountant.

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

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

Issuance Date: July 12, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit 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 B 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 HOLIDAY STATIONSTORE 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 HOLIDAY STATIONSTORE 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*

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

<u>Business model can change</u>. 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.

<u>Supplier restrictions</u>. 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.

<u>Operating restrictions</u>. 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.

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

<u>Renewal</u>. 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.

<u>When your franchise ends</u>. 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 A.

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 Minnesota. 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 Minnesota than in your own state.

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

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

THE INFORMATION AND NOTICES APPEARING ON THE FOLLOWING TWO PAGES APPLY ONLY TO FRANCHISES TO BE LOCATED IN THE STATE OF MICHIGAN AND ARE REQUIRED BY MICHIGAN LAW.

IF YOU ARE NOT LOCATED IN MICHIGAN, THE FOLLOWING TWO PAGES OF INFORMATION DO NOT APPLY TO YOU.

* * * *

NOTICE FOR PROSPECTIVE FRANCHISEES WHO LIVE IN MICHIGAN OR WHOSE FRANCHISES WILL OPERATE IN MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (I) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (II) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OR OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(I) THE FAILURE OF THE PROPOSED FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATION OR STANDARDS.

(II) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(III) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(IV) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

* * * *

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL. ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE MICHIGAN DEPARTMENT OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ANTITRUST AND FRANCHISE UNIT, 670 LAW BUILDING, LANSING, MICHIGAN 48913.

HOLIDAY STATIONSTORES®
FRANCHISE DISCLOSURE DOCUMENT
TABLE OF CONTENTS

1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "HDS" means Holiday Diversified Services, LLC, the franchisor. "You" means the person, corporation, partnership or other entity which buys the franchise. If the franchisee is a corporation, partnership or other business entity, "you" also includes your owners.

HDS was originally formed as a Minnesota corporation, Holiday Diversified Services, Inc., incorporated on January 17, 1989, but converted to a Minnesota limited liability company, Holiday Diversified Services, LLC, on November 2, 2017. The principal business address of HDS is 4567 American Boulevard West, Minneapolis, Minnesota 55437. HDS has been franchising Holiday Stationstores® since the date of its formation. HDS does business as Holiday Diversified Services, LLC. Exhibit A attached to this Disclosure Document discloses HDS's agent for service of process.

<u>HDS's Predecessors and Parents.</u>

HDS has no predecessors.

Holiday Stationstores, Inc., a Minnesota corporation incorporated on September 18, 1964 ("HSI") was a parent of HDS until March 2008, at which time it distributed its ownership interest in HDS to Holiday Companies, a Minnesota corporation ("HC"). On July 10, 2017, HC entered into a purchase agreement with Oliver Acquisition LLC ("Buyer"), a wholly-owned subsidiary of Alimentation Couche-Tard Inc., a Canadian public company traded on the Toronto Stock Exchange ("Couche-Tard"), pursuant to which Buyer agreed to acquire all of the outstanding shares of HDS, as well as HSI, and certain affiliates of HDS, including LTC, EPC, and IDT (each as defined below under "Affiliates"). On December 11, 2017, HSI converted to a Minnesota limited liability company. On December 21, 2017, HC distributed all of its membership interests in HDS to HSI, making HSI the direct parent of HDS. The transaction with Buyer closed on December 22, 2017 and, as a consequence, Couche-Tard became the ultimate parent of HDS, and effective immediately upon the closing of the transaction, HSI distributed all of its membership interests in HDS to Buyer. Still effective as of December 22, 2017, Buyer then immediately distributed all of its membership interests in HDS to Circle K Stores Inc., a Texas corporation and a subsidiary of Couche-Tard, and Circle K Stores Inc. then immediately distributed all of its membership interests in HDS to TMC Franchise Corporation ("TMC"), an Arizona corporation and a subsidiary of Circle K Stores Inc. Accordingly, TMC is now the direct parent of HDS. The principal business address of Circle K Stores Inc. and TMC is 1130 West Warner Road, Tempe, Arizona 85284.

Circle K Stores Inc. is a wholly-owned subsidiary of Circle K Delaware Inc., which is a Delaware corporation wholly owned by Couche-Tard U.S., Inc, a Delaware corporation. Couche-Tard U.S. Inc. is a wholly-owned subsidiary of Mac's Convenience Stores Inc., which is an Ontario, Canada corporation. None of Circle K Delaware Inc., Couche-Tard U.S. Inc., or Mac's Convenience Stores Inc. have ever offered franchises in any line of business. The principal business address of Couche-Tard U.S. Inc., Circle K Stores, Inc., and Circle K Delaware Inc. is 1130 West Warner Road, Tempe, Arizona 85284, (602) 728-8000. Couche-Tard U.S. Inc. is, through other subsidiaries, wholly-owned by the ultimate parent, Couche-Tard. The principal business address of Buyer and Couche-Tard is 4204 Industriel Boulevard, Laval (Quebec) H7l 0e3.

Couche-Tard is a leading Canadian convenience store operator with stores situated in Canada, the United States, and Europe and currently licenses a number of convenience stores concepts under licensing agreements in 13 other countries and territories. TMC has not conducted the type of business to be operated by you, but its parent, Circle K Stores Inc., and its predecessors have been operating convenience stores and motor fuel businesses since 1951. TMC has offered Circle K convenience store franchises for convenience store businesses since 1995; Circle K motor fuel businesses since July 2011; and, Circle K branded businesses since July 2012. As of April 30, 2023, there were 639 franchised Circle K Stores (with or without motor fuel business and/or branded business) in the United States. The business address of TMC is 1130 West Warner Road, Tempe, Arizona 85284. Since October 2019, TMC has offered franchises for the operation of a combined retail convenience store and motor fuel business under the Circle K trade name and service marks ("Other Circle K Franchised Outlets"). As of April 30, 2023, there were 11 Other Circle K Franchised Outlets.

Affiliates

Lyndale Terminal, LLC ("LTC") is a Minnesota limited liability company.

Erickson Petroleum, LLC ("EPC"), originally formed as a Minnesota corporation on December 29, 1955 and converted to a Minnesota limited liability company on November 2, 2017, is an affiliate of HDS and a wholesale supplier of Automotive Fuels through various forms of supply relationships, including several fuel supply agreements where the stores have some limited use of the Holiday® mark.

Independent Diversified Transportation, LLC ("IDT"), originally formed as a Minnesota corporation on October 1, 1986 and converted to a Minnesota limited liability company on November 2, 2017, with the same business address as HIS (as noted below), was another affiliate of HDS and a transportation company for Automotive Fuels, providing services to Holiday Stationstores® franchisees until April 30, 2023. On April 30, 2023, IDT merged with and into Circle K Stores Inc., with Circle K Stores Inc. being the surviving entity in the merger. Following the merger, Circle K Stores Inc. transferred the IDT business into another affiliate, Fuel South Express, LLC ("FSE"). FSE, originally formed as a Georgia corporation on October 13, 1992, is another affiliate of HDS and a transportation company for Automotive Fuels, providing services to Holiday Stationstores® franchisees beginning on May 1, 2023.

HSI has operated businesses of the type described in this Disclosure Document since 1964 and operated 420 Holiday Stationstores® as of April 30, 2023.

The business address of HSI, LTC, and EPC is 4567 American Boulevard West, Minneapolis, Minnesota 55437. The business address of FSE is 3020 Harris Road, Waycross, GA 31503. HSI, EPC, and FSE do not offer, and have not in the past offered, franchises in any line of business. HSI, EPC, and FSE sell certain of the goods and services that you will be required to purchase as a condition of this franchise, as described in Item 8 of this Disclosure Document.

Through its status as a subsidiary of TMC, HDS is now affiliated with the franchise programs listed below. None of the affiliates listed below have offered franchises in any line of business other than as listed below:

On May 28, 2009, TMC acquired the rights to the *On the Run*® franchise system from ExxonMobil Oil Corporation ("ExxonMobil"), including the rights to the *On the Run* trademarks and the existing *On the Run*® Convenience Store Franchise Agreements. As of April 30, 2023, there were 95 *On the Run* franchised locations in the United States. TMC has the right to offer and sell franchises under the *On the Run* mark. TMC operates the *On the Run* franchise business from its current place of business, 1130 West Warner Road, Tempe, Arizona 85284.

On March 16, 2015, Circle K Stores Inc. acquired The Pantry, Inc., which owned the rights to the Kangaroo Express® convenience store system, including the rights to the Kangaroo Express trademarks and the existing Kangaroo Express® convenience store assets. TMC has been offering and selling franchises under the Kangaroo Express marks for the operation of Kangaroo Express convenience stores since November 2015. As of April 30, 2023, there were 105 Kangaroo Express franchised locations in the United States. TMC operates the Kangaroo Express franchise business from its current place of business, 1130 West Warner Road, Tempe, Arizona 85284.

On June 28, 2017, Couche-Tard acquired CST Brands, Inc. ("CST"), an operator of over 1,100 convenience stores in the United States under the following brands: Corner Store (located throughout the United States), Nice N Easy Grocery Shoppes (in New York), and the Flash Foods Network (in Georgia and Florida), of which six were franchised stores operating under the brand "Nice N Easy". Couche-Tard and its affiliates have converted over 800 Corner Store convenience stores into Circle K stores over the past four years, and plan to convert and/or close the remaining four Corner Store convenience stores over the next year. As of April 30, 2023, there were 11 Corner Store franchised locations in the United

States, although TMC no longer offers and sells the Corner Store franchise opportunity. TMC operates the Corner Store franchise business from its current place of business, 1130 West Warner Road, Tempe, Arizona 85284. TMC does not have any plans to offer or sell franchises under the Corner Store brand or either one of the other acquired brand names (Nice N Easy Grocery Shoppes or Flash Foods Network).

Circle K Stores Inc. has, directly or through its affiliates, offered Circle K licenses internationally since 1979. Circle K Procurement and Brands and Financing Limited, an affiliate of Circle K Stores Inc., offers Circle K franchises in a number of countries around the world. Circle K Procurement and Brands Limited's principal business address is: Topaz House, Beech Hill, Clonskeagh, Dublin 4, Ireland.

From 1987 until February 2012, TMC's affiliate, Mac's Franchise Management, LLC ("MFM"), organized in Delaware on August 29, 2002, with principal business address of 315 Commons Mall, Columbus, Indiana 47201, offered franchises for convenience stores under the Dairy Mart brand ("Dairy Mart Franchises"). In March 2012, MFM merged into its parent entity, Mac's Convenience Stores LLC, a Delaware limited liability company organized on April 27, 2001 ("MCS"), with MCS being the surviving entity in the merger. Following the merger in March 2012 and until December 2022, MCS offered Dairy Mart franchises in the U.S. MCS no longer offers Dairy Mart franchises. MCS's principal business address is 315 Commons Mall, Columbus, Indiana 47201. As of April 30, 2023, there were eight Dairy Mart franchised stores in the U.S., located in the following states: Ohio – 6 and Michigan –2.

HDS has acquired the exclusive rights to franchise Holiday Stationstores® from HSI.

The Franchise Offered

HDS grants qualified franchisees the right to operate a Holiday Stationstore® that sells Automotive Fuels and Groceries, Food Service Items and Merchandise to the general public under the Holiday® marks that are described in Item 13 of this Disclosure Document (the "Marks") or other Marks as HDS requires or authorizes under the Franchise Agreement. As of April 30, 2023, there were 117 franchised Holiday Stationstores®. Holiday Stationstores® are located in urban and rural areas and have approximately 3,000 to 4,500 square feet of floor space. Depending upon the site-specific circumstances of your location, your Holiday Stationstore® may be branded Holiday Express® and may not have the same footprint or offer all of the same programs and products as a traditional Holiday Stationstore®. HDS does not own or operate any Holiday Stationstores® and HDS has not offered and does not intend to offer any franchises in any other lines of business.

Conversion to Circle K® Brand

HDS and its affiliates have recently begun converting company-operated Holiday Stationstores into Circle K stores and intend to convert all franchised Holiday Stationstores into Circle K® convenience store franchises over the next three to five years. If you are being granted a Holiday Stationstore pursuant to this Franchise Disclosure Document, HDS intends to require you to convert your Holiday Stationstore into a Circle K store by a deadline set by HDS, which deadline will coincide with the conversion deadline for all other Holiday Stationstores in your market, and which deadline could be as soon as six months from the effective date of your franchise agreement (e.g., if all other Holiday Stationstores in your market have converted or are in the process of converting) or as late as five years from the effective date of your franchise agreement. You will be required to convert your store to a Circle K store within the applicable deadline. This conversion will not require the signing of a new franchise agreement, and your existing franchise agreement and all related agreements, including, without limitation the Sign Rental Agreement, and all of your obligations under each such agreement, will continue in full force and effect following the conversion. The conversion will consist of changing of all Holiday Stationstore® signage to Circle K signage. HDS will arrange for, at is own cost, the removal of the Holiday Stationstore® signage, and the purchase and installation of the Circle K signage. You will be required to cooperate with HDS in accomplishing the conversion in a timely and efficient manner.

General Market and Competition

The market for your Holiday Stationstore® includes any customer that purchases motor vehicle fuel at retail and any customer that purchases groceries, food, food service items (hot and cold sandwiches, hot dogs, bratwursts, salads, fruit, bakery), general merchandise and other products at retail, including cigarettes, beverages (soft drinks, coffee, milk, and in some cases beer and wine), gum, candies and newspapers. Generally, sales are not seasonal; however, the sale of Automotive Fuels and general merchandise may be somewhat higher in the summer months. Your competitors include gas stations, convenience stores, drug stores, food stores and any other retail stores that dispense motor vehicle fuels or sell groceries and general merchandise, which specifically include other outlets of convenience store networks (including combination fuel/convenience store outlets) owned or franchised by Couche-Tard and its subsidiaries and affiliates, including units operating under the "Circle K" brand and the other brands described above. The gasoline/convenience store industry is highly competitive.

Industry Specific Regulations

You will need to comply with all federal, state and local laws that apply to gasoline station and convenience store businesses, including labor and employment laws. For example, certain states have pricing laws regarding fuel and/or tobacco products. You should consult with an attorney or government agencies to determine the laws and regulations that apply. You will also need to comply with the payment credit card industry data security standard established by the Payment Card Industry Security Standards Council, HDS or any other industry recognized regulatory agency.

In addition, you may need special licenses or permits in most states and/or municipalities if you participate in government programs such as food stamps, WIC or SNAP, if you offer bakery, food service, floral, video rental, vending machine or ATM/banking services, or if you sell live bait or other fish, alcohol, cigarettes, firearms or ammunition. Most states and municipalities also regulate and require licenses for the handling of processed and prepared food. You will need to contact your local and state authorities to confirm the requirements that apply to your store.

Special permits are also required for fuel storage tank systems (both the tanks and related piping) in some states, and you will have to comply with federal, state and local rules and regulations concerning various environmental matters, including the following: (a) underground storage tank system installation, registration, operation, maintenance, release detection, record keeping, upgrading and closure; (b) reporting and remedial action concerning petroleum leakage or spills; and (c) storage and transportation of flammable and combustible liquids, motor vehicle fuel, motor oil and other hazardous substances. In particular, you will need to ensure that the underground storage tanks used in your Holiday Stationstore® comply with current federal, state and municipal rules requiring the replacement of old tanks with tanks satisfying current environmental standards.

2. BUSINESS EXPERIENCE

President and Senior Vice President of Global Fuels: Timothy Alex Miller

Mr. Miller has been the President of HDS since December 2017 and has served as the Senior Vice President of Global Fuels for Couche-Tard since February 2016. Mr. Miller previously served as Vice President of Fuel from February 2012 until February 2016. Mr. Miller works from Charlotte, North Carolina.

Senior Vice President Global Shared Services: Kathy Cunnington

Ms. Cunnington works from Tempe, Arizona and has also been Senior Vice President, Global Shared Services of Circle K Stores Inc. since January 2018. She has also been a director and Corporate Secretary of TMC since March 2012. From January 2014 until December 2017, she was Vice President, Shared Services of Circle K Stores Inc.

President of TMC and Vice President of Global Franchise: Pat Fitzpatrick

Mr. Fitzpatrick works from San Antonio, Texas, and has been President of TMC and Vice President of our Worldwide Franchise Business Unit since February 2022. Prior to that, Mr. Fitzpatrick served as Head of Full Franchise of TMC from March 2021 to January 2022, Divisional Operations Director of Circle K Stores Inc. from July 2020 to February 2021, and Marketing Director for the Texas Business Unit of Circle K Stores Inc. from July 2017 to June 2020.

Vice President of Operations: Gary M. Brant

Mr. Brant has been the Vice President of Operations of Couche-Tard since September 2019. Mr. Brant previously served as the Director of Merchandising of Couche-Tard from September 2018 until September 2019. Mr. Brant works from Bloomington, Minnesota.

Director of Franchise Development: Cullen Prouty

Mr. Prouty has been the Director of Franchise Development for HDS since March 2022. Mr. Prouty previously served as the Category Manager of Holiday Stationstores from May 2018 until March 2022. Mr. Prouty works from Bloomington, Minnesota.

Franchise Development Manager: Frank Jung

Mr. Jung has been the Franchise Development Manager for HDS since January 2018. Mr. Jung previously served as a District Manager for HSI from December 1995 until January 2018. Mr. Jung works from Bloomington, Minnesota.

3. LITIGATION

Actions Involving Affiliates and Not Involving Franchisor:

TMC Franchise Corporation v. Broadway Restaurants, Inc., Zuri Barnes, Case No. 21STCV 19544 (Los Angeles County Sup. Ct.). On September 13, 2019, TMC terminated for cause the Circle K franchise agreement with Broadway Restaurants, Inc. ("BRI"), after BRI failed to cure its defaults under the franchise agreement, following several opportunities to cure provided by TMC. Following the termination, TMC made multiple attempts to contact BRI to cause BRI to comply with its post-termination obligations. When such attempts proved unsuccessful, on May 25, 2021, TMC filed this action against BRI and Zuri Barnes, BRI's guarantor under the terminated franchise agreement (collectively with BRI, the "Defendant"), due to the Defendant's failure to comply with its post-termination obligations under its terminated franchise agreement, including failure to de-identify the Circle K store operated under the franchise agreement and failure to pay liquidated damages as required under the franchise agreement. TMC sought damages of $61,444 as well as recovery of attorneys' costs and fees. Defendant filed a cross-complaint on September 17, 2021, seeking damages in excess of $5,000,000 and alleging that TMC failed to comply with its obligations under the Circle K franchise agreement, including failing to advertise Defendant's Circle K store, engaging in price fixing, and failing to deposit rebates to Defendant, which actions the Defendant further alleged constituted a breach of the implied covenant of good faith and fair dealing, and unfair business practices under California Business & Professions Code section 17200. TMC disputed all material allegations against it and that Defendant was entitled to any purported damages Promptly after the filing of the cross-complaint, TMC filed a demurrer requesting the court to dismiss the cross-complaint in its entirety, as well as a motion to strike portions of the cross-complaint, including the damages requested, as contrary to well-established California law. The Court granted the demurrer in part and limited Defendant's right to claim damages. The parties settled the dispute on December 29, 2022, pursuant to which settlement Defendant paid TMC $30,722, and the parties entered into mutual releases of liability and filed a stipulation of dismissal, with prejudice, of the lawsuit.

Universal Property Services, Inc., et al. v. Lehigh Gas Wholesale Services, Inc., et al., Case No. 3:20-CV-03315-FLW-TJB (D. N.J.). A former franchisee and its guarantor ("Plaintiffs") filed a lawsuit in the

U.S. District Court for New Jersey on March 26, 2020, against Lehigh Gas Wholesale Services, Inc., Lehigh Gas Wholesale LLC, and LGP Realty Holdings LP (together, "Lehigh Defendants"). On April 10, 2020, Plaintiffs filed an amended complaint adding TMC Franchise Corporation ("TMC") and Circle K Stores, Inc. ("Circle K Stores") as defendants and asserting new claims against them. The amended complaint included common law and statutory claims alleging that TMC and Circle K Stores made misrepresentations and omissions in connection with the sale of 17 existing corporate-owned Circle K® convenience stores to Plaintiffs in 2019. The amended complaint also alleged that Circle K Stores wrongfully invoiced the franchisee under amended inventory agreements. In June 2020, TMC filed a motion to dismiss all claims against it and Circle K Stores filed a motion to dismiss all but one of the claims against it. On April 30, 2021, the district court directed Plaintiffs to file a Second Amended Complaint in light of its ruling that Florida law would not apply. On May 21, 2021, Plaintiffs filed a Second Amended Complaint against TMC, Circle K Stores, and the Lehigh Defendants. The Second Amended Complaint included the same common law claims against TMC and Circle K Stores alleging misrepresentations and omissions. It also included a claim under the Arizona Consumer Fraud Act against TMC based on the same allegations. Finally, it included the same breach-of-contract claim against Circle K Stores. The Second Amended Complaint, however, dropped all statutory claims against Circle K Stores. Plaintiffs allege damages in excess of $10 million against TMC and Circle K Stores. TMC and Circle K Stores dispute all the material allegations against them and dispute that Plaintiffs are entitled to any purported damages. TMC also filed a counterclaim against Plaintiffs for liquidated damages arising under the Franchise Agreements as a result of Plaintiffs materially breaching those agreements. TMC is seeking over $1.1 million in damages from Plaintiffs. Plaintiffs deny the allegations of TMC's counterclaim. TMC and Circle K Stores intend to vigorously defend against this action.

<u>TMC Franchise Corporation et al. v. Golen, et al., Case No. 6:19-CV-1970 (M.D. Fla.)</u>. TMC Franchise Corporation ("TMC") and its parent company Circle K Stores, Inc. ("Circle K Stores") filed a lawsuit in the U.S. District Court for the Middle District of Florida on October 16, 2019, against its former franchisee Ishan Interprices, Inc., and the former franchisee's guarantors Narinder Golen and Poonam Golen (together, "Defendants"). TMC filed an amended complaint on December 20, 2019, alleging that Defendants, after early termination of the franchise agreement, failed to pay liquidated damages under the franchise agreement and amounts owed under a funding agreement. Defendants filed counterclaims alleging that certain inventory-related terms of the franchise agreement were unconscionable and alleging incomplete disclosures during the franchise sales process in violation of Florida's Unfair and Deceptive Trade Practices Act. Defendants sought rescission of the franchise agreement, return of all money paid by Defendants, any other damages necessary to return the parties to a pre-contractual state, damages available under Florida's Unfair and Deceptive Trade Practices Act, and attorneys' fees and costs. The parties resolved the lawsuit through a settlement agreement effective April 27, 2020, which included mutual releases of claims and payment of certain amounts to TMC and Circle K Stores.

<u>Decision and Order and Order to Maintain Assets of the United States Federal Trade Commission ("FTC") in the Matter of Alimentation Couche-Tard Inc., a corporation, and CrossAmerica Partners LP, a limited partnership; Docket No. C - 4635, FTC file number 171-0184</u>. In connection with the acquisition by Couche-Tard of equity interests in HDS and certain of its affiliates, as described in Item 1 of this Disclosure Document (the "Transaction"), on November 29, 2017, Couche-Tard and CrossAmerica Partners, LP ("CAPL" and collectively with Couche-Tard, "Respondents") executed an Agreement Containing Consent Orders with the Federal Trade Commission ("FTC") (the "Consent Agreement"). The Consent Agreement contained an Order to Maintain Assets, which was issued on December 15, 2017, and a Decision and Order (the "Order"), which was issued on February 15, 2018 following a statutory public comment period. The Consent Agreement resolves allegations by the FTC that the Transaction violates the Clayton Act, as amended, 15 U.S.C. section 18, and the Federal Trade Commission Act, as amended, 15 U.S.C. section 45. Pursuant to the Consent Agreement, Respondents were required to divest a total of 10 convenience stores operated by Respondents or their affiliates. Three of such stores were Holiday Stationstore locations in Wisconsin operated by CAPL, as a franchisee of Franchisor. The signing of the Consent Agreement was for settlement purposes only and does not constitute any admission of liability by Respondents. These stores were divested in September 2018, after the June 15, 2018 deadline specified in the Order. As a result, on July 6, 2020, the FTC filed a Complaint for Civil Penalties Pursuant to Section 5(l) of the FTC Act against Respondents to obtain civil penalties for

violations of the Order, alleging that Respondents failed to timely divest the 10 stores as required under the Order, failed to provide accurate and detailed information in their compliance reports as required under the Order, and failed to maintain business operations at one of the stores as required under the Order. Also on July 6, 2020, the parties entered into a Stipulation on Final Judgment against Respondents in settlement of disputed claims and without any admission of liability by Respondents, pursuant to which Respondents agreed to pay a civil penalty of $3,500,000 within 30 days of the final judgment.

Other than the actions described above, no litigation is required to be disclosed in this item.

4. BANKRUPTCY

There are no bankruptcies which are required to be disclosed in this Item.

5. INITIAL FEES

When you sign the Franchise Agreement, you will pay HDS an initial, lump-sum, nonrefundable Initial Franchise Fee of $25,000 for your Holiday Stationstore®.

In addition to the Initial Franchise Fee, you will pay us or our affiliates for: 1) initial fuel purchase from EPC ranging from $100,000 to $300,000, 2) initial fuel delivery charge to FSE ranging from $500 to $2,500, 3) purchase of initial Commissary Products from HSI ranging from $500 to $3,500, 4) initial training services of $3,600 to $16,600 payable to HDS, 5) sign rental to HDS ranging from $150 to $466 per period, 6) $10,000 to $15,000 grand opening advertising, 7) $2,500 to $5,000 store set-up fee, and 8) POS and back office systems ranging from $47,350 to $60,000.

The total of these payments to us or our affiliates during our last fiscal year was $164,600 to $403,066.

These are the only fees (and payments that you must pay to us or our affiliates) for goods or services before your Holiday Stationstore® opens.

6. OTHER FEES

Column 1 **Type of Fee(1)**	**Column 2** **Amount**	**Column 3** **Due Date**	**Column 4** **Remarks**
Royalty Fees	Your Royalty Fees per Accounting Period will be equal to the greater of $500 or the Percentage Royalty Fee. The Percentage Royalty Fee for each Accounting Period will be equal to: (a) ¾ of 1 cent ($0.0075) per gallon of Automotive Fuels you sell, plus (b) 3.5% of your Gross Sales of Groceries, Food Service Items, Merchandise and services (such as car washes)	Currently payable on the 15th day after the end of each Accounting Period. HDS reserves the right to change the due date upon 30 days' prior notice.	Accounting Period means the accounting period as determined by HDS in writing from time to time, currently a 28-day period or a 35-day period, as HDS specifies in writing. Your "Gross Sales" will include all sales except sales of Automotive Fuels and other specific excluded items. (2)

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Advertising Fee [3]	1% of Gross Sales	Payable at the same time and in the same manner as Royalty Fees.	HDS and its affiliates have the right to determine when, how and where the Advertising Fees will be spent in the best interests of all Holiday Stationstores®.
Holiday® Smart Savings Credit Card	0.50% of Holiday® credit card receipts and $0.05 per transaction charge	Payable at the same time and in the same manner as Royalty Fees.	You must offer the Holiday® Credit Card Program. The credit card and transaction rates may change from time to time.
Holiday/Wex Universal Fleet Card	2.0% of credit card receipts and $0.10 per transaction	Payable at the same time and in the same manner as Royalty Fees.	You must offer the Holiday/Wex Universal Fleet Card Program. The credit card and transaction rates may change from time to time.
Non-Holiday® Credit Card Program[4]	Rates and transaction charges vary depending on the credit card. See Note 4 for current rates.	Payable at the same time and in the same manner as Royalty Fees.	You must process non-Holiday® credit cards as designated by HDS and through the credit department designated by HDS, which may include EPC or HSI.
POS and Back Office System support costs	Based on prevailing fee schedule	Payable at the same time and in the same manner as Royalty Fees.	This amount covers support of the POS and Back Office System (see Item 11).
Sign Rental Fee	$150 to $446	Payable at the same time and in the same manner as Royalty Fees.	The sign rental varies based on the type and number of signs you lease. HDS may require you to purchase signs instead of leasing them. You are responsible for periodic maintenance.
Late fees; interest	$100 for each past due payment; 1-½% per Accounting Period interest on past due amounts	Upon billing	

Column 1 **Type of Fee[(1)]**	**Column 2** **Amount**	**Column 3** **Due Date**	**Column 4** **Remarks**
Audit costs	Cost of audit if payment deficiency exceeds 5%	Upon audit completion	The cost of the audit will vary. You will also be responsible for any deficiency, even if less than 5%, and for late fees and interest charges on the deficiency.
Transfer Fee	$1,000 per Holiday Stationstore®	Upon transfer	This fee applies if HDS consents to a requested transfer.
Equipment purchasing fees [(5)]	5% of Equipment cost	Upon billing	Equipment purchasing may be offered or required by HDS.
Liquidated damages	The sum of: (A) Royalty Fee payments for a period equal to lesser of 52 Accounting Periods or the remaining term of the Franchise Agreement, based on the average royalty fee payments per Accounting Period payable by you for the most recent 13 Accounting Periods or for a shorter period if the Franchise Agreement hasn't been in effect for 13 Accounting Periods; and (B) $0.0075 per gallon multiplied by the average volume per Accounting Period in Automotive Fuel gallons actually purchased by you (calculated for the period starting on the effective date of the Franchise Agreement until the termination date) multiplied by the lesser of (i) 52 Accounting Periods or (ii) the number of Accounting Periods remaining under the term of the Franchise Agreement	Payable upon termination of the Franchise Agreement	See Note 6.

Column 1 Type of Fee[(1)]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Reimbursement of Funding	You must pay HDS the entire amount of the funding you received (See item 10) *less* the amount that was forgiven as of the time of the termination of the Franchise Agreement (i.e., 5% of the funding amount is forgiven on the 1st through 5th anniversary date of the date of the funding agreement; 15% is forgiven on each of the 6th – 10th anniversary.)	Payable upon termination of the Franchise Agreement	If your Franchise Agreement is terminated prior to its expiration due to your default. See also Item 10 and Exhibit H.

(1) Unless otherwise stated, all fees described in this chart are invoiced by, collected by and for the benefit of HDS or an affiliate of HDS. These fees are subject to change. All fees are nonrefundable. Unless otherwise stated, all fees are due upon invoicing and will apply individually to each Holiday Stationstore® subject to your Franchise Agreement.

(2) "Gross Sales" does not include sales of Automotive Fuel or sales of co-branded fast food franchises operated at your Holiday Stationstores®, bait, video games and movie rentals, licenses, or lottery or lotto tickets (Franchise Agreement Article 28). You must provide HDS with periodic reports of Gross Sales (currently weekly and per Accounting Period) and quarterly and yearly financial statements.

(3) Other projects, including grand opening costs, will be billed per job according to the prevailing internal and external fees and production costs. Subject to applicable law, you will be required to participate in all Holiday Stationstore® promotions and to conduct your own local advertising. The cost of local advertising will depend upon local rates and type of promotion.

(4) The current prevailing rate for non-Holiday® credit cards is 1.8% plus $0.12 per transaction for Visa and MasterCard and 3.25% plus $0.10 per transaction for all other credit card types, but such rate may also be changed from time to time.

(5) The Equipment you must purchase includes furniture, fixtures, equipment and other assets required for the operation of a Holiday Stationstore®. See Item 8 for more information on Equipment purchasing.

(6) If the balance of the 10-year term of your Franchise Agreement is less than 52 Accounting Periods, then the calculation of liquidated damages will be based on the remainder of the Accounting Periods in the term. If the Holiday Stationstore® has never been opened and therefore has no history of royalty payments, liquidated damages will be calculated based on the average Gross Sales per Accounting Period submitted by all Holiday Stationstore® franchisees located in your state for the 13 Accounting Periods immediately preceding the termination. If there are no Holiday Stationstore® franchisees located in your state, the calculation will be based on the average Gross Sales per Accounting Period submitted by all Holiday Stationstore® franchisees located in the United States. In any and all cases, the average Royalty Fee (per Accounting Period) payment amount of the liquidated damages calculation shall be no less than $500 since that is the minimum required Royalty Fee per Accounting Period.

7. ESTIMATED INITIAL INVESTMENT[1]

YOUR ESTIMATED INITIAL INVESTMENT							
	Column 2 Amount						
	New Construction		Conversion of Existing Store				
Column 1 Type of Expenditure	Low	High	Low	High	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment Is Made
Initial Franchise Fee[2]	$25,000	$25,000	$25,000	$25,000	Lump sum	Upon signing	HDS
Initial training fees and travel and living expenses[3]	$3,600	$16,600	$3,600	$16,600	Lump Sum	Start of training	HSI, airlines, hotels and restaurants
Building construction plans and specifications	$85,000	$180,000	$0	$85,000	As incurred	As incurred	Architectural and engineering consultant
Land	$500,000	$2,000,000	$0	$0	Lump sum or contract payments	As incurred	Property owner
Building and site work	$1,100,000	$2,250,000	$75,000	$700,000	As incurred	As incurred	Contractor
Equipment	$500,000	$940,000	$15,000	$500,000	As incurred	As incurred	Various vendors
Initial Groceries, Food Service Items and Merchandise inventory	$70,000	$120,000	$70,000	$120,000	Lump sum	As incurred	HSI and Vendors
Initial Automotive Fuels inventory	$100,000	$300,000	$100,000	$300,000	Lump sum	As incurred	EPC
Initial Fuel Delivery Charge	$500	$2,500	$500	$2,500	Lump sum	As incurred	IDC
Facade and pylon signs	$80,000	$250,000	$25,000	$100,000	As incurred	As incurred	Contractor
Car wash (building), if elected [4]	$560,000	$880,000	$300,000	$650,000	As incurred	As incurred	Contractor
Car wash (equipment), if elected[4]	$140,000	$420,000	$140,000	$420,000	As incurred	As incurred	Various vendors
Permits, deposits, supplies, Automotive Fuels price numerals, signs, cleanup costs, placement of initial inventory, and related items	$30,000	$100,000	$1,500	$75,000	As incurred	As incurred	Various payees
Initial insurance premiums	$13,000	$20,000	$13,000	$20,000	Lump sum or monthly payments	Before opening	Insurance company
Miscellaneous store set-up and opening costs[5]	$2,500	$5,000	$2,500	$5,000	As incurred	As incurred	HSI and vendors
Grand Opening advertising	$10,000	$15,000	$10,000	$15,000	Billed per job	120 days from opening	Vendors
POS & Back Office System (hardware, software and installation)[6]	$47,350	$60,000	$42,500	$60,000	As incurred	As incurred	Vendor and HDS

YOUR ESTIMATED INITIAL INVESTMENT							
Column 1 Type of Expenditure	**Column 2 Amount**				**Column 3 Method of Payment**	**Column 4 When Due**	**Column 5 To Whom Payment Is Made**
	New Construction		**Conversion of Existing Store**				
	Low	**High**	**Low**	**High**			
Additional funds (3 months)(7)	$75,000	$150,000	$75,000	$150,000	As incurred	Weekly or biweekly	Employees and vendors; working capital
Total(8)	$3,341,950	$7,734,100	$898,600	$3,244,100			

(1) All fees are nonrefundable. Unless otherwise stated, all fees are due upon invoicing and costs will apply individually to each Holiday Stationstore® subject to the Franchise Agreement.

(2) The Initial Franchisee Fee is $25,000 for a Holiday Stationstore® developed under the Franchise Agreement, which you will pay when you sign the Franchise Agreement.

(3) The initial training fees and expenses are for 2 employees to (i) attend store operations training for a minimum of 6 weeks at a company-owned Holiday Stationstore® including POS and Back Office System training; and (ii) an additional 1 week in-store field training. See Item 11 for more information on training.

(4) HDS does not require you to install a car wash. You will make the decision whether or not to install a car wash at your Holiday Stationstore® based on competition, market conditions, population and other economic and demographic factors. HDS can assist in this decision.

(5) These costs include charges for the services of HDS's employees who assist with setting up, profiling (or re-profiling) and opening your Holiday Stationstore(s)®; HDS's current charges are $2,000 and includes 1-2 employees for 2-3 days. Additional assistance by HSI employees may be required. HSI's current rate is $15.00/hour, plus expenses.

(6) You must purchase a Radiant Systems and PDI point of sale and operations data system software and hardware (the "POS and Back Office System") through HSI which has been developed for use in Holiday Stationstores® (see Item 11).

(7) These estimates cover trademark sign lease payments, POS and Back Office System maintenance charges, grand opening advertising, accounting and payroll service charges, employee wages and benefits, utilities, security deposits, royalties and advertising fees, other operating expenses and working capital. HDS does not represent that you will reach a break- even or any other financial performance level by the end of three months of operation, and you may need additional working capital.

(8) These estimates are based on the many years of experience that HDS's management has in the gas station and convenience store field. The estimates assume that you will own the land and building for your Holiday Stationstore(s)®; if you lease rather than own the real estate, your real estate lease costs will generally range from $2,000 to $10,000 per month. HDS may offer financing (See Item 10). HDS requires that you meet certain net worth and liquidity requirements, and that you do not exceed recommended limits in the amount of your initial investment that you finance, as such requirements and recommended limits are established by HDS from time to time. Your actual investment may vary depending on location, the size of your premises, wage rates, transportation costs and other economic factors.

8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Designated Suppliers

You must purchase various items that are sold at or used in the operation of your Holiday Stationstore(s)® from HDS, its affiliates or suppliers designated by HDS. To provide for uniformity in the primary products and services sold at Holiday Stationstores®, you cannot purchase these items from other sources. HDS's designated supplier requirements are described in the following paragraphs.

You must purchase from EPC at least 95% of the total number of gallons of Automotive Fuels you purchase for each of your Holiday Stationstores®. EPC will charge you the applicable "posted price" for Automotive Fuels on the date of delivery as established by a supplier designated by EPC, at EPC's sole option. Posted prices do not include applicable taxes, other charges or transportation costs, which you must pay in addition to the posted price. You must pay all such taxes, other charges or transportation costs through EPC, even if you have a license to distribute automotive fuels. Motor vehicle fuel purchases may be subject to ethanol or other surcharges as EPC may determine. For the period from April 25, 2022 to April 30, 2023, EPC's revenues from the sale of Automotive Fuels to franchisees were approximately $559,652,000 which represents 99.9% of EPC's total revenues of $560,331,000 for that time period.

You must accept the Holiday® credit card and all other card types designated by HDS in your Holiday Stationstores®. HDS will provide, through HSI and EPC, processing support for the Holiday® credit card program. For the period from April 25, 2022 to April 30, 2023, HSI's revenues from the Holiday® credit card fees paid by franchisees were approximately $18,039,000.

You must contract with FSE for the delivery of all of the Automotive Fuels you purchase from EPC. The price you will pay for these services will be in accordance with FSE's then-current price schedule, including all applicable surcharges, which will be applied consistently to all franchisees of Holiday Stationstores®. For the period from April 25, 2022 to April 30, 2023, IDT provided these services to Holiday Stationstores® franchisees, and IDT's revenues for such period from franchisees for the transportation of Automotive Fuels were approximately $3,803,000.

HSI makes available for your purchase credit card processing equipment, point of sale and database hardware and software, inventory ordering equipment and advertising services. For the period from April 25, 2022 to April 30, 2023, HSI's revenues from providing these services to franchisees were approximately $4,000.

You must purchase all Holiday® Brand Products (groceries, products, food service items and merchandise sold under the Holiday® brand name or the other Marks) from supplier(s) designated by HDS. You must purchase certain Holiday® Brand Products from outside suppliers. You must purchase "Commissary Products," prepared food products such as bakery items and sandwiches which are sold under the Holiday® marks, from HSI. For the period from April 25, 2022 to April 30, 2023, HSI's revenues from sale of Commissary Products to franchisees were approximately $11,673,000 which represents 0.40% of HSI's total revenues of $2,872,928,000.

You must contract with HDS to provide the initial training required for your employees. HDS provides leasing of certain signs required for your Holiday Stationstore(s)®. HDS's revenues from providing these products and services to franchisees for the period from April 25, 2022 to April 30, 2023 were approximately $234,000 which represents 3% of HDS's total revenues of $8,513,000 for such time period.

Approved Suppliers / HDS's Standards and Specifications
HDS has approved in writing certain products, and certain suppliers of products and services, that are sold at or used in the operation of Holiday Stationstores®. The purpose of HDS's approved product/supplier program is to provide uniform product offerings and consistency in the quality of products and services at Holiday Stationstores®, and to provide consistent and dependable sources of supply to all Holiday Stationstores® for National Brand Merchandise (groceries, food service items and merchandise sold under a nationally recognized brand name other than Holiday®) and Approved Products (groceries and merchandise that are not Holiday® Brand Products or National Brand Merchandise that HDS determines must meet quality and uniformity standards).

You will manage your own operations and employees and you are solely responsible for monitoring and enforcing the system standards within your business, including all communications with your employees and agents. If HDS provides you forms or practices, you are solely responsible for ensuring that your forms and practices comply with local laws or other laws applicable to your business. Any changes made by you to the system must be pre-approved by HDS in writing, and will generally only be approved to the extent necessary to comply with applicable law. You must inform your employees that you are their employer, and that HDS is not their employer.

To maintain the uniformity of products sold by Holiday Stationstores®, you must purchase all National Brand Merchandise designated by HDS that will be sold by your Holiday Stationstore®. You will have the right to purchase National Brand Merchandise from any supplier or vendor you choose. HDS will provide you with a list of required National Brand Merchandise as well as its approved suppliers of National Brand Merchandise.

HDS will also provide you with a list of approved suppliers of Approved Products. You will not be required to purchase Approved Products from HDS's approved suppliers. However, if you wish to purchase Approved Products from an unapproved supplier, you must, at your expense, provide samples and specifications to HDS for review and/or testing to determine whether the proposed supplier and its products or services meet HDS's standards and requirements. HDS will provide you with a written copy of its standards and requirements upon request. HDS will complete its review and/or testing within 30 days of receiving all necessary samples and specifications, and will notify you within 45 days whether the proposed supplier and its products are approved.

HDS will issue specifications for the Equipment to be used in a Holiday Stationstore®, but does not require that you use specific manufacturers or suppliers. These specifications include standards for basic type, appearance, design and dimensions of Equipment. Specifications are issued when you begin development of your Holiday Stationstore® and whenever a remodeling occurs of the Holiday Stationstore® concept. HSI is an approved supplier of Equipment ordering and engineering services, but you are not required to purchase Equipment or engineering services through HSI. If you purchase Equipment or obtain engineering services through HSI, you will be charged a service fee at HSI's then-current rates. Engineering services are further described in Item 11. HSI's revenues for the period from April 25, 2022 to April 30, 2023 for such service fees were approximately $351,000 which represents less than 0.01% of HSI's total revenues.

HDS or its affiliates may negotiate National Purchase Contracts (agreements with suppliers for the manufacture, private labeling, distribution or purchase of Holiday® Brand Products, National Brand Products, or Approved Products to Holiday Stationstores®). Except with respect to the designated sources of certain products described above in this Item 8, you will not be required to purchase products from National Purchase Contract suppliers, although such suppliers will generally offer better pricing or terms than will be offered by other suppliers. HDS does not maintain any purchasing or distribution cooperatives.

You must carry the following minimum insurance coverages: (a) $2,000,000 for general liability, (b) $2,000,000 for vehicle liability, laid-in cost or replacement cost for property damage, (c) $1,000,000 for liquor liability (if your Holiday Stationstore® will sell alcoholic beverages), (d) $1,000,000 for workers' compensation and employers' liability insurance, and (e) $1,000,000 in umbrella insurance coverage (see Article 17 of the Franchise Agreement). Your insurance policies must name HDS and certain HDS affiliates as additional insureds. Item 7 describes the estimated cost of required insurance coverages. HDS does not derive revenue from your purchase of required insurance coverages.

You must participate in any loyalty programs and other marketing and promotional initiatives that HDS may from time to time establish. HDS may designate a single supplier for any of these programs or initiatives. You may be required to purchase equipment, supplies and/or other materials to participate in the programs. You must be in compliance with any rules and participation criteria applicable to these programs. HDS has the right to modify the participation criteria or discontinue these initiates at any time upon written notice to you. See also Item 11.

HDS and its affiliates may also periodically negotiate special promotional arrangements with suppliers for the benefit of the system, and you may be required to participate in the promotions designated by HDS. HDS and its affiliates may receive certain items or amounts of money from vendors as consideration for participating in national promotions based upon their terms. HDS and its affiliates may distribute any monies or items received from participating in national promotions on the suppliers' terms to participating franchisees in accordance with national marketing programs that you may enroll in from time to time. HDS and its affiliates may also use national promotions to create and develop national advertising strategies designed to promote the brand. Monies to be received by HDS, its affiliates or suppliers from national promotions will be negotiated and will vary depending upon the type of promotion and supplier involved.

HDS or its affiliates may receive income in the form of rebates, volume discounts, advertising and marketing allowances, signing bonuses, or other payments or credits from suppliers under National Purchase Contract arrangements or from other vendors who sell products or services to HDS's franchisees. In some cases, prices charged by suppliers to company-owned Holiday Stationstores® operated by HSI may be less than prices charged to franchised Holiday Stationstores® based on volume, credit, administrative costs or other factors. Payments may take the form of a percentage of sales made by the supplier or a fixed or set transactional amount. We may keep such consideration we receive from these suppliers or service providers, or we may fund costs associated with advertising and promotions, or we may distribute such allowances to you in such amounts and allocation methods as we deem appropriate. For the period from April 25, 2022 to April 30, 2023, HDS received no revenues from National Purchase Contract suppliers and other vendors based on franchisees' purchases. For the period from April 25, 2022 to April 30, 2023, HSI received revenues from National Purchase Contract suppliers and other vendors in the form of rebates ranging from less than 1% up to 20% of franchisees' purchases; HSI's revenues, for that time period, based on franchisees' purchases from these suppliers and vendors were approximately $412,000, which represents less than 0.01% of HSI's total revenues for such time period.

Except as described in this Item 8, HDS and its affiliates do not receive or provide material benefits based on your use of or purchases from designated or approved sources. One or more of HSI's officers owns small amounts of stock in a number of HDS's publicly-held designated suppliers. Your purchases and leases of goods and services which are subject to HDS's designated supplier, approved supplier, National Brand Merchandise, Approved Product, and standards and specifications requirements are approximately 80% to 85% of all purchases and leases of goods and services in establishing and operating your Holiday Stationstore®. The revenue information contained in this Item is derived from the financial books and records of HDS and its affiliates.

9. FRANCHISEE'S OBLIGATIONS

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

	Obligation	**Section in Agreement**	**Disclosure Document Item**
a.	Site selection and acquisition/lease	6	6, 7 and 11
b.	Pre-opening purchases/leases	5, 6, 7, 8, 9, 10 and 11 Exhibit B	6, 7 and 8
c.	Site development and other pre-opening requirements	6	6, 7 and 11
d.	Initial and ongoing training	14	6, 7, 11 and 15
e.	Opening	10	6, 7 and 11
f.	Fees	12 and 13	5 and 6
g.	Compliance with standards and policies/Operating Manual	4, 5, 6, 7, 8, 9, 10, 11 and 15	11
h.	Trademarks and proprietary information	3 and 4	13 and 14
i.	Restrictions on products/services offered	5, 9 and 11	8 and 16
j.	Warranty and customer service requirements	5	11
k.	Territorial development and sales quotas	None	12
l.	Ongoing product/service purchases	5, 9 and 11	8 and 16
m.	Maintenance, appearance and remodeling requirements	5, 6 and 7	11
n.	Insurance	17	7
o.	Advertising	13	6, 7, 11 and 18

	Obligation	Section in Agreement	Disclosure Document Item
p.	Indemnification	18 Exhibit B	9
q.	Owner's participation/management/staffing	5 and 14	11 and 15
r.	Records/reports	19	6
s.	Inspections/audits	5, 6 and 19	6 and 11
t.	Transfer	20	6 and 17
u.	Renewal	2	17
v.	Post-termination obligations	22	17
w.	Non-competition covenants	24.1	15 and 17
x.	Dispute resolution	25	17
y.	Other: Personal guaranty of franchisee obligations	27.6 and Exhibit C	15

10. FINANCING

We may offer you financing as follows:

Item Financed (Source)	Source of Financing	Down Payment	Amount Financed	Term (Years)	APR % (include any finance charges)	Monthly Payment	Prepayment Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Radiant System	Us	$0	$28,000 - $40,000	1-3	1-year term is interest free; 3-year term is at prime[1]	$1,000 to $2,800	None	None	Balance Due	None
Conversion / Capital Improvements/ Construction Costs	Us	$0	$75,000 - $350,000	10	prime[1]	5% forgiven on Anniversary Date of each of years 1 to 5. 15% forgiven on Anniversary Date of each of years 6 to 10.	None	None	Balance Due	None

[1] Prime rate as established by U.S. Bank, N.A.

If you qualify for and accept financing from HDS, you will be required to enter into a funding agreement in the applicable form attached hereto as Exhibit H (Exhibit H1 - Conversion Agreement - will apply if you are converting an existing convenienice store to a Holiday Stationstore; Exhibit H-2 - Capital Improvement Agreement – will apply if you are remodeling/upgrading your store, including in connection with your franchise renewal or upon your purchase of an existing Holiday Stationstore; and Exhibit H-3: Construction Agreement – will apply if you are developing a Holiday Stationstore as a new construction).

HDS generally does not offer any other direct or indirect financing, nor does HDS guarantee your note, lease or other obligation. HDS or one of its affiliates may consider in limited circumstances, negotiating financing arrangements relating to POS equipment and construction costs of converting a store to a Holiday Stationstore®.

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

Except as listed below, HDS is not required to provide you with any assistance.

Pre-Opening Obligations:

Before the opening of the franchised business, HDS will assist you in the following ways:

Site Review
HDS will review your proposed site to determine accessibility, visibility, potential traffic flows, and other demographic information. HDS' review of a site, once presented to HDS, will take one to three months. HDS has the right to require you, at your expense, to obtain an economic feasibility and demographics study for the proposed site. You are responsible for site selection, the purchase or lease of the site, and other pre-opening matters. HDS has no obligation to you to help with the selection of your location for the Holiday Stationstore® or to negotiate the purchase or lease of a site. HDS does not generally lease franchise locations.

Standard Building Site Plans and Fixture Plans
HDS will provide you with one copy of the Holiday Stationstore® Standard Building Site Plans and Fixture Plans for your use in constructing or remodeling the Holiday Stationstore®. The Standard Building Site Plans and Fixture Plans will include prototype plans, drawings, specifications, design, layout, decor and related criteria for the construction and appearance of a new Holiday Stationstore® (Franchise Agreement, Article 6). The Standard Building Site Plans and Fixture Plans do not include actual construction plans or working drawings required to construct a Holiday Stationstore® or convert an existing building or structure.

You will provide the Standard Building Site Plans and Fixture Plans supplied by HDS to your architect and other engineering consultants, who will then prepare final construction plans for your Holiday Stationstore®. HDS must approve the final plans and specifications for your Holiday Stationstore® before you may begin construction or renovation. You are responsible for all costs relating to construction or remodeling of the store, including the hiring and payment of an architect and contractor, the preparation of final construction plans and specifications, the purchase or lease of Equipment for the operation of the store, the stocking of the store, the receipt of necessary permits and licenses, compliance with local ordinances and building codes.

If you desire additional assistance in the construction of your Holiday Stationstore®, HDS may, but is not required to, have HSI's engineering department assist you in the following areas: preparing revisions to the standard plans and specifications, obtaining or providing any required architectural or engineering stamps of approval, and preparing plans (if approved by HDS) based upon a design other than the current Holiday Stationstore® standard design, and any other work related to the construction of your Holiday Stationstore®. For all work performed by HDS or HSI's engineering department, you will reimburse HDS or HSI for all out-of-pocket expenses, and pay HDS or HSI their prevailing rates for the services provided (Franchise Agreement, Article 6).

If HDS changes the design or image of the Holiday Stationstores®, you will be provided with HDS's then current Standard Building Site Plans and Fixture Plans for the new Holiday Stationstore® design and you will be required to remodel or re-image your Holiday Stationstore® according to the new design. There are no limits on HDS's right to require a remodel or re-image, except that your investment for the required remodeling or re-imaging, including costs for construction and Equipment, may not exceed $100,000 per store in any one-year period (Franchise Agreement, Article 6).

Marks
HDS will make the Marks available for your use, and will, subject to certain limitations, defend and enforce your rights to use the Marks (Franchise Agreement, Article 3; Item 13 of this Disclosure Document).

Signs
HDS will provide you with standard sign plans and specifications. You must, at your expense, prepare complete and detailed plans and specifications for the signs and submit them to HDS for its written approval. HDS will sell or lease trademark signs to you and make available other interior and exterior store graphics that HDS may require you to use. You are responsible for the purchase or lease of pylon,

building, canopy and other signs used in the operation of the store (Franchise Agreement, Article 7). You are also responsible for the maintenance of all leased or owned signs.

Initial Training Program

HDS will provide store operations training for 2 people for a minimum of 6 weeks of on-the-job training at an established HSI-owned Holiday Stationstore® (Franchise Agreement, Article 14). HDS will loan you written and computer-based materials as part of the training, and you may retain those materials for as long as you operate a Holiday Stationstore®. These materials are designed to assist you in the operation of your Holiday Stationstore® and in the training of your personnel and include computer-based instructional training for your manager and sales associates. You must maintain the confidentiality of all materials received as part of this training or otherwise as a franchisee. You will be required to travel to the training location. You must pay HDS's training fee and your travel and living expenses and those of your employees during the training (see Items 6 and 7 of this Disclosure Document). You and your managers must successfully complete the training program as a condition to working at any of your Holiday Stationstores®.

The on-the-job training consists of a minimum of 300 hours in a Holiday Stationstore® followed by 50 hours of field training in your store.

Your on-the-job instructor will be a Certified Holiday Stationstore® training manager with experience in operating a Holiday Stationstore®. Training in your store (50 hours) will be conducted by an HDS field trainer following the store conversion.

The instructional time is divided among five major areas, including Operations, Managerial/Financial, Communication/Technology, Store Security, and Merchandising. The amount of time dedicated to each subject varies based on the learner's ability, background, and knowledge level.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Operations	10	90	Corporate Training Store
Managerial/Financial	10	50	Corporate Training Store
Communications/Technology	10	40	Corporate Training Store
Store Security	10	90	Corporate Training Store
Merchandising	10	30	Corporate Training Store
Total	50	300	

All of your employees must successfully complete the computer-based training made available by HDS. HDS will furnish an appropriate computer to operate the training software.

HDS requires no other formal training, but encourages additional training available from HSI's training department at the then-current rates. HDS has no obligation to you to help with the selection or hiring of your employees.

Operations Manual

HDS will provide you with electronic access to materials, procedures and instructions regarding the standards of operation of a Holiday Stationstore® (the "Operations Manual") (Franchise Agreement, Article 4). The Operations Manual is confidential and remains the property of HDS and its affiliates. HDS may modify the Operations Manual at any time.

Equipment and Inventory

HDS will issue specifications for the Equipment to be used in your Holiday Stationstore®, but does not require that you use specific manufacturers or suppliers (Franchise Agreement, Articles 5 and 6). These specifications include standards for basic type, appearance, design and dimensions of Equipment. HDS will provide these specifications when you begin development of your Holiday Stationstore® and whenever a remodeling occurs of the Holiday Stationstore® concept. You may, but are not required to, purchase Equipment through HDS. HDS has no obligation to help you purchase, lease or install Equipment for your store.

HDS will issue specifications for the inventory of Automotive Fuels and Groceries, Food Service Items and Merchandise for your Holiday Stationstore®. See Franchise Agreement, Articles 5 and 11, and Items 8 and 16 of this Disclosure Document for details about restrictions on the purchase and sale of inventory. HDS will provide you with one to two employees for 2 to 3 days to assist with setting up, profiling (or re- profiling) and opening your Holiday Stationstore®(s). HDS currently charges $2,000 for providing these store set up services. Additional assistance by HSI employees may be required. HSI's current rate is $15.00/hour, plus expenses.

Post-Opening Obligations:

After your Holiday Stationstore® opens, HDS will provide the following assistance:

Credit Cards

HDS will provide, through HSI and EPC, processing support for the Holiday® Credit Card Program. You must participate in the proprietary Holiday® Credit Card Program (Franchise Agreement, Article 9) and must accept any other credit card designated by HDS, including non-Holiday® credit cards. HSI and EPC will review all Holiday® credit card applications and approve applications in their sole determination. You must purchase and install credit card authorization terminals and related peripheral equipment and imprinters (see Items 6 and 7 of this Disclosure Document).

HDS will make available to you the most recent form of credit authorization terminal required by HSI and EPC. You will be required to purchase this machine. The software for the credit authorization terminal has been either developed or customized to specifically meet the needs of the Holiday Stationstore® proprietary system. HDS may require you to upgrade, at your expense, to the most recent version of the hardware and software used for credit authorization to accommodate additional functions or replace outdated equipment. Software support and upgrades are provided through HDS at its then current fee schedule. There are no limitations on the frequency or cost of your obligations to upgrade and update.

Inventory Ordering Equipment

HSI or its designee will make available to you the most recent form of handheld inventory ordering device required by HDS. Software support and upgrades are currently provided through HSI or its designee.

The software for the handheld inventory ordering device has been either developed or customized to specifically meet the needs of the Holiday Stationstore® proprietary system. HDS or its designee may require you to upgrade, at your expense, to the most recent version of the hardware and software used for inventory ordering to accommodate additional functions or replace outdated equipment. Additionally, HDS, has the right to establish or revise the source, type, specifications, rental or purchase price for the ordering device, and you will be required to upgrade to the new standards. There are no limitations on the frequency or cost of your obligations to upgrade and update.

You will have access to the information obtained by this equipment for as long as it is retained by the appropriate device. You will not have access to information after it has been transferred from the equipment to HDS or its affiliates.

POS & Back Office System; Other Computer Systems

HDS requires that you use a point of sale and operations data management system (the "POS and Back Office System") supplied by NCR Global Headquarters, 864 Spring Street NW, Atlanta, GA 30308, 800-225-5627 and PDI, 3407 South 31st Street, Temple, TX 76502 or such other system as HDS may from time to time designate. The POS and Back Office System consists of computer hardware and software which monitors and manages the retail Automotive Fuel and Groceries, Food Service Items and Merchandise sales from your Holiday Stationstore®. You will license the POS and Back Office System software through HSI from NCR/Radiant Systems, Inc. and PDI, which will provide periodic updates

(Franchise Agreement, Article 8). You must purchase or lease the hardware required to operate the POS and Back Office System and pay to NCR/Radiant Systems, Inc. and PDI or its designee the prevailing periodic fee for support and maintenance of the POS and Back Office System. The Back Office System permits electronic mail communications between your Holiday Stationstore® and HDS. HDS currently does not have independent access to information and data contained in your POS and Back Office System, but reserves the right to do so in the future. The current form of POS and Back Office System transmits data and information to HDS. See Item 7 of this Disclosure Document for additional cost information relating to the POS and Back Office System.

HDS can require you to purchase or lease other computer systems or services (with capabilities to run the POS and Back Office System); mobile, smart and other electronic devices; smart processors in hardware; software and related hardware; computer peripherals; and systems to access the Internet, as HDS specifies.

Advertising

HDS may provide advertising assistance in local and regional newspaper and signage advertising. Occasional broadcast advertising may also be conducted. Advertising assistance is primarily provided by HSI's in-house advertising department, either directly by HSI personnel or in conjunction with external agencies. Typically, the advertising cycles run on alternating four-week periods or on cycles determined by HSI. To the extent permitted by applicable law, you must participate in all system-wide or regional advertising and promotional programs offered by HSI or HDS, including product promotions, coupon programs, club programs, consumer and/or commercial fleet discount programs and other programs designated by HSI or HDS.

The Advertising Fee is 1% of Gross Sales. The Advertising Fees are used for general advertising and marketing costs, including the development of advertising materials. HDS and its affiliates have the right to determine when, how and where the Advertising Fees will be spent in the best interests of all Holiday Stationstores®. HDS and its affiliates normally spend all Advertising Fees in the year in which they accrue. HDS will provide franchisees with an annual unaudited accounting of how Advertising Fees are spent. HDS and its affiliates are not required to spend a specific amount on advertising in any geographical area. HDS and its affiliates do not use Advertising Fees to pay for general promotion of the HDS franchise program. Generally, approximately 45% of Advertising Fees are spent for on-premise marketing, signage, merchandising and other in-store messaging, 40% is spent for media placement, 10% is spent on Special Projects (including loyalty programs and cooperative alliances). 0% is spent on administrative expenses, 5% is spent for other expenses (including sponsorships). For the period between April 25, 2022 and April 30, 2023, 50% of the Advertising Fees were spent on media placement, 41% was spent for on-premise marketing, signage, merchandising and other in-store messaging, 8% was spent on other expenses (including sponsorships), 1% was spent on Special Projects (including loyalty programs and cooperative alliances), and 0% was spent on administrative expenses.

All other advertising or promotional work, including work for grand openings, are considered special projects and are charged separately for each project. The charges for each project will vary greatly depending both on internal work and external costs of media and/or production as provided. Costs for a grand opening, for example, will depend on the scope of the grand opening marketing and promotional plan, the media plan, and campaign elements provided, such as print ads/flyers, radio, in-store signage, etc. However, HDS will require you to spend at least $10,000 on your grand opening advertising (Franchise Agreement, Article 13).

If you choose to develop your own advertising, all advertising you conduct must include approved Holiday Stationstore® and/or Circle K service marks or trademarks and current Holiday Stationstore® tag lines (Franchise Agreement, Articles 5 and 13). All advertising must be approved in advance by HDS.

In addition, you must conduct such promotions and special events, and offer such promotional items, as HDS may require from time to time. You must participate in any loyalty programs and other marketing and promotional initiatives that HDS may from time to time establish. HDS has the right to modify the participation criteria or discontinue such initiates at any time upon written notice to you.

We currently do not have an advertising council, but we reserve the right to create one in the future.

As of the date of this Disclosure Document, there are no advertising cooperatives or local marketing groups (collectively, "LMGs") formed by us or composed of Holiday Stationstore® franchisees. We reserve the right to designate or form one in your area in the future and require you to participate in the LMG. The Franchise Agreement does not provide and we currently do not have a plan for determining: (1) how the area or membership of the LMG is defined, (2) how much a franchisee must contribute to the LMG and whether franchisees contribute different amounts, (3) whether the franchisor-owned outlets must contribute to the LMG and if so, whether on the same basis, (4) who is responsible for administering the LMG, (5) whether the LMG must operate from written governing documents and whether these documents are available for franchisees to review, and (6) whether the LMG must prepare annual periodic financial statements and whether they are available for a franchisee to review. We also reserve the right to change, dissolve or merge any LMGs.

HDS has not maintained an advertising fund. See Items 6, 8 and 9 of this Disclosure Document for additional information. Your obligations regarding advertising are subject to your right, described in Article 11 of the Franchise Agreement, to determine your own pricing.

Opening Date
Although there is currently no typical length of time between the signing of the Franchise Agreement and the opening of the store, the Franchise Agreement requires that the business be opened within 180 days from the signing of the Franchise Agreement (Franchise Agreement, Article 10). Various factors will affect the timing of your store's opening, including availability of financing, ability to obtain permits and other necessary government approvals, potential environmental issues, ordering and availability of Equipment, preparation and approval of building plans, construction delays caused by weather, hiring of employees and other factors.

12. TERRITORY

You will not receive an exclusive area or territory. You may face competition from other Holiday Stationstores® that HDS or its parents or affiliates franchise or own or from other channels of distribution or competitive brands that we control. By way of example but without limitation, you may face competition from outlets of convenience store networks (including combination fuel/convenience store outlets), owned or franchised by HDS's parent TMC, Couche-Tard and their subsidiaries and affiliates, including units operating under the "Circle K" brand, the "One the Run" brand and the "Kangaroo Express" brand (see Item 1 for disclosures concerning all parent and affiliate owned competing convenience store networks). HDS and its parent and affiliates have the right to own, operate, develop, manage, license and/or franchise Holiday Stationstores® or other convenience stores that sell Automotive Fuels and Groceries, Food Service Items and Merchandise or other goods or services under the Holiday® Marks or under any other name or service mark at any location without regard to the competitive effect on your franchised business. HDS and its parent and affiliates also have the right to market products and services through other channels or methods of distribution and under other brand names in any area or territory without regard to the competitive effect on your franchised business. The Franchise Agreement grants you the right to operate a Holiday Stationstore® only at the specific location(s) identified in the Franchise Agreement. You may only add additional stores with HDS's prior approval, which HDS may refuse to give for any reason. You must receive HDS's permission before relocating any store.

The Circle K businesses sell goods and services similar to the franchise offered under this Disclosure Document. Specifically, the Circle K businesses offer convenience store franchises under the Circle K mark. Currently, the outlets operated under the Circle K mark are both franchised and company-owned. Franchisees using the Circle K mark have the right to solicit customers in your trade area. The Circle K franchise business is operated from the principal office located at 1130 West Warner Road, Tempe, Arizona 85284. TMC or its affiliates may grant franchises for Circle K stores or Other Circle K Franchised Outlets or operate Circle K stores (with or without motor fuel businesses) at any location as determined by TMC or its affiliates, regardless of proximity to your Store.

The *On the Run* businesses sell goods and services similar to the franchise offered under this Disclosure Document. Specifically, the *On the Run* business offers convenience store franchises under the *On the Run* mark. Currently, the outlets operated under the *On the Run* mark will be franchised, but TMC and its affiliates reserve the right to own or operate outlets under the *On the Run* mark. Franchisees using the *On the Run* mark have the right to solicit customers in your trade area. The *On the Run* franchise business is operated from the same offices as the Circle K franchise business, at 1130 West Warner Road, Tempe, Arizona 85284. TMC or its affiliates may grant franchises for *On the Run* stores or operate *On the Run* stores at any location as determined by TMC or its affiliates, regardless of proximity to your Store.

The Kangaroo Express businesses also sell goods and services similar to the franchise offered under this Disclosure Document. As mentioned in Item 1 of this Disclosure Document, beginning in 2015, TMC began offering and selling franchises under the Kangaroo Express marks for the operation of Kangaroo Express convenience stores. TMC and its affiliates have, and in the future franchisees using the Kangaroo Express mark may have, the right to solicit customers in your trade area. The Kangaroo Express franchise business is operated from the same offices as the Circle K and *On the Run* franchise businesses, at 1130 West Warner Road, Tempe, Arizona 85284. TMC currently provides training for all three brands in the same facility. TMC or its affiliates may grant franchises for Kangaroo Express stores or operate Kangaroo Express stores at any location as determined by TMC or its affiliates, regardless of proximity to your Store.

The Corner Store businesses also sell goods and services similar to the franchise offered under this Disclosure Document. As mentioned in Item 1 of this Disclosure Document, beginning in March 2019, TMC began offering and selling franchises under the Corner Store marks for the operation of Corner Store convenience stores, but TMC does not offer Corner Store franchises any longer. TMC and its affiliates have, and in the future franchisees using the Corner Store mark may have, the right to solicit customers in your trade area. The Corner Store franchise business is operated from the same offices as the Circle K, *On the Run* and Kangaroo Express franchise businesses, at 1130 West Warner Road, Tempe, Arizona 85284. TMC currently provides training for all four brands in the same facility. TMC or its affiliates may grant franchises for Corner Store stores or operate Corner Store stores at any location as determined by TMC or its affiliates, regardless of proximity to your Store.

You are not required to achieve any minimum sales volume or market penetration to maintain your franchise rights. However, you must pay HDS a minimum Royalty Fee per Accounting Period (see Franchise Agreement, Article 12 and Item 6), and you must purchase at least 95% of the total number of gallons of Automotive Fuels for each of your Holiday Stationstores® from EPC (Franchise Agreement, Article 11).

13. TRADEMARKS

HDS will sublicense to you the right to operate a Stationstore under the name "Holiday®" and to use the trade names, trademarks, service marks and logos identified in this Item 13 (the "Marks"). You may only use the Marks to identify your Holiday Stationstore® and you may not use other marks to identify your Holiday Stationstore®. You may not sublicense or transfer the Marks. HSI has registered or applied for registration the following Marks on the principal register of the U.S. Patent and Trademark Office, and has licensed the use of these registered Marks to HDS:

- Trademark Reg. No. 1,441,725 (name "Supra®"), registered June 9, 1987, renewed March 17, 2007, renewed January 22, 2016.
- Service Mark Reg. No. 1,648,311 ("Holiday®" and Design), registered June 18, 1991, renewed March 12, 2011.
- Service Mark Reg. No. 1,666,040 (Bullet Design), registered November 26, 1991, renewed March 9, 2011.
- Service Mark Reg. No. 1,819,155 (name "Holiday®"), registered February 1, 1994, renewed January 6, 2014.

- Trademark Reg. No. 2,069,446 (name “Holiday Pantry®”), registered June 10, 1997, renewed March 17, 2007, renewed December 12, 2016.
- Trademark Reg. No. 2,254,033 (name “Holiday Pantry®”), registered June 15, 1999, renewed July 17, 2008.
- Trademark Reg. No. 2,695,839 (name “Holiday Pantry®” and Design), registered March 11, 2003, renewed October 1, 2013.
- Trademark Reg. No. 2,721,419 (name “Holiday Pantry®”), registered June 3, 2003, renewed October 1, 2012.
- Service Mark Reg. No. 3,585,713 (name “Holiday Stationstores®”), registered March 10, 2009.
- Trademark Reg. No. 3,698,784 (name “Holiday Pantry®” and Design), registered October 20, 2009.
- Trademark Reg. No. 3,698,787 (name “Holiday Pantry®”), registered October 20, 2009.
- Service Mark Reg. No. 4,612,050 (Illuminated Blue Border Design Tradedress), registered September 30, 2014.
- Service Mark App. No. 87/164,938 (“Holiday Rewards”), filed September 8, 2016.
- Service Mark App. No. 87/164,968 (“Holiday Rewards”), filed September 8, 2016.

All required affidavits have been filed.

HSI has also licensed HDS to use the marks “Holiday®” “Holiday Stationstores®” and other service marks and trademarks which HSI has used but not registered with the U.S. Patent and Trademark Office. We do not have a federal registration for such marks. Therefore, these marks do not have as many legal benefits and rights as a federally registered trademark. If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

When you use the Marks, you must follow standards and rules established by HDS. You may not use a Mark as part of a corporate or partnership name or with modifying words, designs or symbols except with HDS’s authorization. You may not use the Marks in the sale of an unauthorized product or service or in a manner not authorized in writing by HDS. You may not independently market your Holiday Stationstore® or use any of the Marks on the Internet (which we define to include any present or future interactive system for electronic communications, using lines, cables, wireless, satellite, radio or any other technology and which involves one or more of the following: the system of interconnected computer networks that use the internet protocol suite (TCP/IP) or its successor; websites or similar remotely-accessible electronic information sources (whether password protected or not); use of domain names, other locators, or emails that use our trademarks; internet phone services; cellular or similar messaging; mobile applications; social networks or social media; or wikis, podcasts, online content sharing communities, or blogging). HDS will control the Holiday Stationstore® website and any Holiday Stationstore® social media and other digital or interactive media platforms and Internet sites and you will comply with all of HDS’s standards and requirements pertaining to such website and other digital or interactive media platforms.

There are no interference, opposition, cancellation or other proceedings, or any litigation pending or determined by the U.S. Patent and Trademark Office or any court, involving the Marks. There are no infringing uses actually known to HDS.

HSI owns the Marks. HDS has entered into a Trademark License Agreement with HSI dated January 1, 2009 which grants HDS the right to use and sublicense to its franchisees the right to use the Marks. The term of this License Agreement is for 20 years and after that it is renewed for an additional 20-year period unless either party gives notice of termination before the end of such extension. The License Agreement can also be terminated for failure to maintain quality standards, breach of the License Agreement or bankruptcy. Except for the Trademark License Agreement, there are no agreements in effect which limit HDS’s right to sublicense the Marks, or which limit your right to use the Marks (except as to standards of use and quality of services, as required by the Lanham Act).

You must notify HDS immediately in writing when you learn about an actual or suspected infringement of or challenge to a Mark. HDS will take whatever action it deems appropriate. You have no right or obligation under the Franchise Agreement or otherwise to protect the use of the Marks. You must, however, provide assistance to HDS or HSI in any challenge or response to an unauthorized use. The Franchise Agreement requires HDS to indemnify you against all claims of infringement or unfair competition regarding the Marks, but you must notify HDS immediately of any claims.

You must modify or discontinue the use of a Mark if HDS so directs, for example by changing the design of trademark signs. Any modification will be at your expense and must be made within a reasonable period of time. You must not directly or indirectly contest HDS's right to the Marks, or the trade secrets or business techniques that are part of HDS's business system.

14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

HDS does not own, and therefore does not license to you, any patents. The Operations Manual and other training and operations materials to be used by you in operating your business, including written, videotape, compact disc and other electronic media, are copyrighted. HDS licenses the use of these copyrighted materials to you for the duration of the Franchise Agreement. You may not sublicense or transfer the copyrights. The copyrights for these materials have not been registered, and the U.S. Copyright Office has made no determination regarding any of the copyrights.

HDS does not own the copyrights, and its ability to sublicense you to use the copyrighted materials depends on the continued existence of HDS's license from HSI. The term of HDS's license from HSI extends to and includes all periods of time during which HDS exists and has sublicensed the use of the copyrighted materials to you.

There are no interference, opposition, cancellation or other proceedings, or any litigation pending or determined by the U.S. Copyright Office or any court, involving any copyrights. There are no infringing uses actually known to HDS. There are no agreements currently in effect which significantly limit the use of any copyrights in any manner material to us.

You must notify HDS immediately in writing when you learn about an actual or suspected infringement of or challenge to a copyright. HDS will take whatever action it deems appropriate. You are not obligated by the Franchise Agreement or otherwise to protect the use of the copyrights. You must, however, provide assistance to HDS or HSI in any challenge or response to an unauthorized use. The Franchise Agreement requires HDS to indemnify you against all claims of infringement or unfair competition regarding the copyrights, but you must notify HDS immediately of any claims.

If HDS decides to add, modify or discontinue the use of an item covered by a copyright, you must also do so. You must not directly or indirectly contest HDS's right to its copyrights, or the trade secrets or business techniques that are part of HDS's business.

HDS or HSI may own proprietary formulas, ingredients or recipes for certain items of Groceries, Food Service Items and Merchandise. You will not have access to or any right to use any of those proprietary formulas, ingredients or recipes.

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

HDS does not require that you personally supervise the franchised business. However, HDS recommends personal and direct operation. The business must be directly supervised "on-premises" by a manager who has successfully completed HDS's training program (Franchise Agreement, Article 5). You and your manager may not have an interest in or business relationship with any of the business competitors of HDS, HSI, EPC or their affiliates unless otherwise approved in writing in advance by HDS. The manager need not have an ownership interest in a corporate or partnership franchisee. You and your manager, and any corporate officer, partner or other person who has access to information provided by HDS, must sign a written agreement (Franchise Agreement, Exhibit A) to maintain the confidentiality of the trade secrets or proprietary information of HDS or its affiliates and to honor any covenants not to compete required by HDS. If the franchisee is an entity, each owner of an interest in the franchisee, and the spouse or legal domestic partner of each individual owner of the franchisee, must sign a personal guaranty (Franchise Agreement, Exhibit C) assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement and provide personal financial statements to HDS upon request.

16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

HDS requires you to offer and sell only those goods and services that HDS has approved. You must obtain the prior written approval of HDS before carrying a type, quality, quantity or variety of inventory, groceries, sundries, merchandise or other goods not previously required or approved by HDS.

You must offer all goods and services that HDS designates as required for all franchisees and must institute and maintain all merchandising and other programs required by HDS from time to time, including but not limited to coffee, hot and cold sandwich, commissary, bakery, drink bar/fountain, other proprietary food programs and other food service programs. These required goods and services are established by HDS under a merchandising plan and include Automotive Fuels and Groceries, Food Service Items and Merchandise and other products and services. See Item 8 of this Disclosure Document and Article 11 of the Franchise Agreement for further information on goods and services that must be purchased from HDS or from suppliers designated or approved by HDS. Parts, supplies and Equipment used in the Holiday Stationstore® must be approved by HDS.

HDS has the right to add additional goods and services that you must offer. You may only offer goods and services at retail from your Holiday Stationstore® premises, and you cannot offer or sell goods or services using HDS's marks or business system from any other location or through any other channel of trade or distribution.

17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.

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

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Term of the franchise	2.1	Term is 10 years from opening date, except as may be stated in State Addenda to this disclosure document for certain states.
b. Renewal or extension of the term	2.2, 2.3, 2.4	The Franchise Agreement is not renewable; the then-current form of Franchise Agreement may be signed if each party agrees; HDS may require release of claims as a condition of a new Franchise Agreement, and has certain rights to not renew the franchise relationship.
c. Requirements for you to renew or extend	2.2, 2.3, 2.4	You must give HDS written notice at least 180 days before the end of the term, be current in all payments to HDS, agree to remodel your store, have the right to possess the store premises for the new term, complete training required by HDS, and sign HDS's then-current form of Franchise Agreement and, if HDS requires, a release of claims. If you seek to renew your franchise at the expiration of the initial term or any renewal term,

Provision	Section in Franchise Agreement	Summary
		you will be asked to sign a new franchise agreement that may contain terms and conditions materially different from these in your previous franchise agreement, such as different fee requirements and territorial rights.
d. Termination by you	21.1, 21.2	You may terminate under certain circumstances permitted under applicable law.
e. Termination by HDS without cause	21.8	HDS may terminate if it withdraws from a geographic marketing area.
f. Termination by HDS with cause	21.3, 21.5	HDS can terminate you if you default; HDS can terminate as to the entire Franchise Agreement or as to individual Holiday Stationstores®.
g “Cause” defined - defaults which can be cured	21.3, 21.6	You have 20 days to cure a payment default or failure to comply with any reasonable and material provision of the Franchise Agreement; you have 90 days to cure a failure to exert good faith efforts to carry out each and every provision of the Franchise Agreement.
h. “Cause” defined - defaults which cannot be cured	21.3	You have no opportunity to cure the occurrence of an event which is relevant to the franchise relationship and for which termination is reasonable under applicable law, including fraud, bankruptcy, disability, loss of rights to occupy the premises, condemnation, HDS’s loss of rights to the Marks, destruction of the premises, failure to pay fees, abandonment of the business and other occurrences listed in Franchise Agreement.
i. Your obligations on termination/ nonrenewal	22	You must pay all royalty and other fees, including liquidated damages as applicable, pay suppliers, return all leased Equipment and signs and all written, videotape, compact disc materials or any other electronic media, remove all Holiday® identification, and end use of Marks.
j. Assignment of contract by HDS	20.6	There are no restrictions on HDS’s right to assign.
k. “Transfer” by you - definition	20.1; 28	Transfer includes sale or assignment of Franchise Agreement or substantially all of the store assets, granting a security interest in Franchise Agreement, or change in ownership of the franchisee entity.
l. HDS’s approval of transfer by you	20.2	HDS may withhold consent in its sole determination, but will consider after review of the transferee’s qualifications.
m. Conditions for HDS’s approval of transfer	20.3	If HDS consents, transfer will be effective only if no defaults exist under the Franchise Agreement, payments are current, the transferee assumes all obligations, signs HDS’s then-current form of Franchise Agreement, which may contain materially different terms, and a renewal addendum, completes training and obtains necessary permits, and you pay a $1,000 transfer fee and release HDS. HDS may at its option waive some of these requirements, and may instead allow the transferee to

Provision	Section in Franchise Agreement	Summary
		assume the original franchise agreement, in which case the parties will sign HDS's form of an assumption, consent and mutual release agreement.
n. HDS's right of first refusal to acquire your business	23.1	HDS can match any offer for the purchase of your store.
o. HDS's option to purchase your business	20.4, 23.2	Upon termination or expiration of the Franchise Agreement, HDS may buy all the store's goods at then-current wholesale prices, and may buy the store's lease, land and Equipment at a purchase price mutually agreed to or determined by appraisal.
p. Your death or disability	21.3	Disability is a default allowing termination of Franchise Agreement.
q. Non-competition covenants during the term of the franchise	24.1	No business relationship allowed by you or your manager with a competitor of HDS or an affiliate during term of the Franchise Agreement, including operating a location under a non-Holiday® brand.
r. Non-competition covenants after the franchise is terminated or expires	None	Not applicable
s. Modification of the agreement	27.2	The Franchise Agreement may only be amended in writing; standards of operation and related operations materials are subject to change; changes to fees must apply to all franchisees.
t. Integration/merger clause	27.2	Only the terms of the Franchise Agreement are binding (subject to state law); any other promises are not enforceable.
u. Dispute resolution by arbitration or mediation	25	Except for provisions of the Franchise Agreement relating to injunctive relief, all disputes must be arbitrated in Minneapolis, Minnesota, subject to state law.
v. Choice of forum	25.4, 27.7	Arbitration will be in Minneapolis, Minnesota; litigation may be in Hennepin County, Minnesota or the county where the store is located, except as may be stated in State Addenda to this disclosure document for certain types of disputes in certain states.
w. Choice of law	27.7	The law of the state where the store is located applies, except as may be stated in State Addenda to this disclosure document for certain types of disputes in certain states.

The State Addenda in Exhibit F, to the extent applicable, may also describe certain state laws that may supersede the franchise agreement in your relationship with us. The SBA Addendum in Exhibit G, which will only be applicable if you have financing through the Small Business Administration and the Small Business Administration requires that HDS execute the SBA Addendum, may alter certain provisions relating to transfers, HDS's consent to transfers, HDS's right of first refusal, and HDS's option to purchase.

18. PUBLIC FIGURES

As of the date of this Disclosure Document, HDS does not use a public figure to promote the franchise. However, from time to time HSI may participate in a promotion sponsored by a third-party vendor that employs a public figure. You will be required to participate in such advertising or promotions. There is no public figure involved in the actual management or control of HDS, and no public figure has any investment in HDS. You may not use any public figure to promote your franchise except as otherwise directed by HDS or HSI.

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 stores, 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 store 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.

HDS does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised stores. HDS also does not authorize its employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing store, however, HDS may provide you with the actual records of that store. If you receive any other financial performance information or projections of your future income, you should report it to HDS's management by contacting Cullen Prouty, Holiday Diversified Services, LLC, 4567 American Boulevard West, Minneapolis, MN 55437, (952) 830-8700, the Federal Trade Commission, and the appropriate state regulatory agencies.

20. OUTLETS AND FRANCHISEE INFORMATION

Attached as Exhibit D is a list of Holiday Stationstores® franchisees as of April 30, 2023. Exhibit D also lists every franchisee who has had a store terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement since this Disclosure Document was last amended or who has not communicated with HDS within 10 weeks of the application date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Table No. 1
Systemwide Store Summary[1]
For Years 2021 to 2023*

Column 1 Store Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised Stores	2021	121	109	-12
	2022	109	114	+5
	2023	114	117	+3
Company-Owned**	2021	410	413	+3
	2022	413	417	+4
	2023	417	420	+3
Total Stores	2021	531	522	-9
	2022	522	531	+9
	2023	531	537	+6

*As of April 25, 2021, April 24, 2022, and April 30, 2023.

**All “company-owned” stores are owned by HSI or another affiliate of HSI.

[1] This list includes franchises of all Holiday Stationstores® concepts, including Holiday Express®.

Table No. 2
Transfers of Stores From Franchisees to New Owners
(Other than the Franchisor)
For Years 2021 to 2023*

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Minnesota	2021	0
	2022	3
	2023	4
Total	2021	0
	2022	3
	2023	4

*As of April 25, 2021, April 24, 2022, and April 30, 2023. States not listed had no transfer activity to report.

Table No. 3
Status of Franchised
Stores For Years 2021 to 2023*

Column 1 State	Column 2 Year	Column 3 Stores at Start of Year	Column 4 Stores Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations Other Reasons	Column 9 Outlets at End of the Year
Minnesota	2021	72	11	3	0	0	0	80
	2022	80	7	3	0	0	0	84
	2023	84	7	0	0	1	0	90
North Dakota	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
South Dakota	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	1
	2023	2	0	0	0	0	0	2
Wisconsin	2021	48	0	21	0	0	0	27
	2022	27	0	0	0	0	0	27
	2023	27	0	3	0	0	0	24
Total	2021	121	12	24	0	0	0	109
	2022	109	8	3	0	0	0	114
	2023	114	7	3	0	1	0	117

*As of April 25, 2021, April 24, 2022, and April 30, 2023. States not listed had no franchised activity to report.

Table No. 4
Status of Company-Owned
Stores For Years 2021 to 2023*

Column 1 State	Column 2 Year	Column 3 Stores at Start of Year	Column 4 Stores Opened	Column 5 Reacquired from Franchisees	Column 6 Stores Closed	Column 7 Stores Sold to Franchisees	Column 8 Stores at End of the Year
Alaska	2021	25	0	0	0	0	25
	2022	25	1	0	0	0	26
	2023	26	0	0	0	0	26
Idaho	2021	2	0	0	0	0	2
	2022	2	1	0	0	0	3
	2023	3	0	0	0	0	3
Michigan	2021	26	0	0	0	0	26
	2022	26	0	0	0	0	26
	2023	26	0	0	1	0	25
Minnesota	2021	254	0	2	1	0	255
	2022	255	3	2	3	0	257
	2023	257	2	1	1	0	259
Montana	2021	26	1	0	0	0	27
	2022	27	0	0	1	0	26
	2023	26	0	0	1	0	25
North Dakota	2021	22	1	0	0	0	23
	2022	23	0	0	0	0	23
	2023	23	0	0	0	0	23
South Dakota	2021	20	0	0	0	0	20
	2022	20	1	0	1	0	20
	2023	20	1	0	0	0	21
Washington	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	1	0	0	0	4
Wisconsin	2021	30	0	0	0	0	30
	2022	30	1	0	0	0	31
	2023	31	1	0	0	0	32
Wyoming	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
Total	2021	410	2	2	1	0	413
	2022	413	7	2	5	0	417
	2023	417	5	1	3	0	420

* As of April 25, 2021, April 24, 2022, and April 30, 2023.

Table No. 5
Projected Openings for Upcoming Fiscal Year
As of April 30, 2023

Column 1 State	Column 2 Franchised Agreements Signed But Not Opened	Column 3 Projected New Franchised Stores in the Next Fiscal Year	Column 4 Projected New Company-Owned Stores in the Next Fiscal Year
Minnesota	4	6-8	2
North Dakota	1	2	1
South Dakota	0	0	4
Washington	0	0	0
Wisconsin	0	0	2

Column 1 State	Column 2 Franchised Agreements Signed But Not Opened	Column 3 Projected New Franchised Stores in the Next Fiscal Year	Column 4 Projected New Company-Owned Stores in the Next Fiscal Year
Total	5	8-10	9

21. FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit B are the audited consolidated financial statements of HDS's parent, TMC Franchise Corporation, which comprise the consolidated balance sheets as of April 30, 2023 and April 24, 2022, and the related consolidated statements of income and comprehensive income, changes in shareholder's equity, and cash flows for the periods ended April 25, 2021, April 24, 2022, and April 30, 2023.

HDS's parent, TMC Franchise Corporation, has agreed absolutely and unconditionally to guarantee and assume HDS's duties and obligations under the franchise agreements HDS enters into while the guarantee is in place, if HDS becomes unable to perform its duties and obligations. A copy of that guarantee is included with Exhibit B.

22. CONTRACTS

Exhibit C is a copy of the Franchise Agreement proposed for use in this state. The following exhibits are attached to the Franchise Agreement:

Exhibit A Confidentiality Agreement
Exhibit B Sign Rental Agreement
Exhibit C Personal Guaranty
Exhibit D Memorandum of Option to Purchase and Right of First Refusal

Exhibit E - Acknowledgement Addendum
Exhibit F - State Addenda to FDD and to Franchise Agreement
Exhibit H - Funding Agreements (H-1: Conversion Agreement; H-2: Capital Improvement Agreement; H-3: Construction Agreement)

No other agreements are contemplated by HDS or required of you. However, EPC, HSI, FSE or other affiliates of HDS may require additional documentation regarding supply or other arrangements with you, and you and HDS may sign the SBA Addendum if it becomes applicable.

23. RECEIPTS

Exhibit I of this Disclosure Document contains two copies of a detachable acknowledgment of receipt. The Receipt must be completed, signed and dated. One copy is for you to keep for your records and one copy must be returned to HDS.

Exhibit A

LIST OF STATE ADMINISTRATORS AND AGENTS TO RECEIVE SERVICE OF PROCESS

STATE	**AGENTS FOR SERVICE OF PROCESS**	**REGULATORY AUTHORITIES**
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau G. Mennen Williams Building, First Floor 525 W. Ottawa Street Lansing, MI 48913 (517) 373-7117	Franchise Administrator Consumer Protection Division Attn: Franchise Section Michigan Department of Attorney General G. Mennen Williams Building, First Floor 525 W. Ottawa Street Lansing, MI 48913 (517) 373-7117
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600
NORTH DAKOTA	North Dakota Securities Department Fifth Floor 600 East Boulevard Bismarck, ND 58505	Franchise Examiner North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505 (701) 328-4712
SOUTH DAKOTA	Director of South Dakota Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823	Franchise Administrator Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823
WASHINGTON	Director of Dept. of Financial Institutions Securities Division 150 Israel Rd SW Tumwater WA 98501 (360) 902-8760	Administrator Dept. of Financial Institutions Securities Division 150 Israel RD SW Tumwater, WA 98501 (360) 902-8760
WISCONSIN	Wisconsin Commissioner of Securities 201 W. Washington Avenue, Suite 300 Madison, WI 53703 (608) 266-8557	Department of Financial Institutions Division of Securities 201 W. Washington Avenue, Suite 300 Madison, WI 53703 (608) 261-9555

STATE	**AGENTS FOR SERVICE OF PROCESS**	**REGULATORY AUTHORITIES**
FEDERAL TRADE COMMISSION		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street, NW Washington, D.C. 20580 (202) 326-3128

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process.

There may also be additional agents appointed in some of the states.

EXHIBIT B

TO DISCLOSURE DOCUMENT
OF
HOLIDAY DIVERSIFIED SERVICES, LLC

CONSOLIDATED FINANCIAL STATEMENTS

TMC FRANCHISE CORPORATION
(a wholly owned subsidiary of Circle K Stores Inc.)
CONSOLIDATED FINANCIAL STATEMENTS

AS OF APRIL 30, 2023 AND APRIL 24, 2022,

AND FOR THE YEARS ENDED APRIL 30, 2023, APRIL 24, 2022, AND APRIL 25, 2021

Report of Independent Auditors

To the Board of Directors and Shareholder of TMC Franchise Corporation

Opinion

We have audited the accompanying consolidated financial statements of TMC Franchise Corporation and its subsidiary (the Company), which comprise the consolidated balance sheets as of April 30, 2023 and April 24, 2022, and the related consolidated statements of income and comprehensive income, changes in shareholder's equity and cash flows for the years ended April 30, 2023, April 24, 2022 and April 25, 2021, including the related notes (collectively referred to as the consolidated financial statements).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2023 and April 24, 2022, and the results of its operations and its cash flows for the years ended April 30, 2023, April 24, 2022 and April 25, 2021 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

PricewaterhouseCoopers LLP
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502, ca_montreal_main_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 consolidated 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.

PricewaterhouseCoopers LLP[1]

Montréal, Canada
June 30, 2023

[1] CPA auditor, public accountancy permit No. A123475

TMC FRANCHISE CORPORATION
(a wholly owned subsidiary of Circle K Stores Inc.)
CONSOLIDATED BALANCE SHEETS

	April 30, 2023	April 24, 2022
ASSETS		
Cash	$ -	$ -
Royalty and other receivables	10,145,024	14,511,045
Deferred income taxes (Note 3)	3,373,418	3,958,700
Current portion of notes receivable from franchisees (Note 4)	-	6,858
Total Current Assets	13,518,442	18,476,603
Property and equipment, net (Note 5)	16,936,874	21,703,507
Intangible assets, net (Note 6)	19,984,289	24,149,802
Long-term portion of notes receivable from franchisees (Note 4)	-	1,791
Note receivable from parent company (Note 9)	5,000,000	5,000,000
Other assets (net of a provision for doubtful accounts of $20,814 and $20,814 as at April 30, 2023, and April 24, 2022 (Note 7)	11,861,636	6,498,630
Goodwill	11,490,467	11,490,467
Total Assets	$ 78,791,708	$ 87,320,800
LIABILITIES AND SHAREHOLDER'S EQUITY		
Accounts payable and accrued liabilities (Note 8)	$ 28,237,240	$ 28,272,416
Payable to affiliate	1,646,659	1,146,131
Deferred revenue	1,293,204	1,306,549
Total Current Liabilities	31,177,103	30,725,096
Deferred revenue	8,670,299	9,504,518
Deferred income taxes (Note 3)	3,122,443	4,541,087
Total Liabilities	42,969,845	44,770,701
Shareholder's Equity:		
Common stock, $0.01 par value, 1,000,000 shares authorized, 1,001 issued and outstanding	10	10
Additional paid-in capital	88,201,000	88,201,000
Receivable from parent	(90,321,059)	(78,691,712)
Retained earnings	37,941,912	33,040,801
Total Shareholder's Equity	35,821,863	42,550,099
	$ 78,791,708	$ 87,320,800

The accompanying notes are an integral part of these consolidated financial statements.

TMC FRANCHISE CORPORATION
(a wholly owned subsidiary of Circle K Stores Inc.)
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Year Ended April 30, 2023	Year Ended April 24, 2022	Year Ended April 25, 2021
Revenues:			
Initial franchise sales	$ 1,076,538	$ 1,318,124	$ 1,072,868
Royalty and promotional fees	63,929,364	57,637,468	54,267,283
Fuel sales, net	2,044,397	1,643,159	762,904
Interest and other income	4,357,577	3,703,525	2,331,102
Total Revenues	71,407,876	64,302,276	58,434,157
Expenses:			
Selling, general, and administrative expenses	33,600,199	29,825,658	27,007,513
Trademark expense	447,750	449,374	418,864
Depreciation and amortization expense	8,449,524	8,548,949	8,114,231
Total Expenses	42,497,473	38,823,981	35,540,608
Gain (Loss) on Disposals and Terminations	38,139	(8,609)	(30,393)
Income before income taxes	28,948,542	25,469,686	22,863,156
Provision for income taxes	7,547,431	6,141,735	4,315,450
Net Income and Comprehensive Income	$ 21,401,111	$ 19,327,951	$ 18,547,706

The accompanying notes are an integral part of these consolidated financial statements.

TMC FRANCHISE CORPORATION
(a wholly owned subsidiary of Circle K Stores Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

	Common Stock		Additional	Receivable from	Retained	
	Shares	**Amount**	**Paid-in Capital**	**Parent**	**Earnings**	**Total**
April 26, 2020	1,001	$ 10	$ 88,199,711	$ (50,835,411)	$ 24,166,433	$ 61,530,743
Net income and comprehensive income	-	$ -	$ -	$ -	$ 18,547,706	$ 18,547,706
Stock option exercise	-	$ -	$ 1,289	$ -	$ (1,289)	$ -
Net advances to parent	-	$ -	$ -	$ (30,142,840)	$ -	$ (30,142,840)
Dividends	-	$ -	$ -	$ 12,500,000	$ (12,500,000)	$ -
April 25, 2021	1,001	$ 10	$ 88,201,000	$ (68,478,251)	$ 30,212,850	$ 49,935,609
Net income and comprehensive income	-	$ -	$ -	$ -	$ 19,327,951	$ 19,327,951
Net advances to parent	-	$ -	$ -	$ (26,713,461)	$ -	$ (26,713,461)
Dividends	-	$ -	$ -	$ 16,500,000	$ (16,500,000)	$ -
April 24, 2022	1,001	$ 10	$ 88,201,000	$ (78,691,712)	$ 33,040,801	$ 42,550,099
Net income and comprehensive income	-	$ -	$ -	$ -	$ 21,401,111	$ 21,401,111
Net advances to parent	-	$ -	$ -	$ (28,129,347)	$ -	$ (28,129,347)
Dividends	-	$ -	$ -	$ 16,500,000	$ (16,500,000)	$ -
April 30, 2023	1,001	$ 10	$ 88,201,000	$ (90,321,059)	$ 37,941,912	$ 35,821,863

The accompanying notes are an integral part of these consolidated financial statements.

TMC FRANCHISE CORPORATION
(a wholly owned subsidiary of Circle K Stores Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended April 30, 2023	Year Ended April 24, 2022	Year Ended April 25, 2021
Cash Flows from Operating Activities:			
Net income and comprehensive income	$ 21,401,111	$ 19,327,951	$ 18,547,706
Adjustments to reconcile net income and comprehensive income to net cash provided by operating activities:			
Depreciation and amortization expense	8,449,524	8,548,949	8,114,231
(Gain) Loss on disposal of property and equipment	(38,139)	8,609	30,393
Provision for losses on notes receivable from franchisees and other assets	-	-	(25,186)
Amortization of notes receivable from franchisees and of other assets	773,839	1,342,928	1,021,383
Change in royalty and other receivables	4,366,021	(3,844,628)	(2,978,403)
Change in current liabilities	919,930	7,002,805	7,073,182
Change in deferred income taxes	(833,362)	(204,437)	(2,880,524)
Change in deferred revenue	(847,564)	(866,307)	7,186,326
Net Cash Provided by Operating Activities	34,191,360	31,315,870	36,089,108
Cash Flows from Investing Activities:			
Purchase of property and equipment and intangibles	(924,915)	(1,501,235)	(3,427,678)
Proceeds on disposal of property and equipment	991,098	540,229	287,981
Purchase of other assets (Note 7)	(6,128,196)	(3,543,938)	(2,889,509)
Payments of other assets from franchisees	-	47,225	78,704
Net Cash Used for Investing Activities	(6,062,013)	(4,457,719)	(5,950,502)
Cash Flows from Financing Activities:			
Dividends paid	-	-	(1,500,000)
Net advances to parent	(28,129,347)	(26,858,151)	(28,638,606)
Net Cash Used for Financing Activities	(28,129,347)	(26,858,151)	(30,138,606)
Net Change in Cash	-	-	-
Cash at Beginning of Period	-	-	-
Cash at End of Period	$ -	$ -	$ -
Non-cash investing and financing activities:			
Transfer of property and equipment through payable to parent	$ -	$ 144,690	$ 56,172
Payment of dividends through reduction of receivable from parent	16,500,000	16,500,000	11,000,000
Supplemental Information:			
Income taxes paid	$ 1,043,178	$ 339,000	$ 163,982

The accompanying notes are an integral part of these consolidated financial statements.

TMC FRANCHISE CORPORATION
(a wholly owned subsidiary of Circle K Stores Inc.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF APRIL 30, 2023 AND APRIL 24, 2022 AND
FOR THE YEARS ENDED
APRIL 30, 2023, APRIL 24, 2022, AND APRIL 25, 2021

1. Organization and Significant Accounting Policies

Organization
TMC Franchise Corporation (the "Company"), incorporated in the State of Arizona on February 7, 1995, is a franchisor of convenience stores. The Company is a wholly owned subsidiary of Circle K Stores Inc. ("Circle K Stores"), which is a wholly owned subsidiary of Circle K Delaware Inc., which is a wholly owned subsidiary of The Circle K Corporation ("Circle K Corp"). Circle K Corp is a wholly owned subsidiary of Couche-Tard U.S. Inc. ("CTUS Inc"), which is a wholly owned subsidiary of Mac's Convenience Stores, Inc., which is a wholly owned subsidiary of Couche-Tard Inc. Couche-Tard Inc. is a wholly owned subsidiary of Depan-Escompte Couche-Tard Inc. which is wholly owned by the ultimate parent, Alimentation Couche-Tard, Inc. ("Couche-Tard").

Basis of Consolidated Financial Statements
These consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") on the historical cost basis of accounting and include the accounts of the Company and its wholly owned subsidiary *Holiday Diversified Services, LLC*. Certain selling, general and administrative ("SG&A") services are provided to the Company by Couche-Tard or Circle K Stores and their affiliates. Certain other SG&A services are allocated to the Company based on usage, actual costs, or other allocation methods considered reasonable by Couche-Tard or Circle K management (note 9). Accordingly, the expenses included in these consolidated financial statements may not be indicative of the level of expenses which might have been incurred had the Company been operating as a separate stand-alone company.

Year-End Date
The Company's year-end is the last Sunday of April of each year. The years ended April 30, 2023, April 24, 2022, and April 25, 2021, are referred to herein as 2023, 2022 and 2021.

Use of Estimates
The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant areas requiring the use of management estimates include receivable valuation, deferred revenue and revenue recognition, asset useful lives for depreciation and amortization, and deferred income taxes. Actual results could differ from those estimates.

Revenue Recognition
Revenues consist of initial franchise sales, royalty and promotional fees, fuel sales, net, and interest and other income. Initial franchise sales are recognized when all material services and conditions relating to the sale have been substantially completed. Royalty and promotional fees are received subsequent to the period earned and are accrued based on management estimates. Royalty fees are calculated as a contractual percentage of merchandise gross sales and fuel gallons sold. Promotional fees are calculated as a contractual percentage of merchandise gross sales. Fuel sales, net is recognized at the time of delivery and are presented on a net basis as the Company acts as an agent for Circle K Stores. Interest and other income are recognized when earned, as defined by the underlying notes. Revenue is recognized only when collection is reasonably assured.

Income Taxes
The Company is included in the consolidated federal income tax returns of CTUS Inc. The income tax expense or benefit is computed based on income before income taxes reported in these consolidated financial statements as if the Company was a separate taxpayer, with the resulting current taxes payable or receivable included in Receivable from parent on the balance sheet within shareholder's equity.

The Company uses the asset and liability method to account for income taxes. Under this method, deferred income tax assets and liabilities are determined based on differences between the carrying amounts and tax bases of assets and liabilities using enacted tax rates and laws, as appropriate, at the date of the consolidated financial statements for the years in which the temporary differences are expected to reverse.

Property and Equipment
Property and equipment are carried at cost, less accumulated depreciation. Depreciation is provided over the estimated useful lives of the respective classes of assets using the straight-line method. Leasehold improvements, equipment, and signs are depreciated over a period of three to ten years. Expenditures that materially increase values, change capacities or extend useful lives are capitalized. Routine maintenance and repairs are expensed. Gains and losses on disposal of assets are reflected in results of operations.

Property and equipment are tested for impairment should events or circumstances indicate that their book value may not be recoverable, as measured by comparing their net book value to the estimated undiscounted future cash flows generated by their use and eventual disposal. Should the carrying amount of long-lived assets exceed their fair value, an impairment loss in the amount of the excess would be recognized.

Other Assets
Deferred construction allowances are amortized on a straight-line basis over a period of up to ten years. Deferred incentive payments are amortized in accordance with the amortization schedules included in the corresponding incentive agreements.

Intangible Assets
Intangible assets mainly comprise a tradename and franchise contracts. The tradename has an indefinite life, is recorded at cost, is not amortized and is tested for impairment annually, or more frequently should events or changes in circumstances indicate that it might be impaired. Franchise contracts are amortized using the straight-line method over the life of the agreements.

Goodwill and Impairment
Goodwill is the excess of the cost of an acquired business over the fair value of the underlying net assets acquired from the business at the time of the acquisition. Goodwill is not amortized. In accordance with FASB's Accounting Standards Update No. 2011-08, the Company tests for goodwill impairment annually.

Deferred Revenue
Deferred revenue consists of the initial franchise fees. It is collected in advance of the period in which all material services and conditions relating to the fee have been substantially completed. When all services and conditions have been completed, 25% of the initial fee is recognized as revenue and the remaining 75% is amortized over the life of the contract.

Advertising Costs
Advertising costs are expensed as incurred and paid by Circle K Stores on behalf of the Company. Advertising expenses were $14,739,200, $13,407,651, and $11,508,302 for 2023, 2022 and 2021, respectively.

2. Concentrations of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist of royalties receivable and notes receivable from franchisees. The Company performs on-going credit evaluations within the context of the industry in which it operates.

3. Income Taxes

The provision for income taxes consisted of the following:

	Year Ended April 30, 2023	Year Ended April 24, 2022	Year Ended April 25, 2021
Current	$ 8,380,793	$ 6,346,173	$ 7,195,793
Deferred	(833,362)	(204,438)	(2,880,523)
	$ 7,547,431	$ 6,141,735	$ 4,315,450

The provision for income taxes differs from the federal statutory rate of 21% due to the provision for state income taxes as well as to adjustments to the deferred income tax asset and liability balances.

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Major components of deferred income taxes were:

	April 30, 2023	April 24, 2022
Deferred Income Tax Assets (Liabilities)		
Royalty and other receivables	$ 2,564,580	$ 2,653,072
Accounts payable and accrued liabilities	80,223	87,718
Intangible assets	728,615	1,217,910
Deferred income tax assets	3,373,418	3,958,700
Property and equipment	(3,122,443)	(4,541,087)
Deferred income tax liabilities	(3,122,443)	(4,541,087)
	$ 250,975	$ (582,387)

4. Notes Receivable from Franchisees

Notes receivable from franchisees relate to loans made to the franchisees to assist them in making improvements to their stores. The repayment period is 10 years with an interest rate of 10% per annum. The notes are secured by the improvements. Interests earned on these notes was nil, $1,580, and $3,814 for 2023, 2022 and 2021, respectively. Franchisees may earn promotional rebates up to the principal and interest amounts due on the notes.

5. Property and Equipment

Property and equipment consisted of the following:

		April 30, 2023		April 24, 2022
Leasehold improvements	$	24,660	$	39,311
Equipment		37,892,356		39,824,424
Signs		2,904,115		3,044,143
		40,821,131		42,907,878
Less: Accumulated depreciation		(23,884,257)		(21,204,371)
	$	16,936,874	$	21,703,507

Depreciation expense on property and equipment was $4,284,011, $4,383,436, and $4,064,031 for 2023, 2022 and 2021, respectively.

All of the Company's property and equipment were purchased by Circle K Stores or affiliates on behalf of the Company.

6. Intangible Assets

Intangible assets consisted of the following:

		April 30, 2023		April 24, 2022
Tradename	$	1,301,112	$	1,301,112
Software		323,628		323,628
Franchise contracts		58,550,632		58,550,632
		60,175,372		60,175,372
Less: Accumulated amortization		(40,191,083)		(36,025,570)
	$	19,984,289	$	24,149,802

Amortization expense on franchise contracts was $4,165,513, $4,165,513, and $4,050,199 for 2023, 2022 and 2021, respectively.

The tradename is not subject to amortization.

7. Other Assets

Other assets consisted of the following:

		April 30, 2023		April 24, 2022
Deferred construction allowances	$	11,764,145	$	6,291,077
Deferred incentive payments		97,491		207,554
	$	11,861,636	$	6,498,630

Deferred construction allowances are amortized on a straight-line basis over a period of up to ten years. Deferred incentive payments are amortized in accordance with the amortization schedules included in the corresponding incentive agreements. Amortization of deferred construction allowances was $736,359, $1,071,337, and $691,228 for 2023, 2022 and 2021, respectively. The fair value of deferred construction allowances and deferred incentive payments approximates their carrying value.

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following:

		April 30, 2023		April 24, 2022
Accrued promotional expenses	$	15,012,776	$	12,819,721
Rebates payable to franchisees		9,264,654		10,803,231
Accounts payable and accrued expenses		3,876,150		4,148,697
Other		83,660		374,796
Capital expenditures accrual		-		125,971
	$	28,237,240	$	28,272,416

9. Related Party Transactions

Couche-Tard and affiliates provided and paid for the following SG&A services for the Company for 2023, 2022 and 2021:

		Year Ended April 30, 2023		Year Ended April 24, 2022		Year Ended April 25, 2021
Services provided directly by Couche-Tard and affiliates						
Payroll	$	11,326,632	$	10,442,942	$	10,652,694
Employee relations		20,510		27,475		18,590
Travel		452,367		349,524		199,118
Supplies		223,560		207,710		141,779
Advertising		14,739,200		13,407,651		11,508,302
Other		437,144		620,106		59,549
		27,199,415		25,055,408		22,580,032
Services allocated by Couche-Tard and affiliates		63,439		57,948		158,433
Third-party costs paid by Couche-Tard and affiliates		851,610		530,741		383,605
Merchandising and support services paid directly to Couche-Tard and affiliates		5,485,735		4,181,561		3,885,443
	$	33,600,199	$	29,825,658	$	27,007,513

During 2017, the Company entered into an agreement with Couche-Tard Brands and Financing, sarl ("CTBF"), an affiliate owned by Couche-Tard, for certain merchandising and support services. The agreement is retroactively effective as of April 29, 2013. Merchandising and support services charged by CTBF was a credit in 2023 of $445, while it was an expense of $58,272 and a net credit of $168,042, respectively for 2022, and 2021. The credits in 2023, and 2021, were the result of a true-up in the prior years estimated service costs. The Company does not plan to continue using CTBF's services going forward. In 2020, the Company entered into an agreement with Circle K Procurement and Brands Limited ("CKPB"), an affiliate owned by Couche-Tard, for certain merchandising and support services. Merchandising and support services charged by CKPB accumulated to $5,486,180, $4,123,289, and $4,053,485, respectively, for 2023, 2022 and 2021.

The Company is charged an annual trademark fee by Circle K Stores for the use of the "Circle K" tradename. The trademark expense is based on the percentage of franchise sites to total sites operating under the Circle K tradename. Trademark expenses represented $447,750, $449,374, and $418,864, respectively for 2023, 2022 and 2021.

The receivable from parent company represents the net balance resulting from various transactions between the Company and affiliates owned by Couche-Tard and transactions conducted by those affiliates on behalf of the Company. These net transactions are not settled on a regular basis and are not interest-bearing.

The Company does not have an operating bank account and all cash activity is funded through Circle K Stores. The transactions are then recorded through intercompany transactions to correctly state the balances.

The Company purchases fuel to sell to franchisees from Circle K Stores. Circle K Stores purchases the fuel from various third-party suppliers. Only the exact fuel volume intended for sale to franchisees is purchased from Circle K Stores. Fuel purchased from Circle K Stores was $93,578,565, $47,952,370, and $17,470,209, respectively for 2023, 2022, and 2021.

On December 12, 2003, the Company signed a note agreement with Circle K Stores providing for an advance of up to $15,000,000. As of April 30, 2023, $5,000,000 had been advanced to Circle K Stores pursuant to the note. Interest is paid on a semiannual basis on the last day of June and December at the federal short-term rate, as defined by the Internal Revenue Code of 1986, as amended. The resulting interest receivable is included in Receivable from parent company on the consolidated balance sheet. The note is payable on demand however, as the Company does not intend to call the payment in the next twelve month, the receivable is classified as non-current on the consolidated balance sheet. Interest earned on the note was $130,498, $9,947, and $21,239 for 2023, 2022 and 2021, respectively.

GUARANTEE OF PERFORMANCE

For value received, TMC Franchise Corporation, an Arizona corporation (the "Guarantor"), located at 1130 West Warner Road, Tempe, Arizona 85284, absolutely and unconditionally guarantees to assume the duties and obligations of Holiday Diversified Services, LLC, a Minnesota limited liability company, located at 4567 American Boulevard West, Minneapolis, Minnesota 55437 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its Franchise Disclosure Document issued July 12, 2023, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever occurs first. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. The guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor executes this guarantee at Tempe, AZ on the 12th day of July, 2023.

GUARANTOR: **TMC Franchise Corporation**

By: Mitch Filiere

Print Name: Mitch Filiere

Print Title: Assistant Secretary

EXHIBIT C

TO DISCLOSURE DOCUMENT
OF
HOLIDAY DIVERSIFIED SERVICES, LLC

HOLIDAY STATIONSTORES® FRANCHISE AGREEMENT

HOLIDAY DIVERSIFIED SERVICES, LLC

HOLIDAY STATIONSTORE® FRANCHISE AGREEMENT

Franchisee Name ______________________________

Franchisee Address ______________________________

Attention ______________________, **President**

Franchisee Phone Number ______________________________

Franchisee Fax Number ______________________________

Franchisee Email ______________________________

Unit Name **Holiday Stationstore® #** ______________________________

Unit Address ______________________________

Franchise Agreement Date ______________________

Franchise Anticipated Opening Date ______________________

HOLIDAY STATIONSTORE® FRANCHISE AGREEMENT

TABLE OF CONTENTS

LIST OF EXHIBITS

HOLIDAY DIVERSIFIED SERVICES, LLC
HOLIDAY STATIONSTORE® FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is entered into and effective as of _______________, 20__ (the "**Commencement Date**") by and between **HOLIDAY DIVERSIFIED SERVICES, LLC**, a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, Minnesota 55437 ("HDS"), and ____
______________________ a ____________________________________ (the "**Franchisee**").

RECITALS

HDS has developed or acquired rights in a distinctive business concept for operating and franchising gasoline stations/convenience stores that sell Automotive Fuels and Groceries, Food Service Items and Merchandise under the Holiday® Marks.

HDS has the right and authority to license the use of the Marks for use in connection with the Business System to selected persons, businesses or entities for the operation of a gasoline station/convenience store that will comply with the Business System and the uniformity requirements and quality standards of HDS.

HDS will continue to develop, use, promote, and control the use of the Marks in order to identify for the public the source of Automotive Fuels and Groceries, Food Service Items and Merchandise marketed under the Marks and Business System, and to represent to the public the high standards of quality, appearance, cleanliness and service associated with the Marks and the Business System.

The Franchisee desires to develop and operate a Holiday Stationstore® at the location agreed to by HDS in conformity with the Business System and the uniformity requirements and quality standards as established and promulgated from time to time by HDS.

The Franchisee acknowledges that it would take substantial capital and human resources to develop a similar Business System and, for those reasons, the Franchisee desires to acquire the franchise rights to use the Marks and the Business System for the operation of a gasoline station/convenience store pursuant to the terms and conditions in this Agreement.

HDS is willing to grant the Franchisee a franchise to operate one Holiday Stationstore® at the location agreed to by HDS.

Now, therefore, in consideration of the mutual covenants contained herein, the parties agree as follows:

ARTICLE 1
FRANCHISE GRANT

1.1 Grant. Subject to the terms of this Agreement, HDS hereby grants to the Franchisee a nonexclusive, non-transferable, personal right and license to operate one Holiday Stationstore® at the address and location specified on the cover page of this Agreement and otherwise referred to herein as the Franchised Location.

1.2 No Exclusive Territory. The Franchisee will not receive and will not be granted any exclusive trading area or exclusive territory under this Agreement and no other agreement between HDS and the Franchisee will be deemed to grant the Franchisee any exclusive area or exclusive territory. As a consequence, HDS and its parents and Affiliated Companies will have the absolute right, without regard to the competitive effect on the Franchisee's Holiday Stationstore®, to directly and/or indirectly own, operate, develop, manage, license, and/or franchise Holiday Stationstores® or other gasoline stations/convenience stores that sell Automotive Fuels and Groceries, Food Service Items and Merchandise or other goods or services under the Holiday® Marks or under any other name or service

US.358256286.03

mark at any location, and the rights granted to the Franchisee are only for the operation of one Holiday Stationstore® at the Franchised Location. For the avoidance of doubt, the Franchisee expressly acknowledges, understands and agrees, and will never contend otherwise, that HDS' parents and Affiliated Companies have the right to own, operate and franchise competing convenience store networks (including without limitation the "Circle K" network) which currently or in the future may feature convenience stores that operate immediately proximate to Franchisee's Holiday Stationstore®. HDS and its parents and Affiliated Companies will, at all times, retain all other rights relating to the Marks and the Business System, including the right, without regard to the competitive effect on the Franchisee's Holiday Stationstore®, to distribute, market and sell Automotive Fuels, Groceries, Food Service Items and Merchandise, and all other products, goods and services under the Marks or other brand names through all channels or methods of distribution in any area or territory.

1.3 **<u>Designated Geographic Areas</u>**. HDS will have the right at any time during the term of this Agreement, to designate cities, counties, and other geographic areas ("Designated Geographic Areas") that will be reserved exclusively for the development of Holiday Stationstores® by HDS or its Affiliated Companies or designees. The Franchisee will not have the right to develop any Holiday Stationstores® in the Designated Geographic Areas, and HDS will not have any obligation or duty to grant the Franchisee the right to develop any Holiday Stationstores® in any particular city, county or other location.

ARTICLE 2
<u>TERM</u>

2.1 **<u>Term</u>**. Unless terminated earlier pursuant to the provisions of this Agreement, the term of this Agreement will be ten years (the "**Term**"). The Term of this Agreement will commence on the Opening Date of the Franchisee's Holiday Stationstore® and will end on the last day of the 10th year.

2.2 **<u>Right of the Franchisee to Renew Franchise Relationship</u>**. Except as provided in Article 2.3, at the end of the Term of this Agreement, the Franchisee will have the right to renew the franchise relationship and reacquire the Franchise for the Franchisee's Holiday Stationstore® for one additional 10 year term, provided that (a) the Franchisee has given HDS written notice at least 180 days prior to the end of the Term of this Agreement of its intention to renew the franchise relationship with HDS for the Franchised Location, (b) all monetary obligations owed by the Franchisee to HDS have been paid or satisfied prior to the end of the Term of this Agreement, and the Franchisee is in substantial compliance with the terms and conditions of the Franchise Agreement, (c) the Franchisee has agreed, in writing, to make the reasonable capital expenditures necessary to remodel the Franchised Location of the Franchisee's Holiday Stationstore® to comply with the then-current image, decor, plans and specifications of HDS, (d) the Franchisee either owns or has the right to lease the Franchised Location for its Holiday Stationstore® for an additional 10 year term, (e) the Franchisee and its employees have completed all required training designated by HDS, and (f) the Franchisee agrees to execute HDS's then-current standard franchise agreement and, if HDS requires it, a release of claims. The Franchisee will have the option to reacquire the Franchise for the Holiday Stationstore® owned by the Franchisee under the same terms and conditions then being offered to all other existing or prospective franchisees under HDS's then-current standard franchise agreement. The Franchisee will pay all Royalty Fees and all other fees at the rates specified in HDS's then-current standard franchise agreement. The terms, conditions, fees, royalties, advertising fees and economics of any future franchise agreements may vary substantially in substance and form from this Agreement.

2.3 **<u>Non-Renewal of Franchise Relationship by HDS</u>**. Notwithstanding the provisions of Article 2.2, the Franchisee will not have the right, and HDS will not have the obligation to grant the Franchisee the right, to reacquire the franchise rights or renew the franchise relationship for the Holiday Stationstore® owned by the Franchisee under this Agreement, and HDS will have the right to permit this Agreement to lapse at the end of the Term in accordance with the provisions of this Article and the PMPA, if:

(a) HDS and the Franchisee fail to agree to the changes and additions to the provisions of the then-current franchise agreement (and, if applicable, any station lease) that HDS in good faith determines are required, and that are not sought by HDS for the purpose of preventing renewal;

(b) During the Term of this Agreement: (1) HDS received numerous bona fide customer complaints regarding (i) the Franchisee's operation of the Franchised Location, (ii) the condition of the Franchised Location, or (iii) the conduct of an employee of the Franchisee; (2) the Franchisee was promptly apprised of the existence and nature of such complaints by HDS; and (3) the Franchisee did not promptly take action to cure or correct the basis of such complaints;

(c) The Franchisee failed to operate the Franchised Location in a clean, safe and healthful manner on two or more previous occasions, and HDS notified the Franchisee of such failures;

(d) HDS makes a good faith determination in the normal course of its business: (1) to convert the Franchised Location to another type of business, in the event HDS owns or leases such premises; (2) to materially alter, add to, or replace the Franchised Location, in the event HDS owns or leases the Franchised Location; (3) to sell the Franchised Location, in the event HDS owns or leases the Franchised Location; or (4) that renewal of the franchise relationship is likely to be uneconomical to HDS despite any reasonable changes or additions to the provisions of the then current franchise agreement renewing the franchise relationship which are acceptable to the Franchisee; or

(e) Any of the grounds for termination of this Agreement set forth and listed in Article 21.3 have occurred during the Term of this Agreement.

2.4 Notice Requirements.

(a) Except as expressly provided to the contrary herein or unless otherwise prescribed by applicable law, if HDS determines, pursuant to Article 2.3, that it will exercise its right to refuse to extend its franchise relationship with the Franchisee and will terminate this Agreement at the expiration of the 10 year Term, then HDS will deliver written notice to the Franchisee at least 180 days prior to the expiration date of this Agreement, which contains: (1) a statement of HDS's intention to not renew its relationship with the Franchisee or grant the Franchisee the right to reacquire the Holiday Stationstore® for the Franchised Location together with the reasons therefore; (2) the date on which this Agreement will expire; and (3) a summary of the responsibilities, remedies and relief available to HDS and the Franchisee under the PMPA as prepared by the Secretary of Energy and published in the Federal Register.

(b) Notwithstanding the provisions of Article 2.4(a) and if permitted by applicable law, if circumstances are such that it would not be reasonable for HDS to furnish notification not less than 180 days prior to the date on which this Agreement expires, then HDS will furnish such notification to the Franchisee on the earliest date on which the furnishing of such notification is reasonably practical. However, if the Franchised Location is leased from HDS, then HDS will not establish a new franchise relationship with respect to the Franchised Location until the expiration of 30 days from the later of: (1) the date on which the notice of non-renewal was delivered; or (2) the date on which this Agreement expires.

ARTICLE 3
LICENSE OF MARKS

3.1 License Grant. HDS hereby grants to the Franchisee a personal, non-exclusive, non-transferable right and license to use the Holiday® Marks or other Marks authorized by HDS in connection with the operation of the Franchisee's Stationstore®. HDS warrants that it has the right to (a) use and license the Marks and the Business System in the United States pursuant to a trademark license agreement between HDS and HSI (b) grant the Franchisee the right to use the Marks, and (d) grant the Franchisee the right to use the Business System. Any and all improvements made by the Franchisee relating to the Marks or the Business System will be the sole and absolute property of HSI which will have the exclusive right to register and protect all such improvements in its name in accordance with applicable law. The Franchisee's use of the Marks and the Business System, as well as any goodwill arising from such use, will inure exclusively to the benefit of HSI. Upon the expiration, cancellation or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with the Franchisee's use of the Marks or the Business System. The Franchisee will not take any action whatsoever to contest the validity or the ownership of any of the Marks or the Business System, and will not claim any right, title or interest in or to, nor directly or indirectly deny or assist in denying, the sole and exclusive ownership and rights of HDS or HSI in any of the Marks.

3.2 **Conditions to License of Marks**. The Franchisee's nonexclusive license to use the Marks and the Business System apply only to the Franchisee's Holiday Stationstore® at the Franchised Location and these rights will exist only so long as the Franchisee fully performs and complies with all of the conditions, terms and covenants of this Agreement. The Franchisee will not have or acquire any rights in any of the Marks or the Business System other than the right of use as provided herein. The Franchisee will have the right to use the Marks and the Business System only in the manner prescribed, directed, and approved by HDS in writing, and will adopt and use all variations of the Marks as designated from time to time by HDS. If, in the judgment of HDS, the acts of the Franchisee infringe upon or demean the goodwill, uniformity, quality or business standing associated with the Marks or the Business System, then the Franchisee will, upon written notice from HDS, immediately modify its use of the Marks or the Business System in the manner prescribed by HDS.

3.3 **Unauthorized Use**. The Franchisee will notify HDS immediately in writing of any actual or suspected infringement or unauthorized use of, or of any challenge to, any of the Marks by any person or Entity. The Franchisee will provide, at no cost to HDS, all evidence and assistance as the Franchisee has within its control to assist in any action initiated by HDS, which will be at its sole determination, with respect to any unauthorized use or infringement. The Franchisee will have no right to and will not defend or enforce any rights associated with the Marks or the Business System in any court or other proceedings for or against imitation, infringement, prior use or for any other claim or allegation. The Franchisee will, without compensation for its time, cooperate in all respects with HDS or HSI, as the case may be, in any lawsuits or other proceedings involving the Marks and the Business System. HDS and HSI will have the right to determine whether it will commence any action or defend any litigation involving the Marks and the Costs and Expenses incurred in any litigation specifically relating to the Marks will be paid by HDS or HSI.

3.4 **Use of the Marks**. The Franchisee will (a) use the Marks only in connection with and for the promotion and operation of the Franchisee's Holiday Stationstore® at the Franchised Location and in accordance with the standards, terms and conditions set forth in this Agreement, (b) use no trademarks or service marks other than the Marks in connection with or for the operation or promotion of the Franchisee's Holiday Stationstore® except as approved by HDS in writing, (c) use the Marks only in a manner that will not adversely impact the goodwill and image associated with the Marks, as solely determined by HDS, and (d) not use the Marks as the name or part of the name of any Entity or otherwise in a manner that may cause confusion about the nature of the relationship between the Franchisee and HDS. The Franchisee agrees to use the Marks in compliance with any and all standards specified from time to time by HDS or HSI. HDS will have the right to require the Franchisee to modify or discontinue using any of the Marks at any time, and to require the Franchisee to use other Marks designed by HDS or new Marks designed or acquired by HDS. The Franchisee will modify and discontinue the use of any Mark or will adopt any new Mark designated by HDS within the time designated by HDS, and all costs incurred by the Franchisee in replacing the discontinued or modified Mark, including all signage costs, will be paid by the Franchisee. The Franchisee shall not include the name "Holiday" or any other of the Marks in the name of its corporation, limited liability company or partnership.

3.5 **Other Licenses**. HDS and HSI reserve the right to use or license the Holiday Stationstore® franchise system and the Marks to others at any location and at any time. Further, HDS or HSI may permit the Marks to be used by dealers and other operators who do not operate a franchised Holiday Stationstore®.

ARTICLE 4
OPERATIONS MANUAL; CONFIDENTIAL INFORMATION

4.1 Operations Manual. HDS will provide the Franchisee the Holiday Stationstore® Operations Manual for use by the Franchisee solely in connection with the operation of the Franchisee's Holiday Stationstore®. The Operations Manual may be provided to the Franchisee in electronic form. The Operations Manual, and all other information or materials provided to the Franchisee regarding the operation of a Holiday Stationstore®, whether such information is in written, videotaped, electronic or any other form, will constitute Confidential Information of HDS. The Franchisee will return all Confidential Information and other information and materials provided by HDS on the date of termination, cancellation or expiration of this Agreement. HDS may at any time require the return of the Operations Manual, or other materials, for revision, update or replacement, or if HDS has a reasonable concern that the confidentiality of the Confidential Information is not being maintained by the Franchisee.

4.2 Business Operations. The Franchisee will operate and maintain all business operations for its Holiday Stationstore® in accordance with the standards, methods, procedures, requirements and instructions set forth in the Operations Manual and in any subsequent amendments made by HDS. The Franchisee will instruct and keep its employees fully informed of all methods and operating procedures established by HDS. The Operations Manual is expressly incorporated into this Agreement by reference, will be deemed to be a part of this Agreement, and will define and establish the obligations of the Franchisee under this Agreement; provided, however, that the terms of this Agreement, before such incorporation, will govern in the event of a conflict between the Operations Manual and this Agreement. Failure to adhere to the Operations Manual will constitute a material breach of this Agreement. Any required standards in the Operations Manual exist to protect the interests of HDS and the Affiliated Companies in the Business System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to the Franchisee. The required standards for operation of the Franchisee's Holiday Stationstore® are as set forth in this Agreement and those applicable areas of the Operations Manual. The Operations Manual also includes guidelines or recommendations in addition to required standards. In some instances, the required standards in the Operations Manual include recommendations or guidelines to meet the required standards. The Franchisee may follow the recommendations or guidelines set forth in the Operations Manual or some other suitable alternative, provided the Franchisee meets and complies with the required standards. In other instances, no suitable alternative may exist. In order to protect HDS' interests in the Business System and Marks, HDS reserves the right to determine if the Franchisee is meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

4.3 Confidential Information. The Franchisee will not disclose, except as may be required by law or to the extent necessary to comply with this Agreement, any Confidential Information of HDS or its Affiliated Companies that may come into the possession of the Franchisee as a result of the relationship established by this Agreement. The Franchisee agrees to execute, and to require its Officers, Directors, and Agents and each Manager who will or may have access to the any Confidential Information, to execute a confidentiality agreement in the form contained in Exhibit A attached hereto (the "**Confidentiality Agreement**"). If the Franchisee is or may be required to disclose any Confidential Information pursuant to a judicial order, the Franchisee will notify HDS in writing and send a copy of the judicial order or subpoena served on the Franchisee within five days. Confidential Information may only be used by the Franchisee in connection with the operation of the Holiday Stationstore® owned by the Franchisee. The Franchisee will immediately notify HDS in writing of any actual or suspected unauthorized use of any Confidential Information by any person or entity, and the Franchisee will provide such evidence and assistance as the Franchisee has within its control with respect to any challenge initiated by HDS against any unauthorized user.

4.4 Customer Data.

(a) HDS owns all Customer Information (as defined below) and may use the Customer Information as it deems appropriate (subject to applicable law), including disclosing it to vendors. Franchisee may only use Customer Information for the purpose of operating the Holiday Stationstore® to the extent permitted under this Agreement, including the Operations

Manual, during the term hereof and subject to such restrictions as HDS may from time to time impose and in compliance with all data privacy, security and other applicable laws. "Customer Information" means any contact information (including name, address, phone and fax numbers, and e-mail addresses), sales and payment history, and all other information about any customer, including any personal information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household. As used in this Agreement, the term "customer" refers to any person or entity (i) included on any marketing or customer lists that Franchisee develops or uses; (ii) who has purchased or purchases products or services at the Holiday Stationstore®; or (iii) whom Franchisee has solicited to purchase any products or services at the Holiday Stationstore®. HDS may use the Customer Information as it deems appropriate, including sharing it with its Affiliates.

(b) Without limiting the foregoing, Franchisee agrees to comply with applicable law in connection with its collection, storage, disclosure and its use and HDS's use of such Customer Information, including, if required under applicable law, obtaining consents from customers to HDS's and its Affiliates' use of the Customer Information. Franchisee must comply with all laws and regulations relating to data protection, privacy and security, including data breach response requirements ("Privacy Laws"), as well as data privacy and security policies, procedures and other requirements HDS may periodically establish. Franchisee must notify HDS immediately of any suspected data breach at or in connection with the Holiday Stationstore®. Franchisee must fully cooperate with HDS and its counsel in determining the most effective way to meet HDS's standards and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee is responsible for any financial losses it incurs or remedial actions that it must take as a result of breach of security or unauthorized access to Customer Information in Franchisee's control or possession.

(c) If any federal or state Privacy Law, including the California Consumer Privacy Act ("CCPA"), as revised by the California Consumer Privacy Rights Act ("CPRA") Cal. Civ. Code § 1798.100, et seq. and any related regulations, applies to the operation of the Holiday Stationstore®, whenever and to the extent Franchisee operates as a "Service Provider" or "Contractor" under the CCPA, a data processor, or in a similar capacity under any federal or state Privacy Law, Franchisee represents and warrants that:

(1) Except for the purpose of operating the Holiday Stationstore®and in accordance with the Operations Manual, Franchisee will not retain, use, combine or disclose any Customer Information;

(2) Franchisee will not sell, share, make available or otherwise disclose any Customer Information to any third party for valuable consideration or for the purpose of performing cross-context behavioral advertising;

(3) Franchisee will not retain, use, or disclose Customer Information outside of the direct business relationship between Franchisee and HDS;

(4) Franchisee will delete any Customer Information upon HDS's request unless Franchisee can prove that such request is subject to an exception under applicable law;

(5) If Franchisee receives a Customer Information data request (e.g. a request to delete Customer Information) directly from a consumer (e.g., a California resident under the CCPA or CPRA, or a resident of another jurisdiction under other applicable Privacy Law), Franchisee shall inform HDS of that request within one business day and cooperate with HDS to ensure that the consumer receives an appropriate and timely acknowledgement and response. As an example, currently under the CCPA, an acknowledgement is typically required within 10 business days and a final response is required within 45 calendar days;

(6) Franchisee will implement reasonable security procedures and practices appropriate to the Customer Information it collects, retains, uses or discloses, in order to protect it from unauthorized or illegal access, including following minimum requirements that may be set forth in the Operations Manual;

(7) Franchisee will cooperate with HDS if HDS seeks to ensure that Franchisee has collected, retained, used, or disclosed Customer Information consistent with Privacy Laws and this Agreement, including but not limited to providing HDS with requested compliance documents, or allowing HDS to assess, audit, or test Franchisee's privacy and security controls at least annually;

(8) Franchisee will cooperate with HDS to stop or remediate any unauthorized use of Customer Information, including verifying that Franchisee no longer retains any personal information that a consumer has asked to delete under applicable Privacy Laws; and

(9) Franchisee will notify HDS immediately if Franchisee determines it cannot meet its obligations under Privacy Laws or this Agreement regarding its collection, retention, use, or disclosure of Customer Information.

(d) Franchisee certifies that it understands the restrictions in Paragraphs (1) – (9) of section 4.4(c) and will comply with them. Franchisee also acknowledges and agrees that HDS may modify these restrictions from time to time by written notice to Franchisee, by issuing updates to HDS's standards and policies pertaining to Privacy Laws, including by adding other similar restrictions that may be required under other state or federal Privacy Laws, and Franchisee agrees to comply with the same. Franchisee also agrees to execute any addenda that HDS may determine are required to conform this Agreement to new or changed Privacy Laws.

(e) To the extent that Franchisee engages a third party to collect, use, sell, share, store, disclose, analyze, delete, modify, or to otherwise perform any processing of Customer Information for the purpose of operating the Holiday Stationstore® (a "Subprocessor"), Franchisee will notify HDS of such engagement, which shall be governed by a written contract that includes the same restrictions as in Paragraphs (1) – (9) of section 4.4(c) and imposes reasonable confidentiality obligations and privacy and security controls on the Subprocessor.

4.5 **Ethical Business Conduct**. Franchisee agrees to adhere to good business practices, observing high standards of honesty, integrity, fair dealing and ethical business conduct and good faith in all business dealings with customers, vendors, Franchisee's employees, HDS's corporate employees, and all other Holiday Stationstore® franchisees. Franchisee must not engage in deceptive, misleading or unethical practices or conduct that may have a negative impact on the reputation and goodwill associated with the Marks.

4.6 **Crisis Situations**. In the interest of protecting the Marks and the Business System, HDS has the sole and absolute right to determine a response, including what steps will be taken and what communications will be made, in instances of a Crisis, and the Franchisee agrees to comply with and implement HDS's directions in response to a Crisis. "**Crisis**" means an event or development that negatively impacts the Holiday® brand in such a way that HDS determines may cause substantial harm or injury to the Marks, the Business System, reputation or image.

ARTICLE 5
STANDARDS AND UNIFORMITY OF OPERATION

5.1 **Standards and Uniformity of Operation**. The Franchisee is required to participate fully in all core, promotional, alliance and loyalty programs as defined by HDS and to be responsible for costs associated with the implementation of those programs to include, but not to be limited to, equipment and technology upgrades.

5.2 Standards of Quality and Service. HDS will promulgate, from time to time, uniform standards of quality and service for the Business System to protect and maintain (for the benefit of the Franchisee, all other Holiday Stationstore® franchisees and HDS) the valuable goodwill and uniformity represented and symbolized by the Marks and the Business System. Therefore, to insure that the Holiday Stationstore® operated by the Franchisee will maintain and adhere to the uniformity requirements and quality standards for the Automotive Fuels and Groceries, Food Service Items and Merchandise, and other products and services sold by all Holiday Stationstores® and associated with the Marks and the Business System, the Franchisee will comply with the provisions of this Article to assure that the Franchisee's Holiday Stationstore® will be uniform in nature and will sell and dispense quality products and services to the public.

5.3 Compliance. The Franchisee will not operate its Holiday Stationstore® in any manner that is contrary to the Business System or the standards and specifications set forth in the Operations Manual. HDS will have the right to periodically inspect the Franchisee's Holiday Stationstore® to determine whether the Franchisee is in compliance with the Business System, and the Franchisee will supply all information reasonably requested by HDS to determine compliance. The failure of the Franchisee to fully comply with the Business System and/or the standards and specifications set forth in the Operations Manual will constitute a material breach of this Agreement and will be deemed grounds for termination.

5.4 Hours of Operation; Personnel. The Franchisee will operate its Holiday Stationstore® for not less than 16 hours during each day of the year, including weekends and holidays, unless (a) otherwise agreed to in writing by HDS, or (b) prohibited by law, in which event the lesser hours provided by law will apply. The Franchisee will have a Manager on duty during business hours that will be responsible for supervising the employees and the business operations for the Franchisee's Holiday Stationstore®. The Franchisee will have a sufficient number of adequately trained and competent personnel on duty at all times to guarantee efficient service to the Franchisee's customers. All persons employed by the Franchisee must practice good personal hygiene. The Franchisee will require and take reasonable steps to ensure that its employees are dressed in clean and neat uniforms or the standard attire specified in the Operations Manual. No employee of the Franchisee's will be deemed to be an employee of HDS for any purpose whatsoever, and nothing in any aspect of the Business System or the Marks in any way shifts any employee or employment-related responsibility from the Franchisee to HDS. The Franchisee will inform its employees that the Franchisee is their employer, and that HDS is not their employer.

5.5 Signs and Promotional Materials. The Franchisee will only display Signs and other promotional materials that have been authorized or approved in writing by HDS. The Franchisee will not use other Signs or promotional materials at any Holiday Stationstore® without the prior written consent of HDS. The Franchisee will lease or purchase all interior and exterior graphics necessary to reflect the Holiday Stationstore® image established by HDS from time to time. The style and form of the words "Holiday®" and "Holiday Stationstore®" and the other Marks used in any advertising, marketing, public relations or promotional programs must have the prior written approval of HDS. The Franchisee will use the names "Holiday®" and "Holiday Stationstore®," the approved logos and all graphics commonly associated with the Business System and the Marks on all materials in the manner prescribed by HDS. The Franchisee will lease or purchase all designated Signs from HDS and will use all interior and exterior graphics specified by HDS on all Signs deemed necessary to reflect the then-current image of a Holiday Stationstore®.

5.6 Approved Advertising; Other Business. The Franchisee will not conduct any advertising and/or promotion programs for its Holiday Stationstore®, except those provided or approved by HSI, without the prior written approval of HDS. The Franchisee will not permit any third party to advertise its business, services or products or operate its business on or at the Franchised Location or in connection with the Franchisee's Holiday Stationstore®, without the written approval of HDS. The Franchisee will use the Franchised Location solely for the operation of a Holiday Stationstore® and will not directly or indirectly operate or engage in any other unapproved business or activity from the Franchised Location. The Franchisee will not participate in any dual branding program, or in any other program, promotion or business pursuant to which another trademark, service mark, trade name, or commercial symbol is used in connection with the Franchisee's Holiday Stationstore®, except with the prior written permission of HDS.

5.7 **Claims and Legal Actions**. The Franchisee will promptly report to HDS all claims, incidents, and accidents alleging damages in excess of $25,000 that involve (a) personal injury to any person, (b) damages to the Franchisee's Holiday Stationstore®, (c) damages to any assets, fixtures, Equipment or other real or personal property associated with the Franchisee's Holiday Stationstore®, (d) damages to any real or personal property owned by any other person or entity, (e) any employment claims, and (f) any collection, administrative, judicial and other legal process or action relating to the Franchisee's Holiday Stationstore®. All reports will include the details of the matter, the names and addresses of all parties involved, and the name and address of the insurer of any party against whom a claim may possibly be made.

5.8 **Equipment**. The Franchisee will install the Equipment at the Franchisee's Holiday Stationstore®. The Franchisee will not install any additional equipment or fixtures without the prior written approval of HDS. The Franchisee will not remove any Equipment or Inventory-in-Bulk from any Holiday Stationstore® of the Franchisee without the prior written consent of HDS.

5.9 **Name**. The Franchisee will not use the names "Holiday®" or "Holiday Stationstore®" or any derivative thereof in or as the name of its Entity. Further, the Franchisee will not use the name of any competitive brand names or any derivative thereof in or as the name of its Entity. The Franchisee will hold itself out to the public as an independent contractor operating its Holiday Stationstore® pursuant to a franchise agreement from HDS and will file for a certificate of assumed name in the manner required by applicable state law to notify the public that the Franchisee is operating its Holiday Stationstore® as an independent contractor.

5.10 **Catastrophes**. If the Franchisee's Holiday Stationstore® is damaged or destroyed by fire or other casualties, then the Franchisee will, within 30 days thereafter, initiate the process to commence the repairs and reconstruction necessary to restore the Franchised Location to its original condition prior to such casualty. The Franchisee will repair or reconstruct the premises of any damaged or destroyed Holiday Stationstore® in conformance of the then-current Standard Building Site Plans and Fixture Plans.

5.11 **Security Interest**. The Franchisee will not have the right to pledge, assign, mortgage encumber or grant a security interest in this Agreement, the Marks, or any other property leased or licensed to the Franchisee by HDS or any other right or interest of the Franchisee created by this Agreement to any person or Entity.

5.12 **Operation of Franchised Business**. The Franchisee will be totally and solely responsible for the operation of its Holiday Stationstore®, and will control, supervise and manage all of the Managers, employees, agents and independent contractors who work at the Franchisee's Holiday Stationstore®. The Franchisee will be responsible for the acts of its Managers, employees, agents, and independent contractors and will take all reasonable business actions necessary to ensure that its Managers, employees, agents and independent contractors comply with all federal, state and local statutes, ordinances, laws, rules and regulations including, but not limited to, all discrimination laws, sexual harassment laws, other labor and employment laws, and laws relating to the disabled. HDS will not have any right, obligation or responsibility to control, supervise or manage any of the Franchisee's Managers, employees, agents or independent contractors. If HDS provides the Franchisee forms or practices, the Franchisee is solely responsible for ensuring that the Franchisee's forms and practices comply with local laws or other laws applicable to the Franchisee's business. Any changes made by the Franchisee to the Business System must be pre-approved by HDS in writing, and will generally only be approved to the extent necessary to comply with applicable law.

5.13 **Security System**. The Franchisee will install and maintain a security system at its Holiday Stationstore® that the Franchisee determines is necessary and adequate for the protection of its Holiday Stationstore® and its Managers, employees, agents, independent contractors and customers.

5.14 **Gift Cards and Coupons**. The Franchisee will offer its customers the opportunity to purchase the gift cards issued by HDS or its Affiliate Company that will be sold by all Holiday Stationstore® franchisees, including gift cards that may be redeemable in electronic form. The Franchisee and the Franchisee's Holiday Stationstore® will not have the right to sell or issue gift cards of any kind, except those that have been purchased from HDS, and will not issue cards, coupons or discounts of any type, except with the written permission of HDS.

5.15 **Fuel Dispensers**. The Franchisee will label and design the Automotive Fuel dispensers at the Franchisee's Holiday Stationstore® according to the specifications in the Standard Building Site Plans and Fixture Plans and the Operations Manual.

5.16 **Retail Pricing**. The Franchisee retains complete and independent authority to set retail prices for all products sold by the Franchisee, including gasoline. Accordingly, the Franchisee has the sole and exclusive right to set retail prices. Any market information that HDS or any Affiliated Company provides to the Franchisee regarding retail pricing is intended solely to assist the Franchisee in making independent pricing decisions and does not in any way limit the Franchisee's exclusive right to set retail prices.

5.17 **Automatic Tank Gauges**. The Franchisee will install and maintain automatic tank measuring devices for the purpose of reporting petroleum inventory levels electronically to EPC. These devices must be compatible with EPC's automated fuel dispatching system.

ARTICLE 6
STORE IMAGE STANDARDS AND UNIFORMITY OF IMAGE

6.1 **Store Image Standards and Uniformity of Image**. The store image of the Franchisee's Holiday Stationstore® will conform and comply with the construction, design and decor standards reflected in the Standard Building Site Plans and Fixture Plans and the Operations Manual. Accordingly, the Franchised Location for the Holiday Stationstore® developed by the Franchisee will be constructed, improved, remodeled or altered according to the terms and conditions of this Agreement and only in the manner authorized and approved by HDS in writing.

6.2 **Site Selection**. The Franchisee has been solely responsible for selecting the site for the Franchised Location for the Holiday Stationstore® developed by the Franchisee under this Agreement. HDS's willingness to grant the Franchisee a Holiday Stationstore® franchise for the Franchised Location is, in material part, due to the location of the site of the Franchised Location. Accordingly, if and to the extent the Franchisee desires to relocate the site of its franchised Holiday Stationstore® during the Term, the same shall be subject to review and approval by HDS, in HDS's sole and absolute discretion at such time, taking into account all factors that HDS deems relevant at such time. In the event the Franchisee desires to develop additional Holiday Stationstore® franchises in the future, the Franchisee (a) acknowledges that this Agreement grants the Franchisee a franchise only for the Franchised Location and there is no guaranty that HDS will approve any additional franchises in the future, in HDS's sole discretion, and (b) agrees that the Franchisee shall not secure additional location(s), engage a real estate broker or otherwise attempt to purchase, lease or contract for additional location(s) without first discussing the Franchisee's desire for expansion with HDS.

6.3 **Site Selection Disclaimer**. HDS's review and approval of the site of the Franchised Location shall not (a) be deemed to be a warranty, representation or guaranty by HDS to the Franchisee that the Franchisee's Holiday Stationstore® will be a financial success if opened and operated at that site or (b) impose any liability upon HDS if the site does not prove to be economically viable for the Franchisee. No provision of this Agreement may be construed or interpreted to impose any obligation on the part of HDS or liability to HDS for Franchisee's selected site for the Franchised Location or for any review that HDS may have conducted for its internal purposes with regard to the selection of the site of the Franchised Location. Without limitation of the foregoing, HDS shall have no liability for any Claims and Damages alleged by the Franchisee or any other party relating to the site of the Franchised Location.

6.4 **Standard Building Site Plans and Fixture Plans**. HDS will provide the Franchisee with one copy of the Holiday Stationstore® Standard Building Site Plans and Fixture Plans for use by the Franchisee solely in connection with the Franchisee's construction of its Holiday Stationstore® or the remodeling of a building that will be converted to a Holiday Stationstore®. The Franchisee will, at its cost, retain a licensed architect to prepare the final working drawings and construction plans and specifications required to either build or remodel the Franchised Location for the Franchisee's Holiday Stationstore®. The Franchisee will construct (or cause its landlord to construct) its Holiday Stationstore® according to the Standard Building Site Plans and Fixture Plans for both new construction and the renovation of an existing building according to the final working drawings and construction plans and specifications drafted and prepared by the Franchisee's architect that have been approved by HDS in writing. The Franchisee will be responsible for the accuracy of all working drawings and construction plans and specifications for the Holiday Stationstore® developed by the Franchisee under this Agreement. The Franchisee will pay HDS the then-current fee for the preparation of any working drawings, construction plans and specifications, and for all other services provided by HDS and will reimburse HDS for all out-of-pocket expenses. The Franchisee will pay HDS its standard rates for any revisions made at the Franchisee's request to the Standard Building Site Plans and Fixture Plans and for any architectural or engineering services or approvals provided to the Franchisee and/or to comply with any required laws.

6.5 **Construction Costs**. The Franchisee will be responsible for all costs and expenses incurred for the construction of the Franchisee's Holiday Stationstore® including, but not limited to, all costs for (a) the preparation of the architectural plans and specifications required for the construction or remodeling of the Franchised Location, (b) all modifications to the Standard Plans and Specifications necessitated by the structure, construction or layout of the Franchised Location, and (c) all building permits, site preparation, demolition, construction of the parking lot, landscaping, heating, ventilation and air conditioning, interior decor, decorations, Equipment, leasehold improvements, labor, architectural and engineering fees, electricians, plumbers, general contractors, and subcontractors. Neither HDS nor any of its Affiliated Companies is financially responsible for any part of the construction process. The Franchisee is responsible for any litigation due to any errors and omissions in the construction process or any mechanics liens.

6.6 **Inspection During Construction or Renovation**. The Franchisee will be solely responsible for inspecting the Franchised Location during construction or renovation to ensure that it is being constructed or renovated according to HDS's specifications. The Franchisee will be solely responsible for complying with all applicable local, state and federal laws, ordinances, statutes, and building codes, and for acquiring all licenses and building permits required by any federal, state, city, municipal, and local laws in connection with the construction or renovation of the Franchisee's Holiday Stationstore®.

6.7 **Maintenance and Repair**. The Franchisee will, at its expense, maintain and repair the Franchised Location of the Holiday Stationstore® owned by the Franchisee in accordance with the then-current Standard Building Site Plans and Fixture Plans, the Operations Manual, the established Holiday Stationstore® image or as otherwise required by HDS in writing. All Equipment will be kept in good working order. If the Franchisee fails to maintain or repair any Holiday Stationstore® as required by this Agreement, then HDS will have the right, but not the obligation, to enter the Franchisee's Holiday Stationstore® after giving the Franchisee 10 days prior written notice, and perform all required maintenance and repairs to the Franchised Location at the Franchisee's sole expense. The Franchisee will, immediately upon receipt of an invoice, pay all costs incurred by HDS for maintenance and repairs made to the Franchisee's Holiday Stationstore®.

6.8 **Remodeling**. In order to maintain a uniform image for the Business System, the Franchisee will, at its sole expense, remodel, improve, and alter (remodel) the exterior and interior of the building and the Franchised Location of the Franchisee's Holiday Stationstore® in the manner specified by HDS in writing to reflect the then-current image of a Holiday Stationstore®. All remodeling by the Franchisee will be commenced no later than 30 days after the Franchisee receives written notice from HDS specifying the required remodeling and the Franchisee will complete all remodeling within 90 days.

The Franchisee will not be required to spend more than $100,000 to remodel any Holiday Stationstore® during any consecutive 12-month period.

ARTICLE 7
SIGNS

7.1 **Approved Signs**. All Signs used at the Franchisee's Holiday Stationstore® (the "**Signs**") must be approved by HDS in writing and must comply with the standard sign plans and specifications of HDS. HDS will provide the Franchisee with a written copy of HDS's standard sign plans and specifications and the Franchisee will, at its expense, prepare or cause the preparation of complete and detailed plans and specifications for the Signs and will submit them to HDS for its written approval. The Signs must be installed or erected at the Franchised Location precisely in the place, location, and manner specified by HDS in writing. HDS will have the absolute right to inspect, examine, videotape, and photograph the Signs at any time during the Term of this Agreement.

7.2 **Construction and Installation Costs**. The Franchisee will, at its expense, be responsible for any and all installation costs, Sign costs, architectural fees, engineering costs, construction costs, transportation, permits, licenses, repairs, maintenance, utilities, insurance, taxes, assessments, and levies in connection with the erection or use of the Signs including, if applicable, all electrical work, construction of the base and foundation, relocation of power lines, and all required soil preparation work. The Franchisee will comply with all federal, state and local statutes, laws, regulations, building codes, and ordinances relating to the erection, maintenance and use of the Signs.

7.3 **Holiday® Signs**. The Franchisee will rent or purchase from HDS or its approved or designated supplier all of the Signs approved by HDS that are described in the final construction plans and specifications, the Operations Manual, or otherwise in writing by HDS. If, with the written approval of HDS, the Franchisee purchases any Sign that uses or displays the words "Holiday" or "Stationstore" or other trademarks of HDS (the "**Holiday® Signs**"), then ownership and title to the Holiday® Signs will automatically vest in HDS on the day this Agreement is terminated or cancelled or expires. The Franchisee agrees and warrants that on the day this Agreement is terminated or cancelled or expires: (a) this Article 7.3 will constitute an assignment by the Franchisee to HDS of all of its rights, title and interest in and to the Holiday® Signs, (b) the Holiday® Signs will be the sole and exclusive property of HDS without the payment of any money or other consideration to the Franchisee, (c) HDS will be entitled to enter the Franchised Location or the site for the purpose of removing and taking possession of the Holiday® Signs, and (d) the Franchisee will execute all documents required by HDS and/or its legal counsel to reflect the terms of this Article and to confirm the Franchisee's transfer of title in the Holiday® Signs to HDS. The Franchisee will execute a Sign Rental Agreement in the form of Exhibit B attached hereto with respect to all Signs rented from HDS. The periodic rental fees for the Signs and all related costs will be as determined by HDS, subject to adjustment upon replacement or removal.

7.4 **Replacement and Maintenance of Signs**. The Franchisee will not have the right to and will not alter, remove, change, modify, or redesign the Signs unless approved by HDS in writing. HDS will have the unilateral right to redesign the plans and specifications for the Signs during the Term of this Agreement without the approval or consent of the Franchisee. Within 30 days after receipt of written notice from HDS, the Franchisee will, at its expense, either modify or replace the Signs so that the Signs displayed at the Franchised Location will comply with HDS's then current image and redesigned plans and specifications. The Franchisee will not be required to modify or replace any Signs more than once every five years except as may be required in connection with any remodeling of the Franchised Location pursuant to Article 6.8. The Franchisee will be responsible for all costs of repair and maintenance for all Signs owned or leased by the Franchisee and displayed at the Franchisee's Holiday Stationstore®.

7.5 **Injunctive Relief**. HDS will be entitled to seek injunctive relief against the Franchisee without the posting of any bond or security to require the Franchisee, at the Franchisee's expense, to (a) exhibit, use, and display the approved Signs at the Franchised Location during the Term of this Agreement, (b) remove the Signs from the Franchised Location upon the termination, cancellation or expiration of this Agreement, and (c) remove the Signs from any unauthorized location.

ARTICLE 8
HOLIDAY STATIONSTORE® TECHNOLOGY

8.1 Computer Hardware and Software. The Franchisee will, at its expense, purchase or lease the point of sale and operations data system software, hardware and services, and any related back office system (the "**POS and Back Office System**") and the Computer Systems designated in the Operations Manual or by HDS for the Franchisee's Holiday Stationstore®. The Computer Systems must meet all of HDS's specifications. The Franchisee will (a) purchase and install, at the Franchisee's sole expense, all Computer Systems specified by HDS necessary to support the POS and Back Office System, (b) train its personnel to operate the POS and Back Office System, (c) use and maintain the POS and Back Office System in accordance with the Operations Manual or as directed by HDS in writing, (d) maintain and report the Data and Information generated by the POS and Back Office System to the extent and in the manner required by HDS, (e) authorize and permit HDS to access and upload all Data and Information in the POS and Back Office System and Computer Systems at any time, and (f) authorize and permit HDS to transmit data and other information to the POS and Back Office System and Computer Systems at any time. The Franchisee will, at all times during the Term of this Agreement, maintain and upgrade the POS and Back Office System and all Computer Systems in accordance with the standards and specifications established by HDS.

8.2 Access to Computer Data. HDS will, at all times during the Term of this Agreement, have the right to directly access all Data and Information maintained by the Franchisee. The Franchisee will, at its expense, configure its Computer Systems according to HDS's configuration standards and maintain the communications software and hardware necessary to permit HDS to access the Data and Information by whatever appropriate communication method designated by HDS and to upload and download the Data and Information and other business information from and to the Franchisee's Computer Systems and POS and Back Office System.

8.3 Copying of POS and Back Office System. The Franchisee will not copy any printed material or other information relating to the POS and Back Office System and the Computer Systems without HDS's prior written consent. HDS will not be liable for any loss or expense incurred by the Franchisee as a result of the Franchisee's failure to maintain back-up copies of the POS and Back Office System or Computer Systems used by the Franchisee.

8.4 Confidentiality. The POS and Back Office System constitutes Confidential Information, the disclosure of which, or use by, any unlicensed third parties will be damaging to HDS. The Franchisee will treat all aspects of the POS and Back Office System as Confidential Information, will hold and use the POS and Back Office System in the strictest confidence, and will not divulge, nor permit any of its Managers, employees, agents or representatives to divulge to any other party any information relating to the POS and Back Office System, the programs, and the technology embodied therein or any other documentation, models, descriptions, forms, instructions or other related information. The Franchisee will immediately notify HDS in writing of any unauthorized release or disclosure of any materials or information relating to the POS and Back Office System and will assist HDS in recovering these materials or information.

8.5 Electronic Ordering Device. The Franchisee will purchase or lease an electronic ordering device for use in the Franchisee's Holiday Stationstore®. HDS has the right to establish or revise the source, type, specifications, rental or purchase price for the ordering device and the Franchisee will upgrade to the new standards.

8.6 Internet Website and Digital Media. The Franchisee will not establish or maintain a website, home page, or social media or other interactive media platform account (collectively "**Digital Media**") on the Internet to advertise or promote its Holiday Stationstore® without the prior written consent of HDS. All features of any proposed Digital Media, including the domain name, content, format, appearance and links to other Internet sites, must be approved by HDS in writing prior to the activation of the Digital Media. Once activated, the Franchisee may not make any changes, modifications, or enhancements without the prior written approval of HDS. All content, graphics, and information maintained by the Franchisee on Digital Media will at all times be subject to the terms and conditions of this Agreement. The Franchisee will not link its Digital Media to any Internet site other than the Digital Media maintained by HDS and its Affiliated Companies (including www.holidaystationstores.com) without the prior written approval of HDS. The Franchisee will not have the right to use the words Holiday®, Holiday Stationstores®, Stationstores or any of the other Marks in or as part of its domain name, Universal Resource Locator, or other Internet identifier except as authorized by HDS in writing.

ARTICLE 9
HOLIDAY® CREDIT CARD PROGRAM

9.1 Credit Card Program. The Franchisee will participate in the Holiday® Credit Card Program and all other credit card and debit card programs established or approved by HDS or its Affiliated Companies and will comply with all terms and conditions established by HDS in the Operations Manual, the Credit Card Instructions, and in any other written manner relating to the credit and debit card programs, credit cards, and cardholders. For the purposes of this Article 9, "credit card" or "credit cards" will mean and include, where applicable, the credit cards, debit cards, stored value cards and all other types of credit cards that have been approved by HDS or its Affiliated Companies. The Franchisee will immediately forward all customer applications for Holiday® credit cards to HDS for approval and card issuance by HSI or its designee. The termination or expiration of this Agreement will automatically terminate all rights of the Franchisee with respect to any Holiday® Credit Card Program, including without limitation, all rights of the Franchisee to process credit card charges with HDS or HSI. The Franchisee's participation in any credit card programs established by HDS or HSI will be subject to all of the terms and conditions established by HDS. The Franchisee will accept all credit cards designated by HDS or HSI and will, in addition to the terms and conditions contained in this Agreement, be fully subject to and will comply with all card agreements in force between HDS, HSI and VISA, MasterCard, American Express, other card issuers and/or any bank, and these card agreements are expressly incorporated herein by reference.

9.2 Credit Card Instructions. HDS will, from time to time, issue written instructions relating to the procedures and policies applicable to the Holiday® Credit Card Program and the other approved credit and debit card programs (the "**Credit Card Instructions**"). Copies of all Credit Card Instructions will be provided to the Franchisee and the Franchisee will comply in all respects with all Credit Card Instructions.

9.3 Credit Card Machine. The Franchisee will purchase the approved credit and debit card electronic credit authorization terminals and related peripheral equipment from HDS or HSI (or a designee) and will pay for the installation of the credit authorization terminals by an installer selected by HDS. Credit card authorization terminals and related peripheral equipment will be sold to the Franchisee at the prices and on the terms established by HDS or HSI from time to time. Within 30 days after receiving written notice from HDS, the Franchisee will install all updated credit and debit card equipment for the Holiday® Credit Card Program specified by HDS in writing.

9.4 Termination of Holiday® Credit Card Program. HDS or HSI will have the right to terminate the Holiday® Credit Card Program, and all related agreements, by giving the Franchisee 48 hours' prior written notice, and HDS may, at any time and with or without cause, terminate the Holiday® credit card privileges of the Franchisee without terminating this Agreement or any other agreement between HDS and the Franchisee. In the event of termination of this Agreement or the Franchisee's right to participate in the Holiday® Credit Card Program or other credit card programs, HDS or HSI will continue to purchase credit sales invoices from the Franchisee for a period of 10 days following termination, provided the credit and debit card invoices submitted by the Franchisee are for transactions at the Franchisee's Holiday Stationstore® that occurred prior to the date of termination. The Franchisee's repurchase obligations set forth in Article 9.7 will also continue beyond the date of termination. Termination of this Agreement or the Holiday® Credit Card Program will not affect the rights or obligations of either party under this Agreement that may have arisen or accrued prior to the date of termination.

9.5 Credit Card Charges. The Franchisee must assign, and HDS or HSI will purchase from the Franchisee, the credit sales invoices and the underlying credit sales accounts for all Holiday® credit and debit card charges and other approved credit card charges made by cardholders at the Franchisee's

Holiday Stationstore® for 100% of the total dollar amount shown on the face of the credit sales invoices that have been prepared and submitted to HDS or HSI in accordance with the terms and conditions of this Article. HDS will credit the Franchisee's trade account with HDS for the amount of the payment due to the Franchisee for the purchase of credit sales invoices and the underlying credit sales accounts by HDS or HSI. The Franchisee will submit to EPC the original copies of all credit sales invoices except as provided to the contrary by HDS or HSI. It is understood that there will not be a merchant copy of "pay at the pump" card transactions or for transactions under dollar amounts specified by HDS. HDS or HSI will also purchase and accept assignments by the Franchisee of retail credit sales invoices from the cardholders of VISA, MasterCard, American Express, and the other credit cards approved by HDS in writing. The Franchisee will pay HDS or HSI a processing fee in the amount established by HDS or HSI from time to time, and the amount of the processing fee will depend upon the type of credit card processed and the manner in which authorizations are obtained.

9.6 Franchisee's Representations and Warranties. With respect to each credit card invoice purchased by HDS or HSI, the Franchisee warrants to HDS or HSI that it has no knowledge that (a) the signature on the credit sales invoice is unauthorized, (b) the credit card used by the cardholder is not genuine, (c) the credit sales invoice was altered subsequent to its signature, (d) any portions of the credit sales invoice completed by the Franchisee, its employees or agents were completed fraudulently or incorrectly, (e) the credit card used by the cardholder was unauthorized or canceled, (f) the credit card used by the cardholder or the credit card user was not authorized, or (g) the credit card was used by the cardholder at a business other than the Franchisee's Holiday Stationstore®. Franchisee agrees to keep secure and protect all card transaction data in accordance with current data privacy requirements and this Agreement.

9.7 Franchisee's Obligations to Repurchase Credit Card Invoices. The Franchisee will repurchase from HDS or HSI 100% of the total dollar amount shown on the face of any credit card invoice that has been purchased from the Franchisee by HDS or HSI where the Franchisee (a) completes a transaction on any credit card whose account number is listed as unauthorized for use by the electronic credit authorization system or in any written notice sent to the Franchisee, (b) completes a transaction subsequent to the expiration date noted on the face of the cardholder's credit card, (c) completes the transaction when the signature (if required by the card issuer and whether captured physically or electronically) on the credit sales invoice appears to be dissimilar to the signature appearing on the credit card (which signature may, but need not be, the name embossed on the credit card), (d) fails to deliver to the cardholder a true and complete copy of the credit sales invoice at the time of the transaction, (e) fails to legibly show on any credit sales invoice, the name of the cardholder (if required by the card issuer and whether captured physically or electronically), the transaction date, the description of the Automotive Fuels and Groceries, Food Service Items and Merchandise sold, the total amount of the charge sale, including all state and federal taxes, the signature of the cardholder, and the credit authorization system approval number, (f) is in default or otherwise violates any term or condition of Article 9, (g) is advised and aware that the cardholder disputes liability for the purchase evidenced by the credit sales invoice, (h) has been informed that the Automotive Fuels and Groceries, Food Service Items and Merchandise covered by the credit sales invoice are claimed to be defective or returned, (i) completes a transaction on a credit card that was not authorized by the credit authorization system, (j) does not provide HDS or HSI with a copy of the credit sales invoice (whether captured physically or electronically) within three days after the date of the credit card transaction, (k) fails to obtain the authorizations required by HDS to approve the transaction with the cardholder, including the failure to obtain a verbal telephonic authorization when prompted by the electronic credit card authorization system, (l) fails to comply with any Credit Card Instructions, and (m) any other instance where payment is refused or reversed by the card issuer for any reason.

9.8 Cancelled or Expired Credit Cards. The Franchisee will cooperate fully with HDS and HSI in recovering all canceled or expired credit cards, including those generating a "pick up card" response on the credit sale authorization system. The Franchisee will maintain and HDS or HSI will have the right to examine, all records, reports and other forms relating to any credit card program that HDS may request.

9.9 Holiday® Credit Cards. The Franchisee will not discriminate in any manner against Holiday® credit card holders as opposed to the holders of any other credit card, such as bank credit cards, that the Franchisee is authorized to accept.

9.10 PCI Payment Card Industry Data Security Standard. The Franchisee will be compliant and will remain compliant throughout the term of this Agreement with the payment card industry data security and privacy standard as established from time to time by the Payment Card Industry Security Standards Council, HDS or any other industry recognized regulatory agency or organization. The Franchisee agrees to meet payment card industry requirements for storing, accessing and transmitting cardholder data, and agrees to fully participate at HDS's request in any payment card industry data security standard compliance audits conducted by or on behalf of HDS or its Affiliated Companies. Additionally, the Franchisee agrees to not install or connect non-HDS supplied Computer Systems or services, including but not limited to wireless systems and internet access, onto HDS's POS and Back Office System without the review, participation and written approval of HDS.

The Franchisee will accept complete liability for cardholder data in the Franchisee's possession whether in paper or electronic form. The Franchisee will further pay any fines, penalties and costs associated with a security breach assessed to HDS or any Affiliated Companies due to a cardholder data breach caused by the Franchisee's failure to secure cardholder data or not maintain full payment card industry standards for compliance.

The Franchisee will notify HDS immediately of any known or suspected information security compromise specifically, but not limited to, one that may impact cardholder data. The Franchisee will fully cooperate with and provide access to a PCI representative, or PCI approved third party, for purposes of conducting a security review after a data security intrusion or breach has been detected.

The Franchisee must also comply with any other privacy laws and with privacy policies promulgated by HDS from time to time.

ARTICLE 10
OPENING DATE

10.1 Conditions to Opening. The Franchisee will not open its Holiday Stationstore® unless all of the following conditions have been satisfied: (a) the Franchisee has obtained written approval from HDS for the proposed site plan, for the construction plans and specifications, and for the decor and interior layout for the Franchised Location, (b) the site and all buildings, improvements, and Equipment are completed and installed in accordance with the construction plans and specifications approved by HDS, (c) the Franchisee has obtained all licenses, permits, variances, and other government approvals required for the construction of the Franchisee's Holiday Stationstore® at the Franchised Location, (d) the Franchisee is not in breach or default of any term of this Agreement or any other franchise agreement with HDS relating to any other Holiday Stationstore® operated by the Franchisee, (e) the Franchisee has completed the Initial Training Program described in Article 14.1 to HDS's satisfaction, and (f) HDS has given the Franchisee written approval to open the Franchisee's Holiday Stationstore®.

10.2 Timetable. The Franchisee will use its best efforts to open its Holiday Stationstore® for business on the date set forth on the cover page of this Agreement (the "**Anticipated Opening Date**"). Notwithstanding any other provisions to the contrary, the Franchisee will be required to open its Holiday Stationstore® for business within 180 days from the date of this Agreement, unless the Franchisee receives a written extension of time from HDS. Within ten (10) days following a request by HDS made at any time after the opening of Franchisee's Holiday Stationstore®, Franchisee shall enter into a memorandum in a form proposed by HDS memorializing the Opening Date and the date of expiration of the Term.

ARTICLE 11
PURCHASE OF AUTOMOTIVE FUELS AND GROCERIES, FOOD SERVICE ITEMS AND MERCHANDISE

11.1 **Purchase Requirements for Automotive Fuels**. Franchisee will be required to purchase Automotive Fuels that meet the specifications of EPC (or its designee) established from time to time and which may be changed at any time. Franchisee may not sell Automotive Fuels that do not meet the specifications of EPC (or its designee). Each calendar year (or any partial calendar year) during the Term of this Agreement, the Franchisee will be required to purchase from EPC (or its designee) a minimum of ninety-five percent (95%) of the total number of gallons of Automotive Fuels purchased by the Franchisee's Holiday Stationstore® (the "**Minimum Purchase Requirements**"). The Franchisee will purchase all Automotive Fuels in not less than transport tank truck quantities per delivery, or such other quantity agreed to by EPC, and will provide safe access for the delivery trucks to the storage tanks at the Franchisee's Holiday Stationstore®. The quantity of Automotive Fuels sold to the Franchisee will be determined by the quantity set forth on the bill of lading as metered at the loading terminal. The Franchisee's yearly purchases of Automotive Fuels will be made in reasonably even monthly quantities, taking into consideration seasonal variations in demand. The Franchisee's failure to purchase from EPC a minimum of 95% of the total number of gallons of Automotive Fuels purchased by the Franchisee for the Franchisee's Holiday Stationstore® during any calendar year (or partial calendar year) will constitute a material breach of this Agreement and will give HDS the right to terminate this Agreement.

11.2 **Groceries, Food Service Items and Merchandise**. The Franchisee's Holiday Stationstore® will only sell the Groceries, Food Service Items and Merchandise consistent with the Business System and approved by HDS (and no other products), and the Franchisee's Holiday Stationstore® will, at all times during the Term of this Agreement, sell all of the Groceries, Food Service Items and Merchandise consistent with the Business System and approved by HDS. The Franchisee will, at all times, maintain an inventory of Groceries, Food Service Items and Merchandise sufficient in quantity and variety to realize the full potential of the business and to meet the reasonably anticipated demand of its customers. HDS will have the right to change the mix, makeup, brands, and composition of the Groceries, Food Service Items and Merchandise sold by the Franchisee's Holiday Stationstore® at any time during the Term of this Agreement, and to prohibit the Franchisee from selling any unapproved groceries, merchandise or services at or from its Holiday Stationstore®. The Franchisee will conform to all customer service standards prescribed by HDS in writing. Except for the Groceries, Food Service Items and Merchandise that must be purchased from Approved Suppliers and Designated Suppliers under Articles 11.3 and 11.4 of this Agreement, the Franchisee will have the right to purchase all Groceries, Food Service Items and Merchandise from any supplier or other source of distribution the Franchisee may choose. HDS will have to right to suspend or limit the purchase of Groceries, Food Service Items and Merchandise items from a supplier or distributor at any time due to food safety or contamination concerns. In the event that HDS suspends or limits sales of products due to the health or safety of the public, Franchisee will not make available or offer any suspended or limited Groceries, Food Service Items or Merchandise for purchase until the suspension or limitation is lifted by HDS. The Franchisee will have the absolute right to sell all Groceries, Food Service Items and Merchandise to its customers at whatever prices and on whatever terms the Franchisee deems appropriate.

11.3 **Approved Suppliers**. The Franchisee will purchase all of the Groceries, Food Service Items and Merchandise designated by HDS from Approved Suppliers. The Franchisee will have the option to purchase Groceries, Food Service Items and Merchandise from another supplier if the proposed substitute products or services ("proposed products") conform to HDS's quality standards. If the Franchisee desires to purchase any Groceries, Food Service Items and Merchandise from another supplier (the "**proposed supplie**r"), then the Franchisee will, at its expense, submit samples and specifications to HDS for review and/or testing to determine whether the proposed products comply with HDS's quality standards. HDS will complete all testing within 30 days and will notify the Franchisee in writing within 45 days if the proposed products have been approved by HDS and, in that event, that the proposed supplier will be deemed to be an Approved Supplier for those specific proposed products. The Franchisee will pay all costs incurred by HDS to test the proposed products, including the cost to inspect the proposed supplier's facilities. The Franchisee will not purchase or sell any proposed products that have not been approved by HDS in writing. After approval, HDS will have the right to require the proposed supplier to enter into a written agreement with HDS that will contain all material terms required by HDS, including service, quality, payment terms, pricing, delivery schedules, and termination.

11.4 **Designated Suppliers**. The Franchisee will purchase all of the Groceries, Food Service Items and Merchandise designated by HDS from Designated Suppliers. The Franchisee acknowledges and agrees that (a) HDS, HSI or their designee may be a Designated Supplier for specified Groceries, Food Service Items and Merchandise, and (b) there will generally only be one Designated Supplier, for some or all of the specified Groceries, Food Service Items and Merchandise.

11.5 **National Purchase Contracts**. HDS and HSI will have the right, but not the obligation, to negotiate and enter into National Purchase Contracts and HDS and HSI will use their best efforts to negotiate National Purchase Contracts with Suppliers that provide the Franchisee with competitive purchase prices, credit terms, credit limits, payment terms, delivery charges and shipping schedules. HDS will be the only party authorized to negotiate National Purchase Contracts for the Groceries, Food Service Items and Merchandise sold by Holiday Stationstores®, and the Franchisee will not have the right to negotiate or enter into any National Purchase Contracts.

11.6 **Branding of Groceries, Food Service Items and Merchandise**. The Franchisee will not under any circumstances have the right to: (a) use or display the Marks on or in connection with any products or services other than the Groceries, Food Service Items and Merchandise; (b) acquire, develop or manufacture any product under the name "Holiday®" or any of the Marks, or direct any other person or Entity to do so; (c) acquire, develop or manufacture any product that has been developed or manufactured by or for HDS for use in conjunction with the HDS Business System and which is sold under any of the Marks, or direct any other person or Entity to do so; and (d) use, have access to, or have any rights to any of the proprietary formulas, ingredients, or recipes owned by either HDS or HSI for any of the Groceries, Food Service Items and Merchandise.

11.7 **Payments to HSI and HDS**. If HSI or HDS contracts with any supplier for the manufacture, private label and/or distribution of any Groceries, Food Service Items and Merchandise, then all payments, compensation and/or other remuneration ("Payments") received by HSI or HDS from any supplier for any purchases or sales of Groceries, Food Service Items and Merchandise by HSI, HDS, EPC, IDT, the Franchisee, and/or any other franchisees of HDS, including, but not limited to, Payments for (a) rebates, (b) volume discounts, (c) advertising and marketing allowances, (d) co-operative advertising, (e) price discounts, (f) signing bonuses or initial payments, (g) promotions, (h) co-branding of any products or services, (i) product development and testing, (j) market research, (k) public relations, (l) endorsements of any Holiday® Brand Products, National Brand Merchandise or Approved Products, (m) enhancements, and/or (n) attaining sales goals or market share, will be the sole and exclusive property of and will be compensation to HSI or HDS for the selling and administrative costs incurred by HSI or HDS to develop, negotiate, market, maintain, and administer the National Purchase Contracts and other purchasing programs. The Franchisee will not be entitled to any portion of any Payments made to HSI or HDS by any supplier, even if the Payments are based on (i) purchases made by the Franchisee directly from HDS, HSI, EPC, or IDT or (ii) purchases made by the Franchisee directly from the supplier.

11.8 **Price of Automotive Fuels and Groceries, Food Service Items and Merchandise**. For all Automotive Fuels purchased from EPC and for all Groceries, Food Service Items and Merchandise purchased from HDS, the Franchisee will pay the applicable price on the date of delivery, as established from time to time by HDS. Unless EPC has determined otherwise, the price to be charged to the Franchisee for Automotive Fuels will be the same as the amount of the "posted price" on the date of delivery as established by EPC subject to all applicable surcharges. All prices for Automotive Fuels and Groceries, Food Service Items and Merchandise will be subject to change without prior notice to the Franchisee. All prices for Automotive Fuels quoted by EPC to the Franchisee will be based upon the Minimum Purchase Requirements specified in Article 11.1 of this Agreement. The prices quoted by EPC for Automotive Fuels will not include transportation charges, taxes or other governmentally imposed charges, which in each case will be paid to EPC by the Franchisee, even if the Franchisee has a license to distribute Automotive Fuels. If compliance with any law, regulation, ruling or order of any governmental authority prevents HDS or EPC from charging the Franchisee the prices set forth above, or if the

Franchisee is in any way prevented from paying the established price for any Automotive Fuels purchased hereunder, then HDS and/or EPC will have the absolute right to suspend all further sales of Automotive Fuels to the Franchisee. Each shipment of Automotive Fuels and Groceries, Food Service Items and Merchandise to the Franchisee will be considered a separate sale. The Franchisee will not have any "right of offset" and will timely pay the established price to HDS, HSI, EPC, or IDT for each sale without regard to any alleged breach of this Agreement or any other agreement.

11.9 Delivery. The Franchisee agrees to and will contract with IDT or EPC, at HDS's direction, for the delivery of all Automotive Fuels that the Franchisee is required to purchase under this Agreement. The price to be paid for these transportation services will be in accordance with IDT's or EPC's then prevailing price schedule, which will be applied consistently and will be applicable to all HDS franchisees.

11.10 Delay or Failure to Perform. HDS, HSI, EPC, IDT, and any other seller of Automotive Fuels and Groceries, Food Service Items and Merchandise, and/or transportation services may reduce the quantity to be sold and delivered to the Franchisee during any period in which (a) performance is excused under Article 27.3, (b) the seller anticipates a shortage of goods or services that, in its sole judgment, will require an allocation or limitation on the type or quantities of Automotive Fuels and Groceries, Food Service Items and Merchandise to be sold or delivered hereunder, or (c) an allocation program or similar restriction for Automotive Fuels and Groceries, Food Service Items and Merchandise is recommended or imposed by any governmental authority. HDS, HSI, EPC, IDT, and/or any other seller will not be required to make up quantities that are not delivered during any such period, and HDS, HSI, EPC, IDT, and any other seller will have no liability to the Franchisee as a result of such reduction. HDS, HSI, EPC, IDT, and any other seller may adopt any plan of allocation which is recommended or imposed by any governmental authority or which, in their sole opinion, is fair and equitable.

11.11 Payment Terms. Payment for Automotive Fuels and Groceries, Food Service Items and Merchandise, transportation services, and any other goods or services purchased by the Franchisee from HDS, HSI, EPC, and IDT will be made by ACH (automated clearing house) transfer, or bank wire transfer and all purchases will be subject to the credit terms established by HDS, HSI, EPC, and IDT from time to time. HDS, HSI, EPC and IDT reserve the right at any time to condition the delivery of any purchase on prepayment by bank wire transfer or cash on delivery (COD). If the Franchisee fails to timely pay any amounts owing in accordance with the published credit terms (such failure to include, without limitation, all rejected ACH transactions), then the Franchisee will pay HDS, HSI, EPC, and/or IDT (a) a late fee of $100 with respect to each past due payment, (b) interest on all past due amounts at an interest rate equal to the lesser of 1.5% per Accounting Period, or the maximum interest rate permitted by applicable law, and (c) all Costs and Expenses incurred by HDS, HSI, EPC, and/or IDT in collecting any past due amounts from the Franchisee. All past due amounts will be immediately due and payable. Acceptance or waiver of a late fee, interest on past due amounts, or Costs and Expenses will not constitute a waiver by HDS, HSI, EPC or IDT of its right to immediate payment. No term or condition of this Agreement will be deemed to authorize any payment by the Franchisee beyond the applicable due date.

11.12 Working Capital; Credit. The Franchisee will at all times maintain working capital in an amount sufficient for payment of the current operating expenses for its Holiday Stationstore®. The Franchisee recognizes that in the normal course of HDS's business, credit lines will be established by HDS and HSI for the Franchisee and all franchisees. HDS will advise the Franchisee in writing of the credit terms and conditions and the maximum amount of credit to be extended by HDS and the HDS Affiliated Companies to the Franchisee. If the Franchisee exceeds its established credit line, fails to comply with the credit terms, or if the Franchisee's credit standing or rating becomes impaired or unsatisfactory during the term of this Agreement, then the party granting the credit to the Franchisee will have the right to immediately and without prior notice discontinue selling to the Franchisee on credit and the Franchisee will be required to pay cash for all purchases, pay the unpaid balance due in full, or furnish satisfactory security, before any further credit sale is made to the Franchisee or any other credit is granted to the Franchisee. The failure or refusal by the Franchisee to comply with the requirements of this Article will entitle the party granting credit to immediately and without prior notice suspend all sales to the Franchisee.

ARTICLE 12
INITIAL FRANCHISE FEE AND ROYALTIES

12.1 Initial Franchise Fee. The Franchisee will pay HDS an initial franchise fee (the "**Initial Franchisee Fee**") upon signing this Agreement. The Initial Franchise Fee is $25,000. The Initial Franchise Fee will be fully earned by HDS at the time of payment by the Franchisee and will not be refundable to the Franchisee under any circumstances.

12.2 Royalty Fees. Beginning on the Opening Date and for each Accounting Period thereafter during the Term of this Agreement, the Franchisee will pay HDS non-refundable Royalty Fees for the Franchisee's Holiday Stationstore® in the amount equal to the greater of (a) the Percentage Royalty Fee (per Accounting Period) payable by the Franchisee under Article 12.3; or (b) $500 per Accounting Period. If the Term commences after the first day of an Accounting Period, then the Royalty Fee payable by the Franchisee for the first Accounting Period and the last Accounting Period will be prorated according to the number of days in the respective Accounting Period.

12.3 Percentage Royalty Fee. For the Franchisee's Holiday Stationstore®, the Percentage Royalty Fee for each Accounting Period will be the amount equal to:

(a) Seventy-five one-hundredths of one cent ($0.0075) per gallon of Automotive Fuel sold at the Franchisee's Holiday Stationstore®; plus

(b) Three and one-half percent (3.5%) of the aggregate dollar amount of Gross Sales of the Franchisee's Holiday Stationstore® for the Accounting Period.

12.4 Franchisee's Payment Obligations. The Royalty Fees payable under this Article will be calculated and paid to HDS by the Franchisee during the entire Term of this Agreement, and the Franchisee's failure to pay any Royalty Fees will constitute a material breach of this Agreement. The Franchisee's obligation to pay the Royalty Fees pursuant to the terms of this Agreement will be absolute and unconditional, and will remain in full force and effect until the Term of this Agreement has expired or until this Agreement has been terminated, cancelled or expires in accordance with this Agreement and applicable law. The Franchisee will not have any "right of offset" and, as a consequence, the Franchisee will timely pay all Royalty Fees due to HDS under this Agreement regardless of any claims or allegations the Franchisee may allege against HDS.

12.5 Payment Terms. The Franchisee will pay the Royalty Fees to HDS within 15 days (or by such other due date as HDS may from time to time specify) of the end of each Accounting Period, and all Royalty Fees not timely paid to HDS will be deemed to be past due. The Royalty Fees will be paid to HDS with the reports required under Article 19.4(b) of this Agreement. If the Franchisee fails to timely pay any Royalty Fees to HDS as provided for in this Article, then the Franchisee will pay HDS (a) a late fee of $100 for each Accounting Period the Royalty Fees are past due, (b) interest on past due Royalty Fees equal to the lesser of 1.5% per Accounting Period, or the maximum rate of interest permitted by applicable law, and (c) all Costs and Expenses incurred by HDS in collecting any past due Royalty Fees.

12.6 Taxes on Payments. If any sales, income, use or privilege tax is imposed or levied by any government or governmental agency based on the Franchisee's payment of Royalty Fees to HDS under this Agreement, the Franchisee must pay HDS a sum equal to the amount of such tax as additional Royalty Fees (but this provision does not apply to any federal or Minnesota income taxes imposed on the HDS).

ARTICLE 13
ADVERTISING

13.1 Advertising Fees. During the entire Term of this Agreement, for each Accounting Period, the Franchisee will pay HDS "Advertising Fees" for the Franchisee's Holiday Stationstore® equal to one percent (1%) of the Franchisee's Gross Sales which will be administered and controlled exclusively by HDS.

13.2 Use of Advertising Fees. HDS and its Affiliates will have the absolute and unilateral right to determine when, how and where the Advertising Fees will be spent, and HDS and its Affiliates will have the right to purchase and pay for product research and development, production materials, ad slicks, brochures, radio and television commercials, services provided by advertising agencies, market research, customer retention, incentive programs, media time and space advertising (including radio, television, newspaper, magazine and other print advertising), Internet advertising, promotions, marketing, public relations, telemarketing and national, regional and local advertising that HDS and its Affiliates deem appropriate and in the best interests of all Holiday Stationstore® franchisees. HDS will have the right to retain and pay legal counsel to recover past due Advertising Fees from any franchisee and to retain and pay legal counsel for all other legal costs incurred relating to the Advertising Fees. HDS will, upon written request, provide the Franchisee with an unaudited summary of the income and expenditures relating to the Advertising Fees for the prior calendar year.

13.3 Date Payable; Interest. The Franchisee will pay the Advertising Fees to HDS for each Accounting Period at the same time and in the same manner as Royalty Fees, and all Advertising Fees not timely paid to HDS will be deemed to be past due. If the Franchisee fails to timely pay any Advertising Fees to HDS as provided for in this Article, then the Franchisee will pay HDS (a) a late fee of $100 for each Accounting Period the Advertising Fees are past due, (b) interest on all past due Advertising Fees equal to the lesser of 1.5% per Accounting Period, or the maximum rate of interest permitted by applicable law, and (c) all Costs and Expenses incurred by HDS in collecting any past due Advertising Fees.

13.4 Grand Opening Advertising. HDS will recommend a grand opening marketing plan and promotion package to the Franchisee that will include media, promotional advertisements, point-of-purchase materials, and such other components or materials as HDS deems appropriate. The Franchisee will spend a minimum of $10,000 on grand opening advertising for its Holiday Stationstore® during the first 120 days of operation.

13.5 Marketing Programs. The Franchisee will participate in all customer survey programs, database marketing programs and other local marketing and promotional programs designated by HDS from time to time or that are described in the Operations Manual. The Franchisee will pay its prorated costs associated with surveying customers, costs for the production and mailing of database marketing materials, and all other local marketing expenses incurred pursuant to this Article. To the extent permitted by applicable law, the Franchisee will participate, at its expense, in (a) all system-wide or regional advertising and promotional programs offered by HSI or HDS, including without limitation product promotions, coupon and gift card programs, frequent customer and loyalty programs, consumer credit cards, and commercial fleet programs, and (b) all merchandising and other programs designated by HDS from time to time, including without limitation, all food service and merchandising programs for coffee, hot and cold sandwiches, commissary items, bakery products, beverage, and proprietary foods, (c) all cross promotional programs designated by HDS from time to time including without limitation, all programs in alliance with nonpetroleum retailers such as alliances with grocery stores, auto dealerships and other entities designated by HDS and Franchisee may be required by HDS to participate in an alliance program which may require Franchisee to contribute to the cost of redemptions in the alliance programs but in no event shall the Franchisee's cost of redemptions exceed the cost paid by HSI for Holiday Stationstores® it owns and operates, and (d) all telephone or Internet site listings. The initiation of any such program will not obligate HDS to continue the program for any specific time period and HDS may modify or discontinue any such program at any time. Franchisee agrees that it may be required to purchase, at its own cost, equipment, supplies and materials and/or license software as part of its participation in these programs, and Franchisee may be required to complete training related to such programs. Upon termination of Franchisee's participation in any program, Franchisee must return to HDS any materials related to the program previously provided to Franchisee.

HDS reserves the right to form an advertising council composed of an elected group of franchisees, and, if such a council is formed and the Franchisee is elected to the council, the Franchisee agrees to abide by all rules and regulations promulgated by such council, and to regularly participate in the periodic meetings of such council. In addition, HDS reserves the right, from time to time, to establish or designate advertising cooperative associations and/or local marketing groups comprised of franchisees in a specific geographic territory (collectively, “LMGs”), which LMGs would conduct and administer advertising and promotions in the applicable geographic region. If such an LMG is formed in the geographic region in which the Franchisee’s Holiday Stationstore® is located, Franchisee agrees to participate in such an LMG. All advertising and promotions conducted by the LMG must be pre-approved in writing by HDS. All the Holiday Stationstores® owned by HDS or its Affiliates within such geographic area will also join such LMG on the same terms and conditions as the. Franchisee

The Franchisee will not use any public figure to promote the Franchisee’s Holiday Stationstore® without the written approval of HDS. The Franchisee may not use any advertising or promotional materials, including online presences, electronic mediums and social networking sites or other Digital Media (such as LinkedIn®, twitter®, myspace.com®, Facebook® or YouTube®) that HDS has not approved or that HDS has disapproved. The Franchisee agrees to submit to HDS for its prior approval, samples of all advertising and promotional materials not prepared or previously approved by HDS and which vary from its standard advertising and promotional materials. All of the Franchisee’s advertising and promotion must comply with all applicable laws, be completely factual and conform to the highest standards of ethical advertising. The Franchisee agrees to refrain from any business or advertising practice that may be injurious to HDS’s business, to the business of other franchised businesses or to the goodwill associated with the Marks. HDS considers any discussions about or promotion of Franchisee’s Holiday Stationstore® by the Franchisee or the Franchisee’s employees or agents via the Internet (including, without limitation, social media websites or platforms) to be advertising subject to the requirements of this Section.

All of the Franchisee’s advertising (including advertising on social media platforms by the Franchisee or the Franchisee’s employees or agents) must be in such media and of such type and format as HDS may approve, must be conducted in a dignified manner and must conform to HDS’s social media policy and such standards and requirements as HDS specifies from time to time consistent with the Business System.

ARTICLE 14
TRAINING

14.1 Initial Training Program. HDS will provide an Initial Training Program for the Franchisee and the Managers of the Franchisee’s Holiday Stationstore® at a Holiday Stationstore®. The Initial Training Program will consist of a minimum of 50 hours of classroom, computer and on the job training and 300 hours of in-store field training that will emphasize the operations of a Holiday Stationstore®. The Initial Training Program will review the operations procedures and standards contained in the Operations Manual and will include such topics as employee scheduling, pricing, employee relations, customer relations, purchasing, inventory control, merchandising, sales methods, quality and service, product mix, Equipment, POS and Back Office System, and other subjects deemed necessary by HDS for the operation of a Holiday Stationstore® and the POS and Back Office System. The Franchisee and the Manager of the Franchisee’s Holiday Stationstore® must successfully complete the Initial Training Program as a condition to working at the Franchisee’s Holiday Stationstore®. The Franchisee will pay HDS the current training fee for each manager attending the Initial Training Program.

14.2 Ongoing Training. HDS will provide the Franchisee with access to Holiday’s ongoing training materials, which provide, among other things, new-hire training curriculum for each Holiday Stationstore® employee position. These training materials are used to ensure that Franchisee complies with the Business System and include training on topics such as governmentally-required training programs such as Class C Operator, Food Certification and Alcohol Certification. As part of the ongoing training requirements, which may change from time to time, Store Security Training is a requirement of Payment Card Industry (PCI) Compliance standards to ensure Franchisee is in compliance with such standards, including Tamper Tape checks and Vendor/Maintenance Worker Check-In procedures.

14.3 New Employee Training. HDS will provide the Franchisee with new employee training that will consist of several hours of point-of-sale training at a Holiday Stationstore®. The new employee training program will provide the employee with the basic knowledge of the operations of the Holiday

Stationstore® point-of-sale system so that the employee will have the ability to perform the basic duties associated with his/her position. The Franchisee will pay HDS the current training fee for each employee attending new employee training.

14.4 Merchandising Services. HDS will provide the Franchisee with merchandising and “set up” services when requested by the Franchisee. These services will be provided at the Franchised Location by one or two of HDS’s field staff for two to three days and will include advising the Franchisee on product mix, displays, product presentation, store layout, and in-store marketing. The Franchisee will pay HDS its current charge plus Travel Expenses for each person providing these services to the Franchisee and these costs will be payable on the date the Franchisee is invoiced by HDS.

ARTICLE 15
COMPLIANCE WITH LAWS

15.1 Permits, Licenses, and Utilities. The Franchisee will obtain and maintain, at its sole expense, all permits, licenses, utilities and services required by any federal, state or local law or necessary for the operation of the Franchisee’s Holiday Stationstore®. The Franchisee will not permit the delay, revocation or suspension of any permit, license, utility or service, including without limitation, the payment when due of all charges, fees, and other costs.

15.2 Fees and Taxes. The Franchisee will report and pay directly when due all Taxes imposed upon the Franchisee in connection with (a) the operation of the Franchisee’s Holiday Stationstore®, and (b) any real or personal property of the Franchisee located on or used in connection with any Holiday Stationstore®. HDS will have the right, but not the obligation, to pay any Taxes (including penalties and interest) that are due or past due on behalf of the Franchisee and the Franchisee will reimburse HDS for all Taxes paid on behalf of the Franchisee immediately upon receipt of an invoice from HDS.

15.3 Compliance. The Franchisee will operate its Holiday Stationstore® and the Franchised Location in strict compliance with all applicable federal, state and local health, safety, and environmental laws, ordinances, rules, regulations, directives and orders, including, but not limited to, (a) all health and safety regulations relating to the storage, handling, sale and service of foods, food items and beverages, (b) all laws relating to the storage, handling, transportation, use and disposal of any waste, hazardous substances and Automotive Fuels, and (c) all laws relating to the pricing of Automotive Fuels.

15.4 Petroleum Contamination. The Franchisee will operate its Holiday Stationstore® at the highest standard of care to avoid contamination of the soils and groundwater at and around the Franchised Location and to detect promptly and minimize the adverse effects of any such contamination. The Franchisee will be responsible and liable for the day-to-day operation and maintenance of all Equipment, including all underground storage tanks, piping, piping leak detectors, pumps, vent lines, dispensers, meters, hoses, nozzles, monitor wells, and overfill warning devices located at the Franchisee’s Holiday Stationstore®. The Franchisee will periodically inspect all Equipment, maintain accurate daily inventory records and reconcile actual and book inventories at least once each working day, and will provide copies of all records to HDS for the periods designated in any written request by HDS. Upon receiving written notice, the Franchisee will certify to HDS, in the form designated by HDS, that the Franchisee has kept accurate daily inventory records for the Franchisee’s Holiday Stationstore® and has reported promptly to all authorities or agencies and to HDS all matters required by law, including without limitation, known or suspected spills or leaks of Automotive Fuels, petroleum products or other regulated substances at the Franchisee’s Holiday Stationstore® and the calibration of all meters, for the periods designated in the written notice. Upon the written request of HDS, the Franchisee will execute and deliver all other documents required by HDS, including without limitation, the Franchisee’s certificates regarding unleaded gasoline and calibration of meters, to establish the Franchisee’s compliance with the provisions of this Article.

15.5 Contamination of Groceries, Food Service Items and Merchandise. The Franchisee will operate its Holiday Stationstore® at the highest standard of care to avoid contamination of Groceries, Food Service Items and Merchandise sold at the Franchised Location and to detect promptly, react appropriately and minimize the adverse effects of any such contamination. Franchisee is responsible for inspection of all food storage, handling, preparation, merchandising, presentation, display and sale, and daily operation of all Groceries, Food Service Items and Merchandise sold at the Franchised Location. Franchisee will adhere to the requirements for food storage, handling, preparation, merchandising, display and sale and daily operations for Groceries, Food Service Items and Merchandise as described in the Operations Manual or otherwise communicated by HDS. If any Groceries, Food Service Item or Merchandise sold or stored at the Franchised Location is adulterated, does not comply with applicable law or regulations, or fails to be maintained in accordance with the requirements of this Agreement, Franchisee shall immediately destroy all contaminated or adulterated products, eliminate the source of contamination, and remedy all unsanitary conditions. If Franchisee fails to adhere to the requirements of this section and all applicable laws or regulations, HDS may, without terminating the Agreement, temporarily suspend Franchisee's right to operate under this Agreement until the contamination issue has been addressed, to reopen for business only after compliance with all applicable governmental requirements and HDS standards is evidenced; HDS may also temporarily or permanently suspend Franchisee's right to sell certain products under this Agreement so long as suspension is reasonably related to its failure to comply with this section, to bring Franchisee into compliance with this section, or for the health or safety of the public.

15.6 **Fuel Equipment**. The Franchisee will not use any fuel storage tank or related systems, dispenser, metering device, hoses or nozzles that do not comply with all applicable federal, state, and local laws. The Franchisee will not adjust, or do anything which might affect, the meters or dispensers for the Automotive Fuels or other products sold by the Franchisee that measure the quantity of product delivered by the dispensers. In addition, the Franchisee will comply with all federal, state and local laws, ordinances, rules, regulations, directives, and orders that govern (a) the removal and replacement of fuel storage tanks or related systems, and (b) the storage, dispensing or other use of unleaded gasoline, or Automotive Fuels.

15.7 **Americans with Disabilities Act**. The Franchisee will construct and operate its Holiday Stationstore® and the Franchised Location in compliance with the Americans with Disabilities Act and with all other federal, state, and local laws, ordinances, rules, regulations, directives, and orders governing the construction or operation of the Holiday Stationstore® operated by the Franchisee.

ARTICLE 16
REPRESENTATIONS, WARRANTIES AND CLAIMS

16.1 **Franchisee's Representations and Warranties**. The Franchisee represents and warrants that (a) it has all the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder, (b) the execution, delivery and performance of this Agreement has been duly authorized in accordance with the governing documents of the Entity, (c) this Agreement, when executed, will be a legal, valid and binding obligation of the Franchisee, and (d) the execution, delivery and performance of this Agreement will not result in the breach or violation of or default under any obligations under any agreement or contract, including without limitation any supply contract, dealer contract or franchise agreement.

16.2 **Warranties; Disclaimer**. HDS REPRESENTS AND WARRANTS THAT (a) ALL AUTOMOTIVE FUELS SOLD AND PURCHASED UNDER THIS AGREEMENT FROM EPC WILL CONFORM TO HDS'S STANDARDS AND SPECIFICATIONS, (b) EPC, HSI, HDS OR IDT, AS IS APPLICABLE, WILL HAVE GOOD AND MARKETABLE TITLE TO ALL AUTOMOTIVE FUELS AND GROCERIES, FOOD SERVICE ITEMS AND MERCHANDISE SOLD TO THE FRANCHISEE UNDER THIS AGREEMENT BY EPC, HSI, HDS OR IDT, AND (c) THE SAME WILL BE FREE AND CLEAR OF ALL LIENS AND ENCUMBRANCES. EXCEPT AS EXPRESSLY SET FORTH HEREIN, EPC, HSI, HDS AND/OR IDT MAKE NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE MERCHANTABILITY, THE FITNESS FOR ANY INTENDED USE OR PURPOSE, OR THE COMPLIANCE WITH POLLUTION-CONTROL OR OTHER STANDARDS FOR ANY AUTOMOTIVE FUELS OR GROCERIES, FOOD SERVICE ITEMS AND MERCHANDISE COVERED BY THIS AGREEMENT OR OTHERWISE PURCHASED BY THE FRANCHISEE, AND FURTHER MAKES NO OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESSED OR IMPLIED, WITH

RESPECT TO ANY AUTOMOTIVE FUELS, GROCERIES AND MERCHANDISE, OR OTHER GOODS COVERED BY THIS AGREEMENT OR OTHERWISE PURCHASED BY THE FRANCHISEE.

16.3 Franchisee Claims; Waiver. All claims by the Franchisee relating to the quality of the Automotive Fuels and Groceries, Food Service Items and Merchandise shipped to the Franchisee by any of the HDS Affiliated Companies, or relating to shortages, losses, or damages in transit, must be made and confirmed in writing to HDS within five days after the delivery date. All other claims and allegations by the Franchisee for a breach or violation of this Agreement by HDS or any of the HDS Affiliated Companies must be delivered to HDS in writing by the Franchisee within one year after the date the Franchisee learns or reasonably should have learned of the claimed or alleged breach of this Agreement by HDS or any of the HDS Affiliated Companies. Claims not made and confirmed in writing to HDS by the Franchisee within one year from the date the Franchisee learned or reasonably should have learned of the claimed or alleged violation by HDS or any of the HDS Affiliated Companies will be deemed forever waived by the Franchisee and the Franchisee will not have the right to seek any remedies for that claimed or alleged violation.

ARTICLE 17
INSURANCE

17.1 Insurance Requirements. Without limiting the Franchisee's indemnification obligations under this Agreement, the Franchisee will, at its sole cost and expense, and at all times during the Term or otherwise while operating its Holiday Stationstore®, procure and keep in force and effect the insurance listed in this Article with an insurance company acceptable to HDS. The Franchisee will furnish HDS with certificates of insurance signed by the duly authorized representative of the Franchisee's insurance company, evidencing that the insurance is in effect and that the insurance may not be canceled or materially changed without at least 30 days prior written notice to HDS.

17.2 Workers' Compensation and Employers' Liability Insurance. The Franchisee, its employees and its agents will comply with the requirements of all applicable workers' compensation laws. In addition, the Franchisee will purchase and maintain workers' compensation and employers' liability insurance covering all of the Franchisee's operations and work, in an amount of not less than $1,000,000 per occurrence.

17.3 Comprehensive Liability Insurance. The Franchisee will purchase and maintain comprehensive liability insurance and blanket contractual liability insurance for all Claims and Damages, including Claims and Damages arising or resulting from the maintenance and operation of the Franchisee's Holiday Stationstore® and Claims and Damages arising or resulting from any seepage, leakage, spillage or escape of any Automotive Fuels or other petroleum products, in an amount of not less than $1,000,000 for all liability arising out of injury or death of one or more persons in any one occurrence, $1,000,000 for all liability arising out of damage to or the destruction of property, including loss of use and downtime, in any one occurrence and $2,000,000 for combined liability. All comprehensive general liability insurance will expressly cover the liability assumed by the Franchisee under this Agreement.

17.4 Vehicle Liability Insurance. The Franchisee will purchase and maintain comprehensive vehicle liability insurance on all motor vehicles owned, leased or used by the Franchisee in connection with the Franchisee's Holiday Stationstore® in an amount of not less than $1,000,000 for all liability arising out of injury to or death of one or more persons in any one occurrence, $1,000,000 for all liability arising out of damage to or the destruction of property, including loss of use and downtime, in any one occurrence, and $2,000,000 for combined liability.

17.5 Property Insurance. The Franchisee will purchase and maintain all risk insurance on the real property, improvements, furniture, Computer Systems, POS and Back Office System, contents, and other personal property for the Franchisee's Holiday Stationstore®, including without limitation, owned and leased Equipment, in an amount at least equal to the laid-in cost or the replacement cost thereof, whichever is greater.

17.6 Liquor Liability Insurance. If the Franchisee sells alcoholic beverages of any type at its Holiday Stationstore®, then the Franchisee will purchase and maintain liquor liability insurance with minimum coverage of $1,000,000 per occurrence, for all Claims and Damages whatsoever, resulting from or related to the sale of any liquor (including beer and wine) by the Franchisee or the Franchisee's employees at or from the Franchisee's Holiday Stationstore®.

17.7 Umbrella Liability. The Franchisee will purchase and maintain umbrella liability insurance in the minimum amount of $1,000,000 that will provide liability insurance coverage for any liability incurred by the Franchisee and HDS in excess of the primary liability insurance coverage required to be carried by the Franchisee under this Article.

17.8 Insurance Companies; Evidence of Coverage. All insurance companies providing coverage to the Franchisee must be licensed in the state where coverage is provided. The Franchisee will provide HDS with certificates of insurance evidencing the insurance coverage required of the Franchisee pursuant to this Article no later than five days prior to the Opening Date of the Franchisee's Holiday Stationstore®, and the Franchisee will provide HDS with new certificates of insurance on or before the date any insurance policies for the Franchisee's Holiday Stationstore® are changed, cancelled or expire.

17.9 Named Insureds; Defense of Claims. Except for workers' compensation insurance, all insurance policies required under this Article will name "HSI, HDS, HDS Affiliated Companies and their respective Officers, Directors, and Agents" as additional named insured's and all insurance policies under this Article will be primary to all other insurance of each of the HDS Affiliated Companies with respect to all Claims and Damages that may be made against any one or more of the HDS Affiliated Companies arising from, out of, as a result of, or in connection with the Franchisee's Holiday Stationstore®. All insurance policies will expressly provide that, except with respect to the limits of the insurer's liability, it applies separately to each insured against which a claim is made or suit is brought, and that all rights of subrogation against each of the HDS Affiliated Companies are waived by the insurance companies. All liability insurance policies maintained by the Franchisee will require the insurance company to provide and pay attorney's fees incurred to defend any legal actions, lawsuits or claims brought against the Franchisee, HDS, any of the HDS Affiliated Companies, and their Officers, Directors, and Agents.

17.10 General; Special "Superfund" Insurance. The Franchisee will carry all other insurance required by law and insurance that is typically carried by gasoline stations/convenience stores that dispense Automotive Fuels. HDS may annually increase, but will never decrease, the coverage limits established by this Article and HDS will give the Franchisee 90 days prior written notice of any coverage increase. The Franchisee will be responsible for determining and applying for all "insurance" or other coverage available under any federal or state laws, including "superfund" coverage and other coverage specific to Automotive Fuels and petroleum products, for any damages and clean-up expenses resulting from any seepage, leakage, spillage or escape.

ARTICLE 18
INDEMNIFICATION

18.1 Indemnification by Franchisee. HDS and the HDS Affiliated Companies will not be obligated to any person or entity for any Claims or Damages arising out of, from, in connection with, or as a result of the Franchisee's negligence, the Franchisee's wrongdoing or the operation of the Franchisee's Holiday Stationstore®. The Franchisee will protect, indemnify, hold harmless, and defend each of the HDS Affiliated Companies from and against any and all Claims and Damages which arise directly or indirectly, out of or in connection with, or as a result of (a) the sale, purchase, handling, storage, advertising, distribution, resale or use by the Franchisee or the Franchisee's Holiday Stationstore® of Automotive Fuels, other petroleum products, Groceries, Food Service Items and Merchandise, and other products, including, without limitation, all Claims and Damages resulting from or attributable to leakage or spillage from fuel storage tanks or related systems and environmental contamination and contamination of food products, preparation, handling, storage, or purchase areas, (b) the possession or use by the Franchisee of any Signs or other advertising or promotional materials relating to the Franchisee's Holiday Stationstore®, (c) the Franchisee's relationship with its employees, agents, contractors, Owners, Officers, Directors and Agents, (d) this Agreement or the performance or non-performance by the Franchisee of any terms, conditions or obligations under this Agreement, (e) the Franchisee's operation of the Franchisee's Holiday Stationstore®, (f) any indemnification with respect to any guaranty of the obligations of the Franchisee that is given by HDS or any of the HDS Affiliated Companies on behalf of the Franchisee for the benefit of a third party; (g) the inaccuracy of any representations or breach of any warranties made by the Franchisee under this Agreement, (h) the negligence, misfeasance and/or nonfeasance of the Franchisee or any of the Franchisee's employees, (i) any tort committed by the Franchisee, (j) the Franchisee's failure to comply with any federal, state or local laws or regulations; and (k) the Franchisee's failure to comply with the payment card industry security standards as established by the Payment Card Industry Security Standards Council, HDS or any other industry recognized regulatory agency or organization.

18.2 <u>Effect of Fault or Negligence</u>. The Franchisee's indemnification obligations under this Agreement will not be negated or reduced by reason of (a) any fault or negligence or alleged fault or negligence of any of the HDS Affiliated Companies, whether such alleged fault or negligence is active or passive or concurrent or nonconcurrent with that of others, including the Franchisee and the Franchisee's Owners or Officers, Directors and Agents, (b) the denial by any of the Franchisee's insurance companies of insurance coverage or its refusal to defend any of the HDS Affiliated Companies, (c) the defense by the insurance company under a reservation of rights, or (d) any other cause or circumstance. The indemnification obligations under the terms of this Agreement will survive and be enforceable notwithstanding termination, cancellation or expiration of this Agreement.

18.3 <u>Liability</u>. To the maximum extent permitted by applicable law, neither the HDS Affiliated Companies nor the Franchisee, regardless of fault or negligence, will be responsible or liable to the other for any loss of use or lost profit damages or for any special, consequential, indirect, exemplary or punitive damages of any kind as a result of any breach, violation, delay or failure to perform under this Agreement, and no claim for any such damages will be made by either HDS (or any of the HDS Affiliated Companies) or the Franchisee against the other. Except as expressly provided for in this Agreement, none of the HDS Affiliated Companies, regardless of fault or negligence, will be responsible or liable to the Franchisee for any damages related to Automotive Fuels and Groceries, Food Service Items and Merchandise, in excess of the dollar amount actually paid by the Franchisee for the particular item, and liability for claims related to Automotive Fuels and Groceries, Food Service Items and Merchandise will extend only to those purchased by the Franchisee directly from any of the HDS Affiliated Companies.

18.4 <u>Claims and Damages Relating to the Marks</u>. If the Franchisee notifies HDS in writing within 10 days of any claims relating to the Marks, then HDS will protect, indemnify, hold harmless, and defend the Franchisee from and against any Claims and Damages that arise directly or indirectly, out of any claim by a third party that any of the Marks licensed to the Franchisee by HDS, or any Signs leased or sold to the Franchisee by HDS, infringe upon the intellectual property rights of, or involve unfair competition with, the third party.

ARTICLE 19
<u>RECORDS, REPORTS AND AUDITS</u>

19.1 <u>Records Retention</u>. The Franchisee will retain all Business Records for the Franchisee's Holiday Stationstore® in a safe place for five years. The Business Records will: (a) permit the accurate determination of all Royalty Fees and other amounts payable or owed by the Franchisee to HDS under this Agreement; and (b) be subject to an examination or audit by HDS at any time during the five-year period. This Article will survive the termination or expiration of this Agreement for five years.

19.2 <u>Examinations and Audits; Audit Fees</u>. Acceptance by HDS of any Royalty Fees or payments from the Franchisee will be without prejudice to HDS's right to examine or audit the Franchisee's Business Records or to conduct any other examination or audit procedures necessary to determine the accuracy of any reports submitted to HDS under this Agreement, and the amount of any Royalty Fees or other amounts payable by the Franchisee under this Agreement. All examinations or audits will be conducted by HDS's auditor, or by independent auditors, as determined by HDS. If an examination or audit determines that any Royalty Fees, Advertising Fees, or other amounts payable by the Franchisee to HDS under this Agreement have been underpaid, then in addition to all late fees and interest charges provided for in this Agreement, the Franchisee will pay HDS the total amount of the deficiency within three days after receiving an invoice from HDS. If the deficiency exceeds 5% or more of the amount of the Royalty Fees, the Advertising Fees, or any other amounts payable by the Franchisee under this Agreement for either any Accounting Period or any calendar year, then the Franchisee will pay all costs incurred by HDS for the examination or audit, including the professional fees of any independent auditors and the per diem costs and Travel Expenses for HDS's auditor, upon receipt of an invoice from HDS.

19.3 **Inventories and Reports**. The Franchisee will conduct physical inventories and provide inventory reports to HDS in the form described in the Operations Manual or as otherwise required by HDS.

19.4 **Statements of Gross Sales**.

(a) **Weekly Report**. The Franchisee will, by Wednesday of each Week, provide HDS with an electronic weekly report for the Franchisee's Holiday Stationstore®, in the form specified by HDS, showing (1) Gross Sales in dollars, (2) the number of gallons of Automotive Fuel purchased during the preceding Week and (3) the number of gallons of Automotive Fuel sold for the preceding Week.

(b) **Accounting Period Report.** The Franchisee will, by the 15th day of each Accounting Period, provide HDS with an electronic report for the Franchisee's Holiday Stationstore®, with respect to the just-ended Accounting Period, in the form specified by HDS, showing (1) Gross Sales in dollars, (2) the number of gallons of Automotive Fuel purchased during the Accounting Period and, (3) the number of gallons of Automotive Fuel sold during the Accounting Period. The Franchisee will provide all other information requested by HDS necessary to verify and confirm the accuracy of any Royalty Fees, Advertising Fees, or other amounts paid by the Franchisee under this Agreement.

(c) **Annual Report**. The Franchisee will, within 90 days after the end of each calendar year, provide HDS with an annual report for the Franchisee's Holiday Stationstore® for the preceding calendar year, in the form specified by HDS, showing (1) Gross Sales in dollars, (2) the number of gallons of Automotive Fuel purchased, (3) the number of gallons of Automotive Fuel sold, and (4) all other business activity information requested by HDS. The annual report for each calendar year will include a certification by the Chief Executive Officer or Manager and the Chief Financial Officer of the Franchisee that it is true, correct and complete.

19.5 **Financial Statements**. The Franchisee will submit to HDS the following information for the Franchisee's Holiday Stationstore®, related parent company, and affiliated entities with any financial interest in the Store Assets (including, without limitation, the Real Property), if applicable: (a) a quarterly Financial Statement within 30 days after the end of each calendar quarter, (b) an annual Financial Statement within 90 days after the end of each calendar year, and (c) upon HDS's written request, a monthly and year to date Financial Statement for the most recent month. All Financial Statements will be prepared using the chart of accounts specified by HDS, will be in the form specified by HDS, will include a balance sheet, an income statement, a debt summary, a cash flow statement, other supplemental financial information as requested by HDS from time to time, a full disclosure of all persons with any Ownership Interest in the Franchisee, will contain a certification by the Chief Executive Officer and the Chief Financial Officer of the Franchisee as to accuracy, and will be prepared in accordance with generally accepted accounting principles. Franchisee shall also cause all Owners that have executed the Personal Guaranty to provide Financial Statements to HDS upon HDS's request from time to time.

19.6 **Other Records**. Upon HDS's written request, the Franchisee will, within seven days, provide HDS with the following information for the Franchisee's Holiday Stationstore® for the years specified in the written notice: (a) verified copies of federal and state income tax returns (together with all schedules included in the Franchisee's tax returns), (b) verified copies of payroll and withholding records, and (c) verified copies of state sales tax returns.

19.7 Bookkeeper. The Franchisee will employ a qualified bookkeeper or accountant to maintain the Business Records for the Franchisee's Holiday Stationstore® in accordance with the Operations Manual and the terms and conditions this Agreement.

ARTICLE 20
SALE, ASSIGNMENT OR TRANSFER

20.1 Consent Required. This Agreement is personal to the Franchisee and the Franchisee's Owners, and, subject to the provisions of this Article, the Franchisee and its Owners will not have the right to Sell, Assign or Transfer this Agreement, any Ownership Interest, or substantially all of the other Store Assets, to any other person or Entity, either directly or indirectly, without the prior written consent of HDS, which consent is in HDS's sole and absolute determination. Further, the Franchisee and the Franchisee's Owners may not list the Holiday Stationstore® or the real estate used in connection with the Holiday Stationstore® with any broker or similar listing agent without the prior approval of HDS, which consent is in HDS's sole and absolute determination. Any Sale, Assignment or Transfer of any rights or interest under this Agreement or substantially all of the Store Assets by the Franchisee, or any Sale, Assignment or Transfer of any Ownership Interest by any Owner of the Franchisee, without the prior written consent of HDS will be invalid. The Franchisee will not have the right to change the form or type of its Entity for its Holiday Stationstore® during the Term of this Agreement without the prior written consent of HDS.

20.2 Factors Considered by HDS. In determining whether or not to grant its consent to a Sale, Assignment or Transfer of this Agreement, an Ownership Interest, or substantially all the other Store Assets, HDS will consider, among other things, the qualifications, character, apparent ability, credit worthiness and financial condition of the proposed transferee, compliance with the conditions of Article 20 by the Franchisee and the proposed transferee, and other circumstances and factors as HDS deems appropriate, including without limitation, (a) the existence of any default in the performance or observance of any of the Franchisee's obligations under this Agreement, (b) the business and management experience of the proposed transferee, (c) whether the proposed transferee has a credit rating comparable to the Franchisee, (d) the proposed transferee's willingness to be an active participant in the operation of its Holiday Stationstore®; and (e) whether the proposed transferee is a competitor.

20.3 Conditions Precedent. Notwithstanding any other provision of this Agreement, HDS's consent to any proposed Sale, Assignment, or Transfer will not be binding or effective until, and will be conditioned upon, the satisfaction by the Franchisee and the prospective transferee of all of the following conditions:

(a) The proposed franchisee must demonstrate to HDS that it meets HDS's managerial, financial and business standards for new franchisees, possesses a good business reputation and credit rating, and possesses the aptitude and ability to operate the Holiday Stationstore® in an economic and businesslike manner (as may be evidenced by prior related business experience or otherwise);

(b) Prior to the Sale, Assignment or Transfer, the proposed franchisee must attend and satisfactorily complete all training programs required by HDS;

(c) The Franchisee's agreement to unconditionally release any and all claims against HDS and all of the HDS Affiliated Companies from any obligations and duties owed to the Franchisee in connection with this Agreement or any other agreement or contract; and the proposed transferee's agreement to assume all of the Franchisee's obligations in connection with the Franchisee's Holiday Stationstore® and, at HDS's option, to either assume this Agreement and all of the other agreements relating to the Franchisee's Holiday Stationstore® or to sign HDS's then-current standard franchise agreement. Assuming that HDS opts to have the transferee sign a new franchise agreement, the transferee must execute all of the documents HDS then requires of new or renewing franchisees including a new franchise agreement with terms that may vary materially from this Agreement, but that are the same generally as other new and renewing franchisees. Transferees must also sign HDS's form of transfer addendum. If HDS at its option instead requires the transferee to assume this Agreement, the parties will sign HDS's form of an assumption, consent, and mutual release agreement. It is HDS's option to allow transferees to receive the full initial term contained in any such franchise agreement, or just the Franchisee's remaining term;

(d) The Franchisee has made full payment to HDS for all Royalty Fees, Advertising Fees, and other amounts owed to HDS and the HDS Affiliated Companies by the Franchisee;

(e) The Franchisee has made full payment to HDS, HSI, EPC, and IDT for all amounts owing for the purchase of Automotive Fuels and Groceries, Food Service Items and Merchandise, and other products and services;

(f) The Franchisee has received all required approvals from federal, state and local governmental entities, agencies or instrumentalities, including without limitation the issuance or transfer of all beer and wine licenses and other operating licenses applicable to the proposed transference;

(g) The Franchisee has paid HDS a transfer fee of $1,000 for the Sale, Assignment or Transfer; and

(h) The proposed franchisee's Owners and their spouses or legal domestic partners will unconditionally and irrevocably, jointly and severally, personally guaranty the performance of this Agreement by the proposed franchisee, including without limitation, the obligation of the proposed franchisee to pay all Royalty Fees, all Advertising Fees, and all other amounts that, from time to time, are payable to HDS and the HDS Affiliated Companies by the proposed franchisee, and each of the proposed franchisee's Owners and their spouses or legal domestic partners will execute the Personal Guaranty in the form attached hereto as Exhibit C simultaneously with the execution of the documents pursuant to which the proposed franchisee assumes all obligations of the Franchisee under this Agreement. The Sale, Assignment or Transfer will not be effective until the proposed franchisee, its Owners and their spouses or legal domestic partners have signed the Personal Guaranty in the form attached hereto as Exhibit C together with all other documents and agreements reasonably required by HDS.

20.4 HDS's Option to Repurchase. Upon termination, cancellation or expiration of this Agreement, HDS will have the right and option to repurchase from the Franchisee, at the then-current wholesale price, all the Franchisee's merchantable Automotive Fuels and Groceries, Food Service Items and Merchandise, and other products and goods that are inventoried at the Franchisee's Holiday Stationstore®. HDS's option will be exercisable within 30 days after the effective date of termination, cancellation or expiration of this Agreement. In the event of a repurchase by HDS (a) the proceeds from the repurchase may be applied to any existing indebtedness of the Franchisee to HDS, (b) the repurchase option will be exercisable only if no prior claims or liens have been filed or alleged by any creditors of the Franchisee, and (c) the Franchisee will take all actions necessary to comply, or to allow HDS to comply, with the terms of any applicable laws, regulations, rulings or orders, including without limitation those pertaining to bulk sales, octane disclosure, and unleaded gasoline.

20.5 HDS's Assignment. HDS may assign this Agreement at any time without the approval of, and without any prior notice to, the Franchisee and all rights will inure to the benefit of the successors and assigns of HDS and its Affiliated Companies. HDS will provide the Franchisee with written notice after the assignment of this Agreement has been completed, and the assignee will be required to fully perform all obligations of HDS under this Agreement.

ARTICLE 21
TERMINATION

21.1 State Laws; Petroleum Marketing Practices Act. Either the Franchisee or HDS will have the right to terminate this Agreement in accordance with the provisions of applicable federal or state laws, including the PMPA and state franchising laws, and the provisions of the PMPA relating to termination of a motor fuel franchise are incorporated herein by reference.

21.2 Franchisee's Special Termination Rights. If the Franchisee's Holiday Stationstore® is located in Minnesota, then the Franchisee may cancel this Agreement until midnight of the 7th business day after the day on which this Agreement was signed, by giving HDS written notice of cancellation in person or by certified mail; provided that any money, Equipment, or merchandise loaned, sold, or delivered to the Franchisee is returned by the Franchisee to HDS for full credit, or cash equivalent, together with delivery to HDS of full possession of the Franchised Location if it is leased from HDS, within ten days after delivery of the Franchisee's notice of cancellation.

21.3 Termination by HDS. In addition to all other grounds for cancellation or termination set forth in this Agreement and that are granted to HDS under the PMPA and any state law, statute, rule or regulation, HDS will, subject to the provisions of Article 21.4, have the right and privilege to cancel and terminate this Agreement for any of the following grounds (sometimes referred to in this Agreement as "acts of default"):

(a) The Franchisee's failure to comply with any reasonable and material provision of this Agreement if HDS first acquired actual or constructive knowledge of the failure not more than 120 days prior to the date on which notification of termination was given by HDS;

(b) The Franchisee's failure to exert good faith efforts to carry out each and every provision of this Agreement if (1) the Franchisee was apprised by HDS in writing of the failure, (2) the Franchisee was afforded 90 days to exert good faith efforts to carry out the provisions, (3) the failure thereafter continued during the 90 day cure period established above, and (4) such failure began not more than 180 days before the date of written notification of termination by HDS upon expiration of the 90 day cure period;

(c) The occurrence of any event which is relevant to the franchise relationship established with the Franchisee under this Agreement and as a result of which termination of this Agreement is reasonable if the event occurred during the Term of this Agreement and HDS first acquired actual or constructive knowledge of the occurrence not more than 120 days prior to the date on which written notification of termination was given by HDS. Unless provided to the contrary by the PMPA or other applicable federal or state law, an event which is relevant to the franchise relationship will include, but will not be limited to:

(1) Fraud or criminal misconduct by the Franchisee, any Owner or any officers, managers, directors, governors of the Franchisee (collectively, each an "Officer") relevant to the operation of the Franchised Location for the Franchisee's Holiday Stationstore®;

(2) The Franchisee's declaration of bankruptcy or a judicial determination of insolvency of the Franchisee or any principal or Owner of the Franchisee (if the Franchisee is other than a natural person) subject to all Bankruptcy Code restrictions and requirements;

(3) Continuing severe physical or mental disability of the Franchisee, or any principal or Owner of the Franchisee (if the Franchisee is other than a natural person) of at least three months duration if the disability renders the Franchisee unable to provide for the continued proper operation of the Franchised Location or the Franchisee's Holiday Stationstore® in general;

(4) HDS's loss of the right to grant possession of the leased Franchised Location through expiration of the underlying lease executed by HDS and the owner of the Franchised Location;

(5) Condemnation by eminent domain or destruction (other than by HDS) of all or a substantial part of the Franchised Location;

(6) HDS's loss of the right to grant the use of the Marks, unless the loss is due to trademark abuse, violation of federal or state law, or other fault or negligence of HDS, which abuse, violation or other fault or negligence is related to action taken in bad faith by HDS;

(7) The destruction (other than by HDS) of all or a substantial part of the Franchised Location;

(8) The Franchisee's failure to timely pay HDS or any of the HDS Affiliated Companies the Royalty Fees, Advertising Fees, and other amounts that are payable by the Franchisee pursuant to the provisions, terms and conditions of this Agreement or any other contract executed by the Franchisee and HDS or any of the HDS Affiliated Companies;

(9) The Franchisee's abandonment of or failure to operate the Franchised Location or its Holiday Stationstore® business for an unreasonable period; however, the Franchisee's failure to operate the Franchised Location for seven consecutive days will conclusively establish abandonment;

(10) The Franchisee's willful adulteration, mislabeling or misbranding of any Automotive Fuels or Groceries, Food Service Items and Merchandise, or other trademark violation by the Franchisee;

(11) The Franchisee's or any Owner's or Officer's knowing failure to comply with any applicable federal, state or local laws or regulations relevant to the operation of the Franchised Location of the Franchisee's Holiday Stationstore®, or the storage or sale of any Automotive Fuels;

(12) The conviction of the Franchisee, or any Owner or Officer of the Franchisee, of any felony;

(13) The Franchisee's loss of the right to occupy the Holiday Stationstore® Franchised Location, whether or not due to the fault of the Franchisee;

(14) The Franchisee's failure to obtain the release or termination of, or to commence and prosecute the defense of, any attachment, garnishment, execution or lien action that is brought against any real or personal property, Equipment or any other assets that are used in the operation of the Franchisee's Holiday Stationstore® within 72 hours of the date such action was filed;

(15) Any attempt or action by the Franchisee or its Owners to Sell, Assign or Transfer this Agreement, an Ownership Interest, the franchise granted under this Agreement, or any other substantial Store Assets in any manner that violates any of the terms and conditions of this Agreement;

(16) Any conduct by the Franchisee or any Owner or Officer that is detrimental to or reflects unfavorably on HDS, any of the Holiday Stationstore® or the Holiday Stationstore® franchise system, or conduct which exhibits a reckless disregard for the physical or mental well-being of employees, customers, HDS representatives or the public, including without limitation, convicted or alleged battery, assault, sexual harassment or other threatening, outrageous or unacceptable behavior;

(17) The Franchisee's failure to (i) maintain a responsible credit rating, or (ii) make prompt payment of undisputed bills, invoices and statements to any of the Franchisee's Suppliers; or

(18) The Franchisee's failure to maintain insurance coverage in accordance with the provisions of this Agreement.

(d) The Franchisee's failure to attain the Minimum Purchase Requirements for Automotive Fuels required under Article 11.1 of this Agreement, or to comply with HDS's requirements for the purchase and resale of Automotive Fuels, Groceries, Food Service Items and Merchandise or other products in accordance with the terms and provisions of this Agreement;

(e) A written agreement between HDS and the Franchisee to terminate this Agreement if (1) the agreement was not entered into more than 180 days prior to the date of such termination, (2) the Franchisee was promptly provided with a copy of the agreement, and (3) the Franchisee did not repudiate the agreement in a written notice to HDS posted by prepaid registered or certified mail within seven days of the date on which the Franchisee received a copy of the agreement;

(f) HDS's good faith decision, made in the normal course of business after the date this Agreement was executed by the parties and based upon changes in relevant facts and circumstances, to withdraw from the marketing of motor vehicle fuel through retail stores in the relevant geographic market area in which the Franchised Location is located;

(g) The failure of the Franchisee to comply with any provisions of this Agreement and with all statutes, rules or regulations promulgated by federal, state or local authorities relating to Automotive Fuels, storage tank leak prevention, measurements, record keeping, and reporting of results of such measurements for Automotive Fuels and other petroleum products within the time periods and in the manner prescribed in this Agreement and as otherwise required by federal, state or local authorities; and/or

(h) The Franchisee's failure to comply with the requirements of any Stationstore lease or any other agreement between HDS, HSI, EPC or IDT and the Franchisee.

21.4 <u>Notice Requirements</u>.

(a) Except as expressly provided to the contrary herein or unless otherwise prescribed by applicable law, upon the occurrence of any of the circumstances set forth in Article 21.3, then HDS will have the right to terminate this Agreement by delivering to the Franchisee written notice of termination by personal delivery or prepaid registered or certified mail at least 90 days prior to the date of termination. The written notice will contain (1) a statement of HDS's intention to terminate this Agreement together with the reasons therefore, (2) the date on which such termination will take effect, and (3) a summary of the responsibilities, remedies and relief available to the parties under the PMPA as prepared by the Secretary of Energy and published in the Federal Register. HDS will give the Franchisee at least 180 days prior written notice of termination if the termination of this Agreement is pursuant to Article 21.3(f).

(b) If permitted by applicable law, in the event circumstances are such that it would not be reasonable for HDS to furnish notification of not less than 90 days prior to the date on which the termination is to take effect, then HDS will furnish such notification to the Franchisee on the earliest date on which the furnishing of such notification is reasonably practical. However, if the Franchised Location is leased from HDS, then HDS will not establish a new franchise relationship with respect to the Franchised Location until the expiration of 30 days from the later of (1) the date on which the notice of termination was delivered, or (2) the date on which the termination takes effect.

21.5 <u>Immediate Termination</u>. Subject to any applicable limitations imposed by or under the PMPA, or any state law, rule or regulation, HDS will have the right to terminate this Agreement immediately upon the Franchisee's receipt of written notice of default and termination if the termination is the result of the Franchisee's: (a) voluntary abandonment of the Franchised Location or the franchise relationship, (b) conviction or a plea of guilty to a charge of violating any law related the Franchisee's Holiday Stationstore®, including fraud or criminal misconduct, (c) bankruptcy or insolvency, or assignment of the Franchisee's business assets for the benefit of creditors, (d) adulteration of any Automotive Fuels or Groceries, Food Service Items and Merchandise, or (e) any act by or conduct of the Franchisee or the Franchisee's Holiday Stationstore® that materially impairs the goodwill associated with the Marks of HDS or HSI.

21.6 **<u>Opportunity to Cure</u>**. Notwithstanding any provisions of this Agreement to the contrary, if the notice of termination given to the Franchisee by HDS pursuant to Article 21.4 states that the termination is based on a breach or violation of Article 21.3(a) or 21.3(c)(8), then the Franchisee will have the opportunity to cure the breach or violation within 20 days. If the Franchisee fails to fully cure the breach or violation within 20 days after receiving the written notice of termination from HDS, then HDS will have the right to terminate this Agreement as provided for in the written notice of termination.

21.7 **<u>Waiver; Rights of HDS</u>**. The failure by HDS to exercise any right of termination under this Agreement will not constitute a waiver or otherwise affect the rights of HDS to terminate this Agreement at a later time for a continuing or subsequent violation of this Agreement by the Franchisee. If the Franchisee violates any terms and conditions of this Agreement, then HDS will always have the right to terminate this Agreement for the Franchisee's Holiday Stationstore® in accordance with applicable law and the termination provisions of this Agreement.

21.8 **<u>Market Withdrawal</u>**. If HDS or HSI determines that it will withdraw from the market, then HDS will have the right to terminate this Agreement by (a) complying with the provisions of the PMPA relating to market withdrawal, and (b) giving the Franchisee 180 days prior written notice of the determination made by HDS in good faith and in the normal course of business to withdraw from the marketing of Automotive Fuels and Groceries, Food Service Items and Merchandise through retail stores in the relevant geographic marketing area in which the Franchisee's Holiday Stationstore® is located.

21.9 **<u>Franchisee's Right of First Refusal</u>**. If the termination of this Agreement is based on the grounds set forth in Article 21.3(f) and the Franchised Location is leased to the Franchisee by HDS, and the actual or offered duration of the existing Agreement or relationship between HDS and the Franchisee is three years or longer, then HDS will offer to Sell, Assign or Transfer its interest in the Franchised Location to the Franchisee at prevailing market rates as determined by HDS or, if applicable, will offer the Franchisee the right of first refusal of at least 45 days in duration regarding any offer from a third party. In addition, in the event of HDS's withdrawal from the relevant market and the Sale, Assignment or Transfer of any other marketing premises in the area, including the Franchised Location for the Franchisee's Holiday Stationstore®, to a third party, then this Agreement may be terminated by HDS if a nondiscriminatory franchise is offered to the Franchisee by the third party acquiring the Franchisee's Franchised Location.

21.10 **<u>Other Remedies</u>**. In addition to all other remedies granted to HDS and the HDS Affiliated Companies under this Agreement, HDS and the HDS Affiliated Companies will have the right to pursue all other remedies against the Franchisee under state or federal laws if the Franchisee violates any terms, conditions or provisions of this Agreement.

21.11 **<u>Cost and Expenses</u>**. The Franchisee will pay all Costs and Expenses incurred by HDS in bringing any action or lawsuit to enforce any term, condition or provision of this Agreement or any other agreement and/or to enjoin the Franchisee from violating any term, condition or provision of this Agreement, if HDS prevails in the action.

ARTICLE 22
<u>OBLIGATIONS OF THE FRANCHISEE UPON TERMINATION</u>

22.1 **<u>Franchisee's Obligations</u>**. Upon the termination, cancellation, or expiration of this Agreement, the Franchisee will, at the Franchisee's expense, with respect to the Franchisee's terminated Holiday Stationstore®, (a) pay to HDS, when due, all Royalty Fees, Advertising Fees, and all other amounts owed by the Franchisee to HDS, (b) timely pay to the sellers and to HDS and the HDS Affiliated

Companies all amounts owed by the Franchisee for the purchase of any Automotive Fuels and Groceries, Food Service Items and Merchandise, and other products and services, (c) immediately pay the Liquidated Damages as fair and reasonable liquidated damages, (d) remove and return to HDS all leased Signs, Holiday® Signs and other leased equipment, (e) return to HDS all copies and duplicates of the Operations Manual, all Confidential Information and all other materials provided to the Franchisee, whether in written, videotaped, electronic or other form, (f) cancel all assumed name or equivalent state registrations relating to the use of any of the Marks or any other names licensed by HDS to the Franchisee under this Agreement, (g) cancel all telephone numbers, Yellow Page, and White Page listings, and all other telephone and Internet directory and advertising listings, for the Franchisee's terminated Holiday Stationstore® that in any way refer to any of the Marks, (h) if the Franchisee retains possession of the Franchised Location, make all modifications to the exterior of the Franchised Location and the interior decor of the Franchised Location, including without limitation repainting of the Franchised Location, so that the identification of the Franchised Location will be clearly distinguished from a Holiday Stationstore®, and (i) cease doing business as a Holiday Stationstore® or using any Holiday® Mark or any other name licensed by HDS to the Franchisee, and from in any way identifying the premises as a Holiday Stationstore®. Notwithstanding the foregoing, if a court determines that the payment of Liquidated Damages is unenforceable, then HDS may pursue all other available remedies, including consequential damages to the extent proved.

22.2 Rights of HDS. If the Franchisee does not remove and return all leased Signs, Holiday® Signs and other leased equipment within 24 hours of the expiration, cancellation or termination of this Agreement, then HDS will have the right to immediately enter the Franchised Location, remove the Signs and leased equipment, and charge the Franchisee for the cost of the removal. HDS will have the absolute right to notify the telephone company and the Yellow Pages, White Pages and all listing agencies of the termination, cancellation or expiration of the Franchisee's right to use all telephone numbers and all classified and other directory listings for the Franchisee's terminated Holiday Stationstore®.

22.3 Confidential Information. All business information provided to the Franchisee by HDS or HSI that is not readily available in the marketplace will be deemed to be Confidential Information and will be maintained as confidential by the Franchisee. The Franchisee's obligations of confidentiality set out in this Article 22, the Confidentiality Agreement or otherwise in this Agreement will survive the termination, cancellation or expiration of this Agreement.

22.4 Use of Marks. The Franchisee will cease, desist, and forever abstain from using any of the Marks at the Franchised Location, the Franchisee's Holiday Stationstore® or anywhere else immediately upon the occurrence of any of the following events: (a) the termination, cancellation or expiration of this Agreement, (b) the termination, cancellation or expiration of the lease for the Franchised Location or the Franchisee's Holiday Stationstore®, or (c) the Franchisee loss of the right to possess the Franchised Location for any reason whatever.

22.5 Injunctive Relief. HDS will suffer immediate and irreparable harm if the Franchisee does not immediately discontinuing using the Marks, remove all the Signs and Marks from the Franchised Location, and/or otherwise comply with the terms of this Article upon the termination, cancellation or expiration of this Agreement. Accordingly, HDS will have the right to seek a temporary restraining order and all other protective orders, including injunctive relief, necessary to enforce the provisions, terms, and conditions of this Article without posting any bond or other security with the Court. The Franchisee will pay all Costs and Expenses incurred by HDS or any Affiliated Companies in enforcing any term, provision or condition of this Article if HDS prevails in the matter.

ARTICLE 23
HDS'S RIGHT OF FIRST REFUSAL AND OPTION TO PURCHASE

23.1 Right of First Refusal. If at any time during the Term of this Agreement, the Franchisee desires to Sell, Assign or Transfer any of the Store Assets of the Franchisee's Holiday Stationstore® to any person or Entity, then the Franchisee will require the prospective buyer (the "**Buyer**") to submit a written, bona fide offer that contains all of the material terms and conditions of the proposed transaction, including a description of the Store Assets to be purchased, the price, payment terms, warranties, and representations (the "**Offer**"). Upon receipt, the Franchisee will provide HDS with a copy of the Offer received from the Buyer, and for a period of 60 days from receipt of the Offer (the "**Option Period**") HDS will have the right to purchase the Store Assets described in the Offer at the price and on the same terms and conditions contained in the Offer ("**Right of First Refusal**") and the closing of the transaction shall be in accordance with the provisions of Sections 23.2 (b), (c) and (d). If HDS does not exercise its Right of First Refusal, then the Franchisee will have the right to complete the proposed transaction with the Buyer upon the terms and conditions contained in the Offer, provided that the Franchisee and the Buyer comply with all of the terms and conditions of this Agreement applicable to the transaction, including without limitation Article 20. If the terms of the Offer are changed, or if the Franchisee does not complete the transaction with the Buyer on the terms and conditions of the Offer within 60 days following the expiration of the Option Period, then HDS's Right of First Refusal will apply to any changes or modifications to the Offer and to any subsequent Offer. HDS's Right of First Refusal will continue to apply to all of the Store Assets that are not sold by the Franchisee. HDS's Right of First Refusal will apply to all of the Store Assets listed in the Offer and, as a condition of approving the transaction, the Franchisee will require the Buyer to acknowledge and agree to honor HDS's Right of First Refusal in the future under the same terms as contained in this Agreement. The Franchisee will require and cause any party with an interest in any of the Store Assets of the Franchisee's Holiday Stationstore® to execute an agreement for the benefit of HDS that contains the same terms contained in this Article. The Franchisee will execute all legal documents required by HDS's legal counsel deemed necessary to permit HDS's Right of First Refusal to be recorded against the real property that constitutes the Franchised Location (the "**Real Property**"), including, without limitation, the Memorandum of Option to Purchase and Right of First Refusal in the form attached hereto as Exhibit D. In the event HDS or its designee has exercised its Right of First Refusal, the Franchisee will obtain all necessary public and private approvals and consents (including without limitation, under any lease or occupancy agreement) necessary to transfer the Franchisee's interest in the Store Assets to HDS or its designee, including a landlord's consent to an assignment of any lease for the Franchised Location. If Franchisee fails to obtain such approvals, HDS or its designee shall have the unilateral right in its sole determination to rescind its exercise of its Right of First Refusal, and in such event, the Right of First Refusal will continue to apply to all of the Store Assets, and/or HDS or its designee will have the right to sublease the Franchised Location from Franchisee upon terms acceptable to HDS.

23.2 HDS's Option to Purchase.

(a) Option Rights of HDS. In addition to HDS's rights under Section 20.4, upon the termination, cancellation, or expiration of this Agreement, whether by default or otherwise, HDS or its designee will have the right and option, but not the obligation, to purchase, for the price determined in accordance with Section 23.3 (the "**Purchase Price**"), all of the Franchisee's Store Assets for the Franchisee's Holiday Stationstore® (the "**Option to Purchase**"). The Franchisee will execute the Memorandum of Option to Purchase and Right of First Refusal with respect to HDS's Option to Purchase in the form of Exhibit D attached hereto that will be recorded by HDS against the Real Property. HDS will have the right to exercise its Option to Purchase by giving written notice to the Franchisee within 10 days after the date of termination, cancellation or expiration of this Agreement for the Franchisee's Holiday Stationstore®, but subject, in all events, to HDS's further right to rescind, terminate and cancel its exercise of the Option to Purchase pursuant to the further provisions of this paragraph and Section 23.3 below. In the event HDS or its designee has exercised its Option to Purchase, the Franchisee will obtain all necessary public and private approvals and consents (including, without limitation, under any lease or occupancy agreement) necessary to transfer the Franchisee's interest in the Store Assets to HDS or its designee, including a landlord's consent to an assignment of any lease for the Franchised Location. If Franchisee fails to obtain such approvals, HDS or its designee shall have the unilateral right in its sole determination to rescind its exercise of its Option to Purchase, and/or HDS or designee will have the right to sublease the Franchise Location from Franchisee upon terms acceptable to HDS.

(b) Real Property. If any Real Property is subject to HDS's Option to Purchase, then the Franchisee will, within 14 days after receiving written notice from HDS that it is exercising its Option to Purchase, furnish a commitment of title insurance for the Real Property, certified to date, including the proper searches covering bankruptcies, state and federal judgments, liens, and levied and pending special assessments. HDS will have 20 days after receipt of this commitment to provide the Franchisee with written objections. The Franchisee will bear the cost of providing the commitment of title insurance to HDS and will pay the cost of title insurance. The Franchisee will have 30 days from receipt of HDS's written title objections to make title marketable and the closing of the purchase of the Store Assets will be postponed pending correction of the title to the Real Property. If the Franchisee proceeds in good faith to provide marketable title to the Real Property but the 30 day period expires and marketable title has not been provided to HDS, then HDS may either (1) terminate its Option to Purchase by giving written notice to the Franchisee, (2) pay the cost of any correction, if the cost is reasonably ascertainable, and deduct the cost from the Purchase Price for the Store Assets, or (3) waive such objections and proceed to close the purchase of the Store Assets; provided that nothing herein will deprive HDS of the right of specific performance of its Option to Purchase. If HDS elects to terminate its Option to Purchase, then neither party will be liable to the other for any damages or other costs.

(c) Closing. The closing of HDS's purchase of the Store Assets will occur no later than 30 days following the date the Purchase Price for the Store Assets is determined pursuant to this Article unless the Store Assets include Real Property in which case the closing will take place no later than 120 days after the date the Purchase Price is determined under this Article. The Purchase Price for the Store Assets will in each case be reduced by the amount of any lien or encumbrance existing against any of the Store Assets on the date of closing.

(d) Real Estate Taxes and Special Assessments. Upon exercise of its Option to Purchase, all special assessments levied and pending with regard to the Real Property portion of the Store Assets will be paid in full by the Franchisee at or prior to the date of closing. Real estate taxes due and payable against the Real Property in the year of the closing will be prorated between the Franchisee and HDS as of the date of the closing using a calendar year basis. The Franchisee will pay all real estate taxes due and payable against the Real Property in the years prior to the year in which the closing occurs, and HDS will pay all real estate taxes due and payable against the Property for the years after the closing occurs. At the closing, the Franchisee will pay all applicable transfer taxes and will convey title to the Property to HDS or its designee by warranty deed, subject only to those matters of record not raised by HDS as objections. The Franchisee will (a) deliver all documents necessary to cure any objections to title, (b) pay all recording fees, and (c) provide all signed and other documents deemed necessary by legal counsel for HDS or its designee to convey title to the Real Property.

23.3 Determination of Purchase Price. The Purchase Price for the Store Assets that are subject to HDS's Option to Purchase will be determined as follows:

(a) The Purchase Price for the Store Assets shall be their reasonable fair market value, but shall not include any value attributable to the Holiday Stationstore® franchise, this Agreement, any Marks or any other right or benefit extended to the Franchisee by or under this Agreement;

(b) HDS and the Franchisee shall make a good faith effort to determine the Purchase Price for the Store Assets by mutual agreement. However, if the parties are unable to mutually agree on the Purchase Price within twenty (20) days after HDS exercises its Option to Purchase, then the Purchase Price shall be determined by appraisal as follows:

(i) HDS and Franchisee must each appoint a qualified appraiser upon written notice to the other given within ten (10) days after the end of said twenty (20) day period. In the event either party fails to appoint a qualified appraiser within said period, the qualified appraiser that was timely appointed shall determine the Purchase Price. In the event both qualified appraisers are timely appointed, each shall independently determine the Purchase Price within thirty (30) days of their appointment.

(ii) If the difference in the Purchase Price determined by each appraisal is less than 10% of the lesser Purchase Price, then the average of the two will be deemed to be the Purchase Price of the Store Assets. If the difference in the Purchase Price determined by each appraisal is greater than 10% of the lesser Purchase Price, a third qualified appraiser shall be selected within ten (10) days by the first two appraisers, and the third appraiser will, within thirty (30) days of his/her appointment, determine the Purchase Price for the Store Assets. The Purchase Price for the Store Assets shall be the average Purchase Price of the two closest Purchase Prices determined by the three appraisers.

(iii) The cost of all appraisals shall be borne by the Franchisee. All appraisers appointed hereunder shall be certified as an MAI appraiser and shall have at least five (5) years' experience as a real estate appraiser of commercial/retail properties in the area in which the Franchised Location is located.

(c) If the Purchase Price has been determined by appraisal, HDS shall have ten (10) days after the date upon which the Purchase Price is determined to rescind, terminate and cancel its exercise of the Option to Purchase by written notice delivered to Franchisee, in which event HDS's exercise of the Option to Purchase shall be deemed rescinded, terminated, cancelled and rendered void and of no further force or effect.

23.4 Ownership Interest. The Ownership Interests owned by the Franchisee or by the Owners may not be Sold, Assigned or Transferred by the Franchisee or the Owners until the Ownership Interests have first been offered to HDS in writing for the price and under the same terms and conditions offered to any third party. HDS will have 30 business days to accept the Owner's offer to purchase the Ownership Interest for the price and under the same terms offered to the third party.

23.5 Compliance with Agreement. The Franchisee's obligations under this Agreement including, but not limited to, its obligations to pay all Royalty Fees, Advertising Fees and other amounts due to HDS and the HDS Affiliated Companies, and to operate as a Holiday Stationstore®, will not be affected if HDS does not exercise any of its rights under this Article, and as a consequence, the terms and conditions of this Agreement will remain in full force and effect. The decision by HDS not to exercise the Right of First Refusal granted to it pursuant to this Agreement will not, in any way, be deemed to grant the Franchisee the right to terminate this Agreement and will not affect the Term of this Agreement. Moreover, if HDS does not exercise its Right of First Refusal and if the Franchisee sells or otherwise disposes of its Store Assets to a third party, then both the Franchisee and the third-party purchaser will be required to comply in all respects with the terms and conditions of this Agreement. Any Sale, Assignment or Transfer of the Store Assets by the Franchisee that does not require the third party to assume the obligations of the Franchisee under this Agreement will constitute a wrongful termination of this Agreement by the Franchisee.

ARTICLE 24
RELATIONSHIP OF THE PARTIES

24.1 Relationship of Parties. The Franchisee and the Franchisee's employees or agents are not and will not be an agent, representative, partner, joint venturer or employee of HDS. The Franchisee will not have any authority, right or power to bind or obligate HDS in any manner whatsoever, nor will the Franchisee imply or represent that it has the right to act on behalf of HDS. The Franchisee is an independent contractor and will exercise and be exclusively responsible for the control and activities of its Holiday Stationstore®. The Franchisee will identify itself as an independent operator in all communications and other transactions with all employees, customers, Suppliers, public officials, and other third parties.

24.2 Franchisee's Employees. The Franchisee will be solely responsible for (a) the hiring, supervision, and direction of all employees of the Franchisee's Holiday Stationstore®, (b) the payment and withholding of all Taxes applicable to the Salaries of its employees, (c) compliance with all applicable laws relating to employees, including, without limitation, workers' compensation, unemployment compensation, occupational health and disease, and disability laws, and (d) all other matters relating to the hiring, training, compensation, and discipline of employees.

24.3 Identification of Business. The Franchisee will conspicuously and publicly display at each of its Holiday Stationstores® a legible Sign stating that the Franchisee is an independent owner and operates pursuant to a Franchise Agreement with HDS.

24.4 Non-Competition. The Franchisee and the Managers of the Franchisee's Holiday Stationstore® will not during the term of this Agreement, directly or indirectly: a) own, have any interest in, or have any business relationship with any competitor of HDS or any of the HDS Affiliated Companies; or b) own, engage in, or render services to, any business which sells gasoline or other motor vehicle fuels under a brand name other than Holiday.

ARTICLE 25
ARBITRATION

25.1 Disputes Subject to Arbitration. Except for the provisions of this Agreement relating to injunctive relief (including, but not limited to, the provisions of Articles 7.5, 22.5, and 27.7), all disputes and controversies between the Franchisee, HDS and the HDS Affiliated Companies, and their respective Officers, Directors, and Agents, including (a) allegations of fraud, misrepresentation and violation of any federal, state, municipal or local laws, rules or regulations, and (b) claims against any of the Officers, Directors, and Agents of the Franchisee or HDS arising under, as a result of, or in connection with this Agreement, the Franchised Location or the Franchisee's Holiday Stationstore® will be resolved exclusively by arbitration conducted in accordance with the Code of Procedure of the National Arbitration Forum, Post Office Box 50191, Minneapolis, Minnesota, 1-800-474-2371(**www.arb-forum.com**) (the "**NAF**").

25.2 Notice of Dispute. The party alleging the dispute must provide the other party with written notice setting forth the alleged dispute in detail. The party who receives written notice alleging the dispute will have 20 days after receipt of the written notice to correct, settle or compromise the dispute specified in the written notice. If the written notice alleges that the Franchisee is delinquent in the payment of any fees or other payments payable to HDS and the HDS Affiliated Companies, the Franchisee will have 10 days to make full payment (including interest and Administrative Fees as provided for herein) to HDS.

25.3 Demand for Arbitration. If the dispute alleged by either party has not been corrected, settled or compromised within the time period provided for in this Article, then either party may demand arbitration by giving written notice to the other party and to the office of the NAF. If the alleged dispute, claim or matter in controversy exceeds $100,000, then either party will have the right to have three Arbitrators appointed to hear the matter, one of which must be a retired appellate or trial court judge. The Arbitrator(s) will be appointed as provided herein within 30 days after a written demand for arbitration has been made by either party.

25.4 Venue and Jurisdiction. All arbitration hearings will take place exclusively in Minneapolis, Minnesota, and will be held no later than six months after the Arbitrator(s) has been selected. HDS and the HDS Affiliated Companies and the Franchisee and its Officers, Directors, and Agents and Owners do hereby agree and submit to personal jurisdiction in the State of Minnesota in connection with any arbitration hearings hereunder and any suits brought to enforce the decision of the Arbitrator(s), and do hereby waive any rights to contest venue and jurisdiction in the State of Minnesota and any claims that venue and jurisdiction are invalid.

25.5 Powers of Arbitrator(s). The authority of the Arbitrator(s) will be limited to making a finding, judgment, decision and award relating to the interpretation of or adherence to the written provisions of this Agreement. The Federal Rules of Evidence (the "**Rules**") will apply to all arbitration hearings and the introduction of all evidence, testimony, records, affidavits, documents and memoranda in any arbitration hearing must comply in all respects with the Rules and legal precedents interpreting the Rules. All parties will have the absolute right to cross-examine any person who has testified against them or in favor of any other party. The Arbitrator(s) will have no authority to add to, delete or modify in any manner the terms and provisions of this Agreement. All findings, judgments, decisions and awards of the Arbitrator(s) will be limited to the dispute set forth in the written demand for arbitration, and the Arbitrator(s) will have no authority to decide any other issues. The Arbitrator(s) will not have the right or authority to award punitive damages to HDS and the HDS Affiliated Companies, the Franchisee, and the Personal Guarantors or their respective Officers, Directors, and Agents, and they expressly waive their right to plead or seek punitive damages. All findings, judgments, decisions and awards by the Arbitrator(s) will be in writing, will be made within 60 days after the arbitration hearing has been completed, and will be final and binding on HDS and the HDS Affiliated Companies, the Franchisee and the Personal Guarantors and their respective Officers, Directors, and Agents. The written decision of the Arbitrator(s) will be deemed to be an order, judgment and decree and may be entered as such in any federal or state court of competent jurisdiction by either party. If, during the course of Arbitration, either party fails to appear at a meeting or hearing duly scheduled by the Arbitrator(s) in accordance with the Code of Procedure of the NAF, then the Arbitrator(s) will have the absolute right to enter a default judgment against the party failing to appear and may grant the appropriate remedy and/or relief in favor of the appearing party, including the awarding of attorneys' fees and costs.

25.6 Disputes Not Subject to Arbitration. The following disputes between HDS and the Franchisee will not be subject to arbitration: (a) any matters relating to the Franchisee's use of the Marks; (b) the obligations of the Franchisee upon termination, cancellation or expiration of this Agreement; (c) the Franchisee's violation of the provisions of this Agreement relating to the covenants not to compete; (d) the Franchisee's violation of the provisions of Article 20 or Article 23, and (e) any dispute involving the immediate termination of this Agreement by HDS pursuant to the terms of this Agreement.

25.7 No Collateral Estoppel or Class Actions. All arbitration findings, conclusions, orders and awards made by the Arbitrator(s) will be final and binding on HDS and the HDS Affiliated Companies, the Franchisee and the Personal Guarantor, and their respective Officers, Directors, and Agents; however, in recognition of the fact that arbitration proceedings are not subject to the same standards as those afforded the parties in a court of law, the arbitration findings, conclusions, orders and awards may not be used to collaterally estop HDS and the HDS Affiliated Companies, the Franchisee and the Personal Guarantor, and their respective Officers, Directors, and Agents from raising any like or similar issue or defense in any subsequent arbitration, litigation, court hearing or other proceeding involving third parties and other franchisees. No person or Entity except HDS and the HDS Affiliated Companies, the Franchisee and the Personal Guarantor, and their respective Officers, Directors, and Agents, will have the right to join in or participate in any arbitration proceeding arising under this Agreement, and therefore, the Arbitrator(s) will not be authorized to permit class actions or to permit any other person or Entity to be involved in or be named as a party to any arbitration proceeding brought by either party under this Agreement. HDS and the HDS Affiliated Companies, the Franchisee and the Personal Guarantors, and their respective Officers, Directors, and Agents agree that none of them will be entitled to allege or recover punitive damages. Thus, the Arbitrator(s) will not have the right to award punitive damages to any party and all parties expressly waive their rights to allege or claim punitive damages.

25.8 Confidentiality. All evidence, testimony, records, documents, findings, decisions, judgments and awards pertaining to any arbitration hearing involving HDS and the HDS Affiliated Companies, the Franchisee, the Personal Guarantors, and their respective Officers, Directors, and Agents will be secret and confidential in all respects. No party to any arbitration hearing conducted under this Agreement will have the right to, and will not, disclose the decision or award of the Arbitrator(s) and will not disclose any evidence, testimony, records, documents, findings, orders, or other matters from the arbitration hearing to any person or Entity except as required by law. Nothing herein will prevent any party from disclosing or using any information presented in any subsequent arbitration proceeding or in any appropriate court hearing brought by any of the parties.

25.9 **Performance During Arbitration of Disputes**. HDS and the Franchisee will fully comply with all of the terms and conditions of this Agreement and will fully perform their respective obligations under this Agreement during the entire time of the arbitration process.

25.10 **Federal Arbitration Act**. This Agreement and any issue regarding arbitration arising under this Agreement will be governed by the Federal Arbitration Act and the federal common law of arbitration.

ARTICLE 26
LEASE AS SECURITY; TERMINATION OF LEASE

26.1 **Lease Terms**. Any lease for the Franchised Location (the "**Lease**"), signed by the Franchisee will provide that HDS will have the right, but not the obligations, to: (a) enter the premises of the Franchised Location to conduct inspections during regular business hours; and (b) assume the Lease for the remaining term in accordance with this Article if, prior to the expiration of the Lease, the Landlord terminates the Lease, the Franchisee is evicted by the Landlord or if this Agreement expires or is terminated by either HDS or the Franchisee for any reason. HDS will have no obligation to review or analyze the Lease and the Franchisee will be solely responsible for all terms of the Lease, including the enforceability, economics and legality of all provisions in the Lease. The Franchisee will not sign the Lease until this Agreement has been signed by both the Franchisee and HDS, and then only if the Lease contains the terms required under this Article.

26.2 **Franchisee's Sale or Transfer of Lease**. The Franchisee hereby Sells, Assigns or Transfers all of its right, title and interest in and to the Lease (which is incorporated herein by reference) to HDS as security for the Franchisee's performance of the terms and conditions of this Agreement. If this Agreement is terminated by HDS in accordance with it terms, if the Franchisee wrongfully terminates this Agreement by failing to comply with the terms of this Agreement or otherwise, if the Franchisee at any time ceases to do business as a Holiday Stationstore® at the Franchised Location, if this Agreement expires and the Franchisee does not reacquire the Franchise for the Franchised Location, or if the Franchisee violates or breaches any of the terms of the Lease, including the failure to timely pay all rents and other amounts due to the landlord ("Events of Default"), then HDS will have the right and option, but not the obligation, to take and assume the Lease for the remaining term of the Lease and under the same terms and conditions, including rental, as originally contracted by the Franchisee. The Franchisee will consent to a UCC-1 Financing Statement and other documents required by HDS or its legal counsel to perfect and record the security interest of HDS in the Lease.

26.3 **Perfected Assignment; Notice**. The Sale, Assignment or Transfer of the Franchisee's right, title and interest in the Lease pursuant to this Article will constitute a perfected, absolute and present Sale, Assignment or Transfer. However, HDS will have no right under this Article to enforce the provisions of the Lease until there has been an Event of Default. After an Event of Default, HDS will have the right, but not the obligation, to enforce the provisions of this Article and to take possession of the Franchised Location by giving the Franchisee and the Landlord written notice that HDS has affirmatively exercised its rights under this Article. The written notice will state: (a) that HDS is taking and assuming the Lease from the Franchisee; (b) the date that HDS will take physical possession of the Franchised Location; and (c) that HDS agrees to be bound by the terms and conditions of the Lease being assumed. HDS will execute all documents required to assign the Lease at the time it gives such written notice to the Franchisee and the Landlord.

26.4 **No Prior Sale, Assignment or Transfer**. The Franchisee represents and warrants that there has been no prior Sale, Assignment or Transfer of the Lease, that it has the right to Sell, Assign or Transfer the Lease in accordance with this Article, that the Lease is a valid and enforceable agreement, that neither party is in default to the other under the Lease, and that all covenants, conditions and agreements have been performed. No change in the terms of the Lease will be valid without the written approval of HDS. The Franchisee will not Sell, Assign or Transfer its interest in the Lease so long as this assignment contained in this Article is in effect. During the term of this Agreement, the Franchisee will not lease or sublease all or any part of the Franchised Location without the prior written consent of HDS.

26.5 **Enforcement of Franchisee's Rights**. If any Events of Default occur, then the Franchisee hereby irrevocably constitutes and appoints HDS as its attorney-in-fact to demand, receive and enforce the Franchisee's rights with respect to the Lease, to make payments under the Lease and give appropriate receipts, releases and satisfactions for and on behalf of and in the name of the Franchisee or, at the option of HDS, in the name of HDS, with the same force and effect as the Franchisee could do if this Assignment had not been made.

26.6 **Rights and Remedies of HDS**. Upon taking physical possession of the Franchised Location, HDS may, without affecting any of its rights or remedies against the Franchisee under any other instrument, document or agreement, exercise its rights under this Article as the Franchisee's attorney-in-fact in any manner permitted by law. In addition, HDS will have and possess, without limitation, any and all rights and remedies of a secured party under the Uniform Commercial Code, as enacted in the jurisdiction in which enforcement is sought, or otherwise provided by law.

26.7 **Prorating of Rents and Expenses**. At the time HDS takes physical possession of the Franchised Location, all charges, real estate taxes, utilities and rentals will be prorated between HDS and the Franchisee. HDS will have no obligation to pay any liabilities of the Franchisee to any person or entity, including the Landlord, that were incurred prior to the date that HDS takes physical possession of the Franchised Location.

26.8 **Possession; Obligations of HDS and the Franchisee**. HDS will hold the Franchisee harmless from any and all obligations to the Landlord, including rental payments, arising out of the use of the Franchised Location from the date that HDS takes physical possession of the Franchised Location. The Franchisee will pay all amounts due to the Landlord and other parties under the Lease including, but not limited to, rentals, insurance, rental overrides, real estate taxes, repairs and maintenance, up to and including the date that HDS takes physical possession of the Franchised Location. With the specific and limited exception of rental payments and other obligations to the Landlord arising from use of the Franchised Location by HDS after taking physical possession of the premises, the Franchisee will indemnify and hold HDS harmless from and against any and all claims, demands, liabilities, losses, lawsuits, judgments, costs and expenses, including attorneys' fees, to which HDS may become exposed, or which HDS may incur, in exercising any of its rights under this Article.

26.9 **Sale, Assignment or Transfer by HDS**. HDS will have the right to Sell, Assign or Transfer its right, title and interest in the Lease to any persons or entities by giving written notice to the Franchisee and the Landlord without any consent whatever from the Franchisee or the Landlord, and any such Sale, Assignment or Transfer will be valid and binding upon the Franchisee and the Landlord as fully as if each had expressly approved it in writing. Subject to the limitation on further Sale, Assignment or Transfer by the Franchisee contained in this Agreement, this provision will be binding upon and inure to the benefit of the heirs, legal representatives, assigns and successors in interest of the Franchisee, HDS and the Landlord.

ARTICLE 27
GENERAL

27.1 **Right of Entry**. HDS will have the right to enter any Holiday Stationstore® at any reasonable time in order to examine, inspect, photograph, and/or videotape the Franchised Location and the Store Assets and to confirm that the Franchisee is in compliance with the terms and conditions of this Agreement and the Operations Manual. Any evaluation or inspection HDS conducts is not intended to exercise control over Franchisee's day-to-day operation of the Franchised Location or to assume any responsibility for Franchisee's obligations under this Agreement.

27.2 **Entire Agreement; Amendment**. This Agreement and the Exhibits attached hereto contain the entire agreement of the parties with respect to the Franchisee's operation of its Holiday Stationstore® and the matters contained in this Agreement. All prior discussions or negotiations (written or oral) are merged into this Agreement, and no representations, inducements, promises or agreements not embodied in this Agreement will survive the execution of this Agreement. Nothing in this Agreement is intended to negate the disclosures contained in the HDS Franchise Disclosure Document. This Agreement may only be amended in a writing signed by all parties to this Agreement and any attempt to modify or change this Agreement orally or verbally will be void in all respects.

27.3 **Excused Performance**. If HDS or the Franchisee will be delayed or prevented from performing any act or complying with any term or condition of this Agreement for reasons not within the party's fault and not within the party's reasonable control, including without limitation, any strikes, lockouts, inability to obtain materials, fire, flood, act of God, power failures, governmental law or regulation, riots, terrorists acts, insurrections or war, then the performance by such party will be excused during the time of the delay.

27.4 **Severability**. If any provision of this Agreement is declared by a court of competent jurisdiction to be contrary to law and legally unenforceable, then that decision will not affect the validity of any remaining provisions of this Agreement, which will be enforceable as if this Agreement had been executed with the invalid provisions rewritten, if possible, so as to be in compliance with the law or totally canceled. Any provision of this Agreement which is declared by a court of competent jurisdiction to be contrary to any applicable law or regulation will be revised to the extent necessary, and only to the extent necessary, to bring these provisions into compliance, including, as an example only and without limitation, changing time periods for performance.

27.5 **Notices**. All notices required or permitted under this Agreement will be in writing and will be addressed to the party to be notified at the address specified in this Article. All notices either will be delivered personally or sent by pre-paid first class United States certified mail, return receipt requested. All notices will be deemed to have been delivered on the earlier date of personal delivery, or on the third business day after the date of mailing. Each party's address for notice is as follows:

If to HDS:

Holiday Diversified Services, LLC
4567 American Boulevard West
Minneapolis, Minnesota 55437
Attention: Franchise

With a copy to:

Holiday Diversified Services LLC
4567 American Boulevard West
Minneapolis, Minnesota 55437
Attention: Legal Department

If to the Franchisee, to the address set forth on the cover page of this Agreement.

27.6 **Binding; Survival**. This Agreement will not become effective and binding until executed by both HDS and the Franchisee, as evidenced by the signature of their properly authorized representatives. Concurrently herewith, all of the Franchisee's Owners and the spouses or legal domestic partners of any individual Owners are executing the Personal Guaranty in the form attached hereto as Exhibit C, which HDS has required as a material condition of its willingness to enter into this Agreement with the Franchisee. The Franchisee's occupancy or operation of any Holiday Stationstore® prior to the execution of this Agreement will not be construed as a waiver by HDS of this Article and will not operate to make this Agreement effective or binding with respect to that Holiday Stationstore®. All indemnification obligations of the Franchisee in this Agreement, or in any agreement executed by the Franchisee and HDS with respect to any Holiday Stationstore®, will survive and be enforceable after the termination, cancellation or expiration of this Agreement or such other agreement.

27.7 Governing Law and Forum. This Agreement will become valid when executed and accepted by HDS. Except as provided by applicable federal or state law, this Agreement will be interpreted and construed under the laws of the state where the Franchisee's Holiday Stationstore® is located. The Franchisee acknowledges that this Agreement will be performed, in part, in Hennepin County, Minnesota and agrees that all controversies and disputes involving this Agreement will be resolved by a Court of competent jurisdiction in Hennepin County, Minnesota. No right or remedy conferred upon or reserved to HDS or the Franchisee by this Agreement is intended to be or will be deemed exclusive of any other right or remedy available to either party in law or equity, but each will be cumulative of every other right or remedy. Nothing in this Agreement will bar HDS's right to obtain injunctive relief against threatened conduct, including obtaining restraining orders and preliminary injunctions. THE PARTIES HEREBY WAIVE A RIGHT TO A JURY TRIAL IN ANY LAWSUIT RELATED TO THIS AGREEMENT OR THE PARTIES' RELATIONSHIP HEREUNDER.

27.8 Waiver. No waiver or failure by HDS to enforce any term, condition or provision of this Agreement, or failure to seek a remedy for a breach of this Agreement will constitute a waiver of that term, condition or provision.

27.9 Liability of Multiple Franchisees. If the Franchisee consists of more than one person, each person's liability under this Agreement will be joint and several.

27.10 Acknowledgment. Intentionally Omitted.

27.11 Interpretation of Rights and Obligations. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

(a) HDS's Rights. Whenever this Agreement provides that HDS has a certain right, that right is absolute and the parties intend that its exercise of that right will not be subject to any limitation or review. HDS has the right to operate, administrate, develop, and change the Business System in any manner that is not specifically precluded by the provisions of this Agreement.

(b) HDS's Reasonable Business Judgment. Whenever HDS reserves discretion in a particular area or where HDS agrees to exercise its rights reasonably or in good faith, HDS will satisfy its obligations whenever HDS exercises Reasonable Business Judgment in making its decision or exercising its rights. HDS's decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if its decision or action is intended, in whole or significant part, to promote or benefit the Business System generally even if the decision or action also promotes HDS's financial or other individual interest. Examples of items that will promote or benefit the Business System include, without limitation, enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the Business System.

27.12 State Modifications. If any provision of this Agreement is inconsistent with a valid applicable law, the provision will be deemed amended to conform to the minimum standards required. The parties may execute an Addendum setting forth certain of these amendments applicable in certain jurisdictions, which will apply only so long as, and to the extent that, then applicable laws referred to in the addendum remain validly in effect.

ARTICLE 28
DEFINITIONS

The following terms will have the meanings set forth below and will be in addition to all other terms defined elsewhere in this Agreement:

28.1 **Accounting Period**. "Accounting Period" will mean the accounting period from time to time specified by HDS in the Operations Manual or otherwise in writing.

28.2 **Affiliated Companies**. "Affiliated Companies" will mean EPC, HDS, HSI, IDT and TMC Franchise Corporation, an Arizona corporation, and any other Entity that owns such Entities or is under common ownership or control with such Entities.

28.3 **Approved Suppliers**. "Approved Suppliers" will mean the Suppliers designated by HDS in writing who are authorized to sell those Groceries, Food Service Items and Merchandise or Equipment items designated by HDS from time to time to the Franchisee and all other Holiday Stationstore® franchisees.

28.4 **Automotive Fuels**. "Automotive Fuels" will mean all types and kinds of motor vehicle fuels and petroleum products, including without limitation, all petroleum products, diesel fuel and natural gas products.

28.5 **Business Records**. "Business Records" will mean all financial information, Financial Statements, bank statements, bank deposit records, general and special ledgers, trial balances, sales records, work papers, accounts, federal and state income tax returns, state tax reports and returns, financial memos, and all other information relating to the business of the Holiday Stationstore® owned by the Franchisee, and will include all financial, business and other records maintained in written form, in any Computer Systems or the POS and Back Office System, and on any computer hard drives, computer discs, compact discs, or other electronic devices.

28.6 **Business System**. "Business System" will mean (a) the business concept created and developed by HDS and HSI for the operation and franchising of retail gasoline stations/convenience stores that sell Automotive Fuels and Groceries, Food Service Items and Merchandise under the names Holiday® and Holiday Stationstore®, (b) the business methods and protocol, uniformity requirements, procedures, training methods, Equipment, technology and standards and specifications developed and promulgated by HDS from time to time, and (c) the distinctive interior and exterior decor, design, plans and specifications, color schemes, signs, and lighting developed by HDS and HSI that are subject to the Marks or that are associated with a Holiday Stationstore® building and the surrounding area.

28.7 **Claims and Damages**. "Claims and Damages" will mean all losses, damages, judgments, liabilities, fines, penalties, assessments, and all related expenses, and will include, without limitation: (a) damages to real and personal property and damages for loss of use of real and personal property, (b) damages for lost profits, (c) special, consequential, exemplary and punitive damages, (d) personal injury damages, (e) damages resulting from the death of a person or persons, including wrongful death damages, (f) Costs and Expenses and all other expenses incurred in defending any claims or litigation, (g) Travel Expenses and all related expenses incurred in defending any claims or litigation, (h) amounts paid in settlement of any disputed claims or litigation, (i) product liability damages, (j) amounts paid pursuant to any court judgment or court decree, resulting from any civil or criminal claims, demands, allegations, lawsuits, litigation, arbitration proceedings, administrative actions or other legal proceedings, and (k) damages assessed under any federal, state or local statutes, rules, regulations or ordinances, including claims for damages to the environment, natural resources or soil under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., the Clean Water Act, 33 U.S.C. § 1251 et seq., the Oil Pollution Act of 1990, 33 U.S.C. § 2701, et seq., and the Solid Waste Disposal Act (RCRA), 42 U.S.C. § 6901, et seq.

28.8 **Computer Systems**. "Computer Systems" will mean computers; mobile, smart, and other electronic devices; smart processors in hardware; software and related hardware; computer peripherals; and systems to access the Internet; except for any of the foregoing that are included in the POS and Back Office System.

28.9 **Confidential Information**. "Confidential Information" will mean all information contained in the Standard Building Site Plans and Fixture Plans, the Operations Manual, training manuals and other written materials related to the business of HDS, and will include, but is not limited to, ideas, designs, training information and techniques, business information, Customer Information, know-how, marketing concepts and plans, strategic plans, business plans, financial projections, drawings, customer lists, Supplier lists, contracts, technology, computer software programs and source codes, and other print, electronic, and digital information and materials developed, owned or licensed by HDS and provided to the Franchisee pursuant to this Agreement.

28.10 **Costs and Expenses**. "Costs and Expenses" will mean, without limitation, court filing fees, witness fees and expenses, deposition costs, investigation expenses, court reporter fees, attorneys' fees, expert witness fees, and Travel Expenses incurred in connection within any investigation of any claims, in pursuing or defending any claims or legal actions, or in any collection proceedings, litigation or other legal proceedings.

28.11 **Data and Information**. "Data and Information" will mean all Business Records, marketing information, management information, other business information, and other data and records contained or stored by the Franchisee in its business and accounting records, its POS and Back Office System, its Computer Systems, and in any other computer records, disks, hard drives, compact disks, and databases.

28.12 **Designated Supplier**. "Designated Supplier" will mean the Suppliers designated by HDS in writing who are the only Suppliers authorized to sell those Groceries, Food Services Items and Merchandise or Equipment items designated by HDS from time to time to the Franchisee and all other Holiday Stationstore® franchisees.

28.13 **Entity**. "Entity" will mean a corporation, limited partnership, limited liability company, limited liability partnership, partnership, joint venture, and/or any another other type of legal entity formed in accordance with any state or federal laws.

28.14 **EPC**. "EPC" will mean Erickson Petroleum, LLC.

28.15 **Equipment**. "Equipment" will mean the furniture, fixtures, equipment, and other assets specified and described in the Standard Building Site Plans and Fixture Plans or designated by HDS and that are required for the operation of a Holiday Stationstore®.

28.16 **Financial Statements**. "Financial Statements" will mean a balance sheet, profit and loss statement, statement of cash flow, and explanatory footnotes (in the form designated by HDS) prepared in accordance with generally accepted accounting principles applied on a consistent basis.

28.17 **Franchised Location**. "Franchised Location" will mean the address, city and state and the land, real estate, and retail premises used by the Franchisee for the marketing and sale of Automotive Fuels and Groceries, Food Service Items and Merchandise at the Holiday Stationstore® owned by the Franchisee at the location set forth and described on the cover page of this Agreement. For the purposes of this Agreement, "Franchised Location" will have the same meaning attributed to the words "marketing premises" under the PMPA.

28.18 **Groceries, Food Service Items and Merchandise**. "Groceries, Food Services Items and Merchandise" will mean the groceries, general merchandise, goods and other products, including without limitation, foods, food items, bakery items, dairy products, newspapers, magazines, beer, beverages, cigars, cigarettes, tobacco, candy, gum, and health and beauty products, designated by HDS from time to time that must meet the quality standards deemed necessary by HDS and HSI to protect the valuable goodwill and uniformity symbolized by and associated with the Marks and the Business System.

28.19 **Gross Sales**. "Gross Sales" will mean the dollar amount of all receipts or receivables from the sale or lease of all Groceries, Food Service Items and Merchandise and services (such as car washes) at or from the Holiday Stationstore® operated by the Franchisee under this Agreement including, without limitation, all sales or leases for cash, by credit card, for credit or on account, less a deduction for the amount of any rebate, credit, discount or exchange against Gross Sales; provided, however, that deductions may not exceed an amount equal to 1% of Gross Sales (before any deductions) in any one

Accounting Period. Deductions for any rebates, credits, discounts or exchanges in excess of 1% of Gross Sales during any Accounting Period may be carried forward for a maximum of six consecutive Accounting Periods. Gross Sales will not include (a) any receipts from the sale of Automotive Fuels, fast food purchases from any approved co-branded fast food franchises operated at the Franchisee's Holiday Stationstore®, bait, video games, movies, or receipts from the consignment of hunting and fishing licenses, lottery tickets, or lotto tickets, or (b) any sales, use or gross receipts tax imposed by any federal, state, municipal or governmental government directly upon sales, if the amount of that tax is added to the selling price and is charged directly to the customer, a specific record is made at the time of each sale of the amount of that tax, and the amount of that tax is paid directly to the appropriate taxing authority by the Franchisee.

28.20 **HDS**. "HDS" will mean Holiday Diversified Services, LLC

28.21 **Holiday® Marks or Marks**. "Holiday® Marks" will mean all of the trademarks and service marks owned by or licensed to HDS, including, but not limited to, "Holiday®," "Holiday Stationstore®," "Holiday Express®" and "Holiday Pantry®" together with all other trademarks, trade names, service marks, designs, logos, tag lines, and commercial symbols that HDS may develop, license or acquire in the future for use in connection with a Holiday Stationstore®. The Franchisee will only have the right to use the Marks specified by HDS in writing from time to time.

28.22 **Holiday Stationstore®**. "Holiday Stationstore®" will mean the retail gasoline station/convenience store business licensed to the Franchisee by HDS pursuant to this Agreement that will operated by the Franchisee (a) under the name Holiday® and/or the other Marks specified by HDS in writing, (b) in conformity with the Business System, and (c) in accordance with the terms and conditions of this Agreement.

28.23 **HSI**. "HSI" will mean Holiday Stationstores, LLC

28.24 **IDT**. "IDT" will mean Independent Diversified Transportation, LLC

28.25 **Internet**. "Internet" will mean any present or future interactive system for electronic communications, using lines, cables, wireless, satellite, radio or any other technology; and which involves one or more of the following: the system of interconnected computer networks that use the internet protocol suite (TCP/IP) or its successor; websites or similar remotely-accessible electronic information sources (whether password protected or not); use of domain names, other locators, or emails that use the Trademarks; internet phone services; cellular or similar messaging; mobile applications; social networks or social media; or wikis, podcasts, online content sharing communities, or blogging.

28.26 **Inventory-in-Bulk**. "Inventory-in-Bulk" will mean any inventory not removed or transferred in the ordinary course of business pursuant to a retail sale or for reasons of spoilage.

28.27 **Liquidated Damages**. "Liquidated Damages" means the sum of the following:

(A) (i) the lesser of (x) 52 or (y) the remaining number of Accounting Periods under the Term, multiplied by (ii) the average Royalty Fee payments per Accounting Period (calculated in accordance with Section 12.2) payable by Franchisee hereunder for the 13 Accounting Periods preceding the termination (during which time the Franchisee was not in breach under this Agreement), or for a shorter period commencing with the Opening Date if this Agreement is terminated in the first 13 Accounting Periods of the Term; and

(B) $0.0075 per gallon multiplied by the average volume per Accounting Period in Automotive Fuel gallons actually purchased by Franchisee (calculated for the period starting on the effective date of this Agreement until the termination date) multiplied by the lesser of (i) 52 Accounting Periods or (ii) the number of Accounting Periods remaining under the Term;

provided that (1) if the Holiday Stationstore has never been opened and therefore has no history of Royalty Fee payments, the Liquidated Damages will be calculated based on the average Gross Sales and sales of Automotive Fuel (per Accounting Period) of all Holiday Stationstore franchised businesses located in the state where the Franchised Location is located for the 13 Accounting Periods immediately preceding the termination. If there are no Holiday Stationstore franchised businesses located in such state, the calculation will be based on the average Gross Sales and sales of Automotive Fuel (per Accounting Period) of all Holiday Stationstore franchised businesses located in the United States. Notwithstanding the foregoing, in any and all cases, the average Royalty Fee payment amount (per Accounting Period) used in the Liquidated Damages calculation shall be no less than $500 since that is the minimum required Royalty Fee per Accounting Period. HDS and Franchisee acknowledge and agree that the termination of this Agreement will result in HDS incurring damages based on lost revenues from Royalty Fees and other amounts payable by Franchisee and the potential loss of goodwill if the Franchised Location is no longer a Holiday Stationstore franchised business, and that it will be difficult to calculate with certainty the amount of damages HDS will incur; and (2) no Liquidated Damages will be due if the Agreement expires at the end of its initial Term or is terminated due to (i) Franchisee's death (or if Franchisee is an entity, the death of a principal or Owner of the Franchisee); (ii) Franchisee's (or if Franchisee is an entity, a principal's or Owner's) incapacity for at least 90 consecutive days, in either case which event results in Franchisee's (or if Franchisee is an entity, a principal's or Owner's) inability to personally operate the Holiday Stationstore; (iii) condemnation or other taking, in whole or in part, of the Holiday Stationstore due to eminent domain; (iv) destruction of all or a substantial part of the Holiday Stationstore through no fault of Franchisee; or (v) a determination made by HDS in good faith and in the normal course of business to withdraw from marketing in the geographical area in which the Holiday Stationstore is located.

28.28 **Manager or Managers**. "Manager" or "Managers" will mean the person(s) responsible for supervising the overall management and business operations of the Franchisee's Holiday Stationstore® including, but not limited to, administration, basic operations, marketing, customer and community relations, record keeping, employee staffing and training, inventory control, hiring and firing of employees, and maintenance of the Franchised Location.

28.29 **Minimum Purchase Requirements**. "Minimum Purchase Requirements" will mean the minimum number of gallons of Automotive Fuel that the Franchisee is required to purchase from EPC, or its designee, during each calendar year pursuant to and as required by the provisions of Article 11.1 of this Agreement.

28.30 **National Purchase Contracts**. "National Purchase Contracts" will mean a contract or agreement with a Supplier selected by HDS or HSI that will manufacture, private label, distribute, supply and/or sell the Groceries, Food Service Items and Merchandise specified by HDS in writing that are sold or used by the Franchisee's Holiday Stationstore® and all other Holiday Stationstore® franchisees.

28.31 **Officers, Directors, and Agents**. "Officers, Directors, and Agents" will mean officers, managers, directors, governors, shareholders, members, partners, limited partners, employees, attorneys, accountants, agents, owners, representatives, contractors, invitees, successors and assigns, as the case may be.

28.32 **Opening Date**. "Opening Date" will mean the date that the Holiday Stationstore® developed by the Franchisee under this Agreement is ready to commence business operations without detracting from the established Holiday Stationstore® image or customer service and is otherwise in compliance with the requirements specified in Article 10.

28.33 **Operations Manual**. "Operations Manual" will mean the confidential quality standards-defining written manual that describes (a) the service and quality standards associated with the Marks and the Business System for all Holiday Stationstores®, and (b) the operational standards and specifications for a Holiday Stationstore®. The Operations Manual may be in a written manual, on a videotape or on a computer disc or compact disc or other electronic form, and may be available on the Internet.

28.34 **Owner**. "Owner" will mean any person or Entity that has an Ownership Interest in the Franchisee.

28.35 Ownership Interest. "Ownership Interest" will mean (a) shares of capital stock in the Franchisee, if the Franchisee is a corporation, (b) a general partnership interest in the Franchisee, if the Franchisee is a partnership, (c) a membership interest in the Franchisee, if the Franchisee is a limited liability company or a limited liability partnership, (d) a limited partner, if the Franchisee is a limited partnership, and (e) any other type of membership or other interest owned in any other entity that may be formed under any state or federal law.

28.36 Percentage Royalty Fee. "Percentage Royalty Fee" will mean the amount (per Accounting Period) of the fees to be paid by the Franchisee to HDS in accordance with the provisions of Article 12.3 of this Agreement.

28.37 Personal Guarantor. "Personal Guarantor" will mean any person or Entity that signs the Personal Guaranty attached as Exhibit C to this Agreement.

28.38 PMPA. "PMPA" will mean the federal Petroleum Marketing Practices Act (15 U.S.C. § 2801, et seq.).

28.39 Royalty Fee. "Royalty Fee" will mean the amount of fees per Accounting Period to be paid by the Franchisee to HDS in accordance with the provisions of Article 12.2 of this Agreement.

28.40 Salaries. "Salaries" will mean salaries or hourly wages, health insurance, fringe benefits, bonuses, federal and state Taxes, and all other amounts paid to employees for their work.

28.41 Sale, Assignment or Transfer. "Sale, Assignment or Transfer," "Sell, Assign or Transfer" and "Sold, Assigned or Transferred" will mean to sell, assign, trade, transfer, pledge, encumber, mortgage, lease, sub-lease or otherwise dispose of.

28.42 Standard Building Site Plans and Fixture Plans. "Standard Building Site Plans and Fixture Plans" will mean the prototype plans, drawings, specifications, design, layout, decor and related criteria for the construction and appearance of a new Holiday Stationstore®. Standard Building Site Plans and Fixture Plans will not mean (a) the actual construction plans or working drawings required to construct a Holiday Stationstore®, or (b) the plans and specifications required to convert an existing building or structure to a Holiday Stationstore®.

28.43 Store Assets. "Store Assets" will mean (a) the Franchisee's business, (b) the Franchised Location, (c) the lease and leasehold interest for the Franchised Location, (d) the land and building owned by the Franchisee (if any) for the Franchised Location, (e) this Agreement and all rights related to this Agreement, (f) the Equipment and all other assets used in or by the Franchisee's Holiday Stationstore®, (g) all inventory of Automotive Fuels and Groceries, Food Service Items and Merchandise, (h) any Ownership Interests in the Franchisee's business, and (i) all of the Franchisee's other contract and lease agreements.

28.44 Supplier. "Supplier(s)" will mean any manufacturer, supplier, vendor, and/or distributor who sells, distributes or provides any Groceries, Food Service Items and Merchandise, Equipment or other products, goods or services to any Holiday Stationstore®.

28.45 Taxes and Tax. "Taxes" or "Tax" will mean all (a) all federal, state, city, and local taxes or other impositions including, but not limited to, individual and corporate income taxes, sales and use taxes, excise taxes, lease or rental taxes, gross receipts taxes, employee withholding taxes, FICA taxes, unemployment taxes, inventory taxes, personal property taxes, and real estate taxes, (b) all other existing, new or increased taxes or other governmentally-imposed charges, including without limitation so-called "franchise," "value-added" or "added value" taxes, imposed by any federal, state, or local governmental authorities which are based upon or measured by (1) the Franchisee's Gross Sales from any Automotive Fuels and/or Groceries, Food Service Items and Merchandise, (2) the value of the Automotive Fuels and/or Groceries, Food Service Items and Merchandise, or (3) the presence of sulphur, lead or any other component in any Automotive Fuels, other petroleum products, or other products, (c) all inspection fees, all import or export fees or duties and any other governmental charges or assessments imposed upon any Automotive Fuels, other petroleum products and/or Groceries, Food Service Items and Merchandise, based upon the sale, purchase, handling, storage, advertisement, distribution, resale or use, or upon any other transaction contemplated by this Agreement, (d) levies and assessments by any governmental authority, and (e) all other taxes payable in connection with any Holiday Stationstore® owned by the Franchisee.

28.46 Travel Expenses. "Travel Expenses" will mean all costs for lodging, food, cleaning and laundry, automobile rental, transportation, mileage reimbursement for personal use of an automobile, taxi fares, standard tips, and all other reasonable costs and expenses related to any travel.

28.47 Week. "Week" will mean Monday through Sunday.

IN WITNESS WHEREOF, HDS and the Franchisee have each executed this Agreement by their duly authorized representatives as of the date first above written.

HDS:	Franchisee:
HOLIDAY DIVERSIFIED SERVICES, LLC	______________________________
	(Legal Name of the Franchisee)
By: ______________________________	By: ______________________________
Print Name: ______________________	Print Name: ______________________
Title: ____________________________	Title: ____________________________

HOLIDAY DIVERSIFIED SERVICES, LLC
CONFIDENTIALITY AGREEMENT

THIS AGREEMENT, made and entered into as of ______________________________, 20____ by and between **HOLIDAY DIVERSIFIED SERVICES, LLC**, a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, Minnesota 55437 ("HDS") and _________________________, a _____________________ ("Franchisee") and other signatories hereto (collectively with Franchisee, the "Undersigned").

RECITALS

As of the date of this Agreement, HDS executed a Franchise Agreement (the "**Franchise Agreement**") with Franchisee. The Undersigned, in its capacity as the Franchisee or as an employee or agent of the Franchisee, is required pursuant to the terms of the Franchise Agreement to execute this Agreement.

Now, therefore, HDS and the Undersigned agree as follows:

1. Confidential Information. For all purposes of this Agreement, "Confidential Information" will mean all information contained in the Standard Building Site Plans and Fixture Plans, the Operations Manual, training manuals and other written materials related to the business of HDS, and will include, but is not limited to, ideas, designs, training information and techniques, business information, know-how, marketing concepts and plans, strategic plans, business plans, financial projections, drawings, customer lists, supplier lists, contracts, technology, computer software programs and source codes, and all other print, electronic, and digital information and materials developed by HDS and provided to the Franchisee pursuant to the Franchise Agreement.

2. Confidentiality. The Undersigned agrees (a) to hold all Confidential Information in strict confidence, using at a minimum the same degree of care to avoid disclosure of such Confidential Information as the Undersigned uses with respect to its own confidential information of like importance; (b) to use the Confidential Information solely for the purpose of operating a Holiday Stationstore® pursuant to the Franchise Agreement; and (c) not to disclose the Confidential Information to any other person without the prior written consent of HDS. If such consent is given, the Undersigned will require the person receiving the Confidential Information to execute a confidentiality agreement in a form and of a substance satisfactory to HDS.

3. Non-Competition. The Undersigned will not during the term of the Franchise Agreement, directly or indirectly: a) own, have any interest in, or have a business relationship with any competitor of HDS or any of the HDS Affiliated Companies; or b) own, engage in, or render services to, any business which sells gasoline or other motor vehicle fuels under a brand name other than Holiday®.

4. Need To Know. The Undersigned will not disclose any Confidential Information to any employee of the Undersigned unless such employee has a need to know the information for a purpose specifically allowed under this Agreement or the Franchise Agreement.

5. Legal Process. If the Undersigned is required by legal process to disclose any Confidential Information, the Undersigned will provide HDS with immediate written notice of such requirement so that HDS may either seek an appropriate protective order and/or waive compliance with the provisions of this Agreement, as HDS may deem appropriate.

6. No License. Nothing in this Agreement nor in any disclosure of the Confidential Information by HDS to the Undersigned under this Agreement will be deemed, either expressly or by implication, to convey any right or license to the Undersigned to such information.

7. Return Of Confidential Information. Upon the termination, cancellation or expiration of the Franchise Agreement or upon demand by HDS at any time, the Undersigned will return the originals of all Confidential Information provided to the Undersigned and will destroy all documents and other materials which incorporate any of the Confidential Information, including without limitation all written or computer-stored material containing, reflecting or based upon any information contained in the Confidential Information (whether prepared by the Undersigned or otherwise). The Undersigned will not retain copies, extracts or other reproductions in whole or in part of any Confidential Information.

8. **Other Agreements**. All other confidentiality agreements which may be executed between HDS and the Undersigned will be cumulative and in addition to this Agreement.

9. **Injunctive Relief**. The Undersigned agrees that in addition to any other remedy available to HDS at law or equity, HDS will have the right to obtain injunctive relief to enforce the terms of this Agreement without the posting of any bond or security whatsoever.

10. **Amendment**. This Agreement may not be modified or amended except in a writing signed by duly authorized representatives of each party to this Agreement.

11. **Effective Date, Survival**. This Agreement will become effective as of the date hereof. The Undersigned's obligation to protect the confidentiality of the Confidential Information will survive the termination, cancellation or expiration of the business relationship between HDS and the Undersigned.

12. **Governing Law**. This Agreement will be governed by and construed in accordance with the laws of Minnesota.

13. **Authorization**. The parties hereto represent that the respective persons executing this Agreement on their behalf are fully authorized to execute this Agreement.

14. **Successors And Assigns**. This Agreement will be binding upon and will inure to the benefit of HDS and the Undersigned and their legal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

HDS:	Franchisee:
HOLIDAY DIVERSIFIED SERVICES, LLC	______________________________ (Legal Name of the Franchisee)
By: ______________________________	By: ______________________________
Print Name: ______________________	Print Name: ______________________
Title: ____________________________	Title: ____________________________

EXHIBIT B
TO FRANCHISE AGREEMENT

HOLIDAY DIVERSIFIED SERVICES, LLC
SIGN RENTAL AGREEMENT

THIS SIGN RENTAL AGREEMENT, made and entered into as of ________________________ , 20___ (the "**Effective Date**") by and between **HOLIDAY DIVERSIFIED SERVICES, LLC**, a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, Minnesota 55437 ("HDS") and ____, a __________________, ____ (the "**Franchisee**"), in accordance with the terms of that certain Franchise Agreement dated __________________ (the "**Franchise Agreement**").

1. Leased Equipment. Subject to the terms of this Agreement and for the rental amounts set forth in this Agreement, HDS hereby leases to the Franchisee, and the Franchisee hereby leases from HDS, the equipment described in Exhibit A which is attached hereto and incorporated herein by reference (the "**Leased Equipment**"), now or hereafter located at the Holiday Stationstore® owned and operated by the Franchisee at ____(the "**Franchised Location**"). HDS may update Exhibit A from time to time as provided in Section 7.

2. Term. The term of this Agreement (the "**Term**") commenced on the date set forth above and will continue in effect until the earlier of (a) _______________________; or (b) any default by Lessee under this Agreement, the Franchise Agreement, or related agreements entered into under the terms of the Franchise Agreement ("**Related Agreements**"); provided that in the event the Franchise Agreement is extended, then this Agreement shall be deemed to be automatically extended for the period of such extension of the Franchise Agreement.

3. Rent. Each Accounting Period during the Term of this Agreement, the Franchisee will pay the amount invoiced by HDS (or its designee) as the rental amount for the Leased Equipment (the "**Rental**"). The Rental will be payable by the Franchisee in advance on the first day of each Accounting Period, without notice or demand by HDS, and without retention or setoff by the Franchisee. The Rental for any period of less than one Accounting Period will be prorated. The Franchisee's failure to pay the Rental when due will constitute a default under this Agreement, and in that event, HDS will have the right to immediately terminate this Agreement by giving the Franchisee written notice of termination.

4. Disclaimer of Warranties. THE FRANCHISEE ACKNOWLEDGES THAT IT HAS MADE THE SELECTION OF THE LEASED EQUIPMENT BASED ON ITS OWN JUDGMENT AND THAT THE LEASED EQUIPMENT IS SUITABLE FOR THE FRANCHISEE'S PURPOSES. HDS MAKES NO EXPRESS OR IMPLIED WARRANTY WHATSOEVER WITH RESPECT TO THE LEASED EQUIPMENT, INCLUDING WITHOUT LIMITATION AND MAKES NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

5. Licenses; Indemnification. The Franchisee will, at the Franchisee's sole expense, obtain any and all necessary licenses and permits for the erection, installation, maintenance, operation, use and removal of the Leased Equipment, and will comply with all federal, state and local laws, regulations, rulings, orders, licenses and permits relating to the Franchised Location and the Leased Equipment. The Franchisee hereby warrants to HDS that the Franchisee has or, when required, will have full legal right to erect, install, maintain, operate, use and remove the Leased Equipment. The Franchisee will protect, indemnify, hold harmless and defend HDS, its affiliates and its and their directors, officers, employees, agents, shareholders, representatives, contractors, invitees, successors and assigns, from and against any and all loss, damage, demand, claim, suit or other expense or liability, including without limitation, attorneys' fees and other expenses of litigation, for (a) any breach by the Franchisee of the representations and warranties contained in this paragraph, and (b) the installation, erection, operation, use or removal of the Leased Equipment.

6. No Security Interest. The Franchisee may not grant or create any security interest, lien or encumbrance whatsoever upon the Leased Equipment. The Franchisee will pay when due any and all utility and service charges, including hook-up and disconnection charges, incurred in connection with the erection, installation, operation, use or removal of the Leased Equipment.

7. **Installation; Maintenance; Insurance**. The Franchisee will, at its expense, erect and install the Leased Equipment at the Franchised Location in accordance with the plans and specifications approved by HDS, will maintain and repair the Leased Equipment, and will remove the Leased Equipment from the Franchised Location upon the termination or expiration of this Agreement. HDS may, at any time, (a) enter onto the Franchised Location for the purpose of inspecting or removing the Leased Equipment; or (b) substitute equipment of a comparable nature for any of the Leased Equipment, which substitute equipment will become the Leased Equipment upon installation (and HDS will provide updated Exhibit A to Franchisee reflecting the substitute equipment); for avoidance of doubt, such substitute equipment may include signage bearing any Marks from time to time authorized by HDS under the Franchise Agreement for the operation of the Franchised Location. The Franchisee will not make any alterations, additions, installations or changes in or to the Leased Equipment without HDS's prior written consent. All risk of loss and damage to the Leased Equipment will be borne by the Franchisee. The Franchisee agrees that during the Term it will carry and provide to HDS copies of policies or certificates of insurance confirming that the Leased Equipment is insured according to the terms of the Franchise Agreement.

8. **Taxes**. The Franchisee will be liable for and will pay when due any and all personal property and all other taxes on or assessed against the Leased Equipment.

9. **Property of HDS**. The Leased Equipment will remain the property of HDS, notwithstanding any attachment or connection to the Franchised Location. The Franchisee will not remove or permit removal of any of the Leased Equipment from the Franchised Location without HDS's prior written consent. At the request of HDS, the Franchisee will execute UCC financing statements and all other documents required by HDS to evidence HDS's ownership of the Leased Equipment.

10. **Default; Cross Default**. If Franchisee fails to perform any of its obligations under this Agreement in accordance with its terms, and Franchisee does not cure such failure within thirty (30) days after written notice thereof from HDS, then HDS shall have the right to terminate this Agreement by notice to Franchisee and to pursue any other rights or remedies available to HDS at law or in equity. HDS and Franchisee acknowledge and agree that a default by Franchisee under the Franchise Agreement or any one of the Related Agreements shall constitute a default by Franchisee under this Agreement, and HDS shall have the right to pursue all remedies available to it under this Agreement, each of the Related Agreements and/or at law or in equity in connection therewith.

11. **Binding; No Assignment**. This Agreement will extend to and be binding on HDS, its successors and assigns, and on the Franchisee and its respective heirs, executors, administrators, successors and assigns; provided, however that the Franchisee may not assign, sell or otherwise transfer all or any part of this Agreement or any interest in the Leased Equipment, either voluntarily or by consolidation, merger or other operation of law, without the prior written consent of HDS.

12. **Entire Agreement**. This writing is intended by HDS and the Franchisee as the final, complete and exclusive statement of the terms, conditions and specifications of their agreement with respect to the Leased Equipment, and is intended to supersede all previous oral and written agreements, understandings and courses of dealing between HDS and the Franchisee with respect to the Leased Equipment, except as provided for in the Franchise Agreement.

13. **Post-Termination Obligations**. Upon the termination or expiration of this Agreement, the Franchisee will, at its sole expense, immediately remove and return the Leased Equipment to HDS. If the Franchisee fails to return the Leased Equipment to HDS within five days after termination or expiration of this Agreement, then HDS will have the right to enter upon the Franchised Location and repossess the Leased Equipment. The Franchisee acknowledges and agrees that HDS will suffer immediate and irreparable harm if the Franchisee does not immediately remove all Leased Equipment and return it to HDS, and that HDS will have the right to seek a temporary restraining order and all other protective orders, including other injunctive relief, necessary to enforce the terms of this Agreement, without posting a bond or other security.

14. HDS Assignment. HDS will have the right to assign this Agreement without the approval of the Franchisee and without prior notice.

15. Governing Law. The terms and provisions of this Agreement will be construed in accordance with the laws of the State of Minnesota.

16. Jurisdiction and Venue. Except as precluded by applicable law, all arbitration hearings, litigation, actions or proceedings pertaining to this Agreement will be brought and venued in accordance with Article 25 and Article 27 of the Franchise Agreement.

IN WITNESS WHEREOF, HDS and the Franchisee have executed this Agreement by their duly authorized representatives as of the date first above written.

HDS:	Franchisee:
HOLIDAY DIVERSIFIED SERVICES, LLC	______________________________ (Legal Name of the Franchisee)
By: ______________________________ Print Name: ______________________________ Title: ______________________________	By: ______________________________ Print Name: ______________________________ Title: ______________________________

EXHIBIT A
TO SIGN RENTAL AGREEMENT

LEASED EQUIPMENT

All HDS or Holiday trademarked and proprietary signage located on any pylon sign, monument sign, gas station canopy, car wash building, car wash signage or the convenience store building located at the Franchised Location including, without limitation, the following:

HOLIDAY DIVERSIFIED SERVICES, LLC
PERSONAL GUARANTY

THIS GUARANTY made and entered into on ________________, 20_____ by each of the undersigned guarantors (whether one or more, herein after referred to as the "Guarantor") for the benefit of each of the Beneficiaries defined herein.

RECITALS

On ________________, 20___, Holiday Diversified Services, LLC ("HDS") entered into a Holiday Stationstores® Franchise Agreement (the "**Franchise Agreement**") with ________________________________, a _________________ corporation (the "**Franchisee**"), which grants the Franchisee the right to own and operate a Holiday Stationstore® at the Franchised Location designated in the Franchise Agreement. The Franchisee will from time to time purchase Automotive Fuels and Groceries, Food Service Items and Merchandise (as defined in the Franchise Agreement) and other goods and services on credit and will incur obligations and be indebted to HDS and its affiliated companies, including without limitation, Erickson Petroleum, LLC, Independent Diversified Transportation, LLC, and Holiday Stationstores, LLC (HDS and its affiliated companies are referred to herein individually and collectively as the "Beneficiaries").

The Guarantor is an officer, director, shareholder, owner or partner of the Franchisee, or otherwise will receive a substantial economic benefit from the relationship between the Franchisee and the Beneficiaries pursuant to the Franchise Agreement or any other agreements or evidence of indebtedness executed by the Franchisee and any of the Beneficiaries (the "**Related Agreements**").

Now, therefore, the Guarantor agrees, contracts, covenants, and agrees as follows:

1. **Guaranty**. In consideration of the foregoing, the Guarantor hereby absolutely and unconditionally, jointly and severally, individually, and personally guarantees to the Beneficiaries the full and prompt payment of all amounts due to the Beneficiaries for (a) all advances, indebtedness, liabilities and obligations owing by the Franchisee to each one of the Beneficiaries, including without limitation all obligations owing pursuant to (1) the terms and conditions of the Franchise Agreement; (2) any Related Agreements; and (3) any open account (including without limitation all uncollected checks and rejected ACH transactions) for the purchase of Automotive Fuels and Groceries, Food Service Items and Merchandise, and other goods or services; (b) the full and prompt repayment of all amounts, if any, advanced by any one of the Beneficiaries on behalf of or to the Franchisee; and (c) all interest, fees, charges, expenses, attorneys' fees and other costs of collection incurred by any of the Beneficiaries in enforcing the Franchise Agreement, any Related Agreements, or this Guaranty, regardless of whether such advances, indebtedness, liabilities or obligations are direct or indirect, absolute or contingent, primary, secondary, sole, joint or several, due or to become due, now existing or hereafter arising, due by acceleration or otherwise, and regardless of whether such advances, indebtedness, liabilities or obligations have been amended, refinanced, extended, renewed or otherwise altered from time to time by any of the Beneficiaries (collectively, the "Indebtedness").

2. **Binding Effect**. The Guarantor agrees that this Guaranty will be a continuing, irrevocable, absolute and unconditional, joint and several, guaranty and will be enforceable against and be binding upon the Guarantor until (a) all of the Indebtedness is fully paid and performed; and (b) each one of the Beneficiaries has been released from any guaranty or other contingent liability, if any, issued or entered into for the benefit of the Franchisee.

3. **Establishment of Liability**. The Guarantor waives any and all acts or things to be done by any of the Beneficiaries to establish the Guarantor's liability, including without limitation any notice of the acceptance of this Guaranty, the creation of or termination of any Indebtedness or the settlement or adjustment of any Indebtedness. The Guarantor agrees that no act or thing, except payment or performance (which but for this provision might or could in law or in equity act as a release of the liabilities and obligations of the Guarantor), will in any way affect or impair this Guaranty, and this Guaranty will continue in full force and effect until all of the Indebtedness has been fully and finally paid and satisfied and all other obligations of the Guarantor under this Guaranty will have been performed in full. The Guarantor agrees that the total indebtedness of the Franchisee will mature and become immediately payable upon (a) the insolvency of the Franchisee or the Guarantor, (b) the inability of the Franchisee or the Guarantor to meet its obligations as they become due, (c) the appointment of a receiver, custodian or trustee for the Franchisee or the Guarantor or for any of their property, (d) the filing of a voluntary or involuntary petition for relief in bankruptcy by or against the Franchisee or the Guarantor, (e) the making of an assignment for the benefit of creditors of the Franchisee or the Guarantor, or (f) the termination or expiration of the Franchise Agreement.

4. **Waiver**. The Guarantor agrees that the Guarantor's liability hereunder will in no way be affected or impaired by, and the Guarantor specifically agrees that each one of the Beneficiaries is hereby expressly authorized to make or accept from time to time without notice, (a) any sale, pledge, surrender, compromise, settlement, release, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or other disposition of any Indebtedness, any evidence or demand thereof or therefore, or any security or collateral therefore; (b) any acceptance by any of the Beneficiaries of security for or other guarantors of any Indebtedness; (c) release of any Guarantor or other guarantor or termination of any other guaranty with respect to any Indebtedness; and/or (d) payments or credits on, or application of collateral security to, the payment of any Indebtedness in any order or manner whatsoever. The Beneficiaries may apply payments or credits on, or collateral security to, the payment of any Indebtedness owing by the Franchisee to any one of the Beneficiaries in any order or manner whatsoever, as determined by each of the Beneficiaries.

5. **Primary Liability**. The Beneficiaries will not be required to first seek recovery from or first resort to the Franchisee or any other persons or entities, their properties or estates, or to any collateral security, property, liens or other rights or remedies whatsoever for payment of the Indebtedness, but will be entitled to immediately require the Guarantor to make full payment of the Indebtedness. The Indebtedness will be enforceable before or after proceedings against the Franchisee or the Guarantor, or any security held by any of the Beneficiaries, and will be effective regardless of (a) the solvency or insolvency of the Franchisee or any other persons or entities at any time, (b) the extension or modification of any Indebtedness by operation of law, (c) the subsequent incorporation, reorganization, merger, consolidation or dissolution of the Franchisee, or (d) any other change in the composition, nature, personnel or location of the Franchisee.

6. **Return Payments**. If payment on any of the Indebtedness is made by the Franchisee, whether voluntarily or otherwise or by any third party, and thereafter any of the Beneficiaries are required to remit the amount of such payment to the Franchisee's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or similar law for the release of debtors, then the payment on the Indebtedness will be considered unpaid for the purpose of enforcement of this Guaranty. The Guarantor further waives and agrees not to assert or claim at any time any deduction to the Indebtedness or any other amount guaranteed under this Guaranty on account of any claim of setoff, counterclaim, recoupment or similar right, regardless of whether such claim, demand or right may be asserted by the Franchisee, the Guarantor or any of them.

7. **Subrogation; Subordination**. The Guarantor waives all rights or subrogation to any collateral and remedies of any of the Beneficiaries against the Franchisee and other persons, until the Indebtedness has been fully paid and discharged. The Guarantor agrees that the Indebtedness, whether now existing or hereafter created, will be prior to any claim that the Guarantor may now have or hereafter acquire against the Franchisee.

8. **Successors and Assigns**. This Guaranty and every part hereof will be binding upon the Guarantor and upon its, his or her respective heirs, legal representatives, and assigns, and will inure to the benefit of each of the Beneficiaries' successors and assigns. The failure or refusal of any Guarantor to execute this Guaranty, or the death or release of any Guarantor will not release any other Guarantor from liability hereunder.

9. **Governing Law**. This Guaranty will be governed by and construed in accordance with the laws of the State of Minnesota.

10. **Construction**. No provision of this Guaranty, or the acceptance hereof by any of the Beneficiaries, will be construed as creating any obligation on the part of any Beneficiary to (a) sell Automotive Fuels and Groceries, Food Service Items and Merchandise, or other goods or services to the Franchisee, (b) lend money or extend credit to the Franchisee, (c) waive any provisions of the Franchise Agreement or any of the Related Agreements, or (d) continue the Franchise Agreement in the event of a default by the Franchisee.

11. **Legal Effect**. The Guarantor acknowledges that by executing this Guaranty the Guarantor will be required to make payment to HDS and/or the Beneficiaries if the Franchisee fails to timely pay any Indebtedness owed to HDS or any of the Beneficiaries. The Guarantor represents and warrants that he, she or it has read and understands the terms and conditions of this Guaranty.

12. **Jurisdiction and Venue**. Except as precluded by applicable law, all arbitration hearings, litigation, actions or proceedings pertaining to this Guaranty will be brought and venued in accordance with Article 25 and Article 27 of the Franchise Agreement.

GUARANTOR:

By: ______________________________

Print Name: ___________________________

EXHIBIT D
TO FRANCHISE AGREEMENT

HOLIDAY DIVERSIFIED SERVICES, LLC
MEMORANDUM OF OPTION TO PURCHASE AND RIGHT OF FIRST REFUSAL

THIS MEMORANDUM made and entered into on ______________________, 20___ by and between **HOLIDAY DIVERSIFIED SERVICES, LLC**, a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, Minnesota 55437 ("HDS"), and ____ ____, a (an) __________________ ____("Franchisee").

HDS and Franchisee entered into a Franchise Agreement dated __________________, 20____ (the "**Franchise Agreement**").

Pursuant to the terms and conditions of the Franchise Agreement, the Franchisee has granted HDS a right of first refusal and an option to purchase the Real Property, personal property and other assets of the gasoline station/convenience store owned and operated by the Franchisee as a Holiday Stationstore® (the "**Property**") and has agreed to record a memorandum confirming HDS's right of first refusal and option to purchase the Property from the Franchisee or its assignee.

The address of the real property upon which the Franchisee's Holiday Stationstore® is located and the legal description is set forth in Exhibit A which is attached hereto and incorporated herein by reference (the "**Real Property**").

The purpose of this Memorandum is to record the option to purchase the Property and the right of first refusal granted to HDS by the Franchisee under the Franchise Agreement.

Now, therefore, the Franchisee and HDS state the following for recording purposes:

1. The Franchise Agreement grants HDS an option to purchase the Property.

2. The Franchise Agreement grants HDS a right of first refusal to purchase of the Property.

3. The term of the Franchise Agreement is for a period of ten years commencing on the opening date of the Franchisee's Holiday Stationstore®.

This Memorandum has been executed solely for recording purposes and will not be construed to alter, modify or supplement the Franchise Agreement.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Memorandum of Option to Purchase and Right of First Refusal as of the date first written above.

HDS:	Franchisee:
HOLIDAY DIVERSIFIED SERVICES, LLC	________________________________ (Legal Name of the Franchisee)
By: ____________________________	By: ____________________________
Print Name: _____________________	Print Name: _____________________
Title: __________________________	Title: __________________________

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ______ day of ___________________, 20_____, by ____, the ____ of Holiday Diversified Services, LLC, a Minnesota limited liability company, on behalf of the limited liability company.

____
Notary Public

STATE OF ________________________)
) ss.
COUNTY OF ______________________)

The foregoing instrument was acknowledged before me this ______ day of ___________________, 20_____, by ____, the _______________________________, of ____ a ________________________ corporation, on behalf of the corporation.

____
Notary Public

This Instrument Drafted By:
Holiday Diversified Services, LLC
4567 American Boulevard West
Minneapolis, MN 55437

ADDRESS AND LEGAL DESCRIPTION OF REAL PROPERTY

The address of the Real Property and Franchisee's Holiday Stationstore® is as follows:

____
Address

____
City State Zip

The legal description of the Real Property and the Franchisee's Holiday Stationstore® is as follows:

EXHIBIT D

TO DISCLOSURE DOCUMENT
OF
HOLIDAY DIVERSIFIED SERVICES, LLC

LIST OF FRANCHISEES

Exhibit D

LIST OF EXISTING FRANCHISEES AS OF APRIL 30, 2023

Franchisee	Address/Phone	Status
<u>Minnesota</u>		
Linn Retail Centers, Inc.	800 Shamrock Lane Albany, MN 56307 320-845-7075	Active
Kath Fuel Oil Service Co.	1550 Cedar Ave. Apple Valley, MN 55124 952-953-6466	Active
PRG Market LLC	14113 Galaxie Avenue Apple Valley, MN 55124 952-432-2778	Active
Brausen Enterprises, Inc.	1306 West County Road E Arden Hills, MN 55112 651-493-0528	Active
Orton Motor, Inc.	5610 Fairview Road North Baxter, MN 56425 218-547-1719	Active
Badger Tire Groupe of Becker, Inc.	14740 165th Avenue Becker, MN 55308 763-263-7550	Active
Kath Fuel Oil Service Co.	9305 Central Avenue NE Blaine, MN 55434 651-484-3325	Active
Blaine Gas Inc.	12880 Central Ave NE Blaine, MN 55434 763-757-9655	Active
Thorson's Service, Inc.	7901 Nicollet Avenue South Bloomington, MN 55420-1227 952-881-5077	Active
S&D Quisberg, LLC	1500 Mill Ave. Brainerd, MN 56401 218-828-0076	Active
YD Holdings, LLC	5710 Xerxes Avenue N. Brooklyn Center, MN 55430 763-503-6110	Active
Marissa Corporation	14301 Nicollet Court Burnsville, MN 55306 952-898-4551	Active
Champlin Gas Inc.	11430 Jefferson Court Champlin, MN 55316 763-323-9642	Active
Donners' Service, Inc.	450 Highway 7 SE Clara City, MN 56222 320-847-3200	Active

Franchisee	Address/Phone	Status
CTP, Inc.	950 State Highway 24, P.O. Box 8 Clearwater, MN 55320 320-558-2261	Active
Central Lakes Gas and Bait, Inc.	216 Red River Ave. S. Cold Spring, MN 56320 320-685-3583	Active
Mid County Coop	409 Paul Avenue So. P.O. Box 177 Cologne, MN 55322 952-466-4781	Active
Kath Fuel Oil Service Co.	13051 Round Lake Blvd. NW Coon Rapids, MN 55448 763-576-8866	Active
Linn Retail Centers, Inc.	1855 Gateway Drive Coon Rapids, MN 55448 763-208-1380	Active
Split Second Car Wash, LLC	10120 University Avenue Coon Rapids, MN 55448 763-398-0091	Active
Kath Fuel Oil Service Co.	7033 Jorgensen Lane So. Cottage Grove, MN 55016 651-458-8080	Active
Linn Retail Centers, Inc.	6921 Pine Arbor Drive Cottage Grove, MN 55016 651-769-6899	Active
Linn Retail Centers, Inc.	8490 So. East Point Douglas Rd. Cottage Grove, MN 55016 651-459-7648	Active
Kory Knoff Convenience Stores, Inc.	411 No. Main St. Crookston, MN 56716 218-281-1502	Active
S&D Quisberg, LLC	35610 County Road 66 P.O. Box 464 Crosslake, MN 56442 218-692-2708	Active
Coborn's, Incorporated	1473 Babcock Boulevard East Delano, MN 55328 763-972-5660	Active
East Grand Station, Inc.	1010 Central Ave. NE East Grand Forks, MN 56721 218-773-1933	Active
Eden Prairie Gas & Wash, Inc.	12619 Valley View Road Eden Prairie, MN 55344 952-224-9303	Active
Elk River 3840 Inc.	18296 Zane Street NW Elk River, MN 55330 763-441-3810	Active
GYT Enterprises LLC	21060 Chippendale Ave. Farmington, MN 55024 651-333-9119	Active

Franchisee	Address/Phone	Status
Linn Retail Centers, Inc.	600 Boone Avenue North Golden Valley, MN 55427 763-545-3100	Active
Mike's Holiday, LLC	Highway 61 & Broadway Avenue Box 400 Grand Marais, MN 55604-0400 218-387-1043	Active
Linn Retail Centers, Inc.	1500 Vermillion Avenue Hastings, MN 55033-3141 651-480-1575	Active
River Country Coop	100 Highway Ave. East Hector, MN 55342 320-848-2286	Active
Coborn's, Incorporated	1016 Highway 15 South Hutchinson, MN 55350 320-587-5242	Active
Kath Fuel Oil Service Co.	7020 South Robert Trail Inver Grove Heights, MN 55077 651-451-7984	Active
Walmark One, Inc.	9087 Broderick Boulevard Inver Grove Heights, MN 55076 651-451-1760	Active
River Country Cooperative	4201 Stillwater Way N. Lake Elmo, MN 55042 651-777-6029	Active
Staples Enterprises, Inc.	402 Highway 86 North Lakefield, MN 56150 507-662-6233	Active
River Country Cooperative	17280 Kenyon Avenue Lakeville, MN 55044 952-898-7800	Active
DY Holdings, LLC	16255 Ipava Avenue North Lakeville, MN 55044 952-898-2771	Active
Mega Stop, Inc.	21100 Kenrich Avenue Lakeville, MN 55044 952-469-1998	Active
Lakes 1 Stop LLC	7090 21st Avenue Lino Lakes, MN 55038 651-447-2187	Active
Staples Enterprises, Inc.	610 Haynes Avenue Madelia, MN 56062 507-642-2923	Active
Quad Investments of Maple Grove, Inc.	11201 93rd Ave. N. Maple Grove, MN 55369 763-425-4408	Active
Linn Retail Centers, Inc.	1285 Cope Avenue E. Maplewood, MN 55109 651-731-0515	Active
Orton Motor, Inc.	12 Aspen Ave. SE Menahga, MN 56464 218-564-4545	Active

Franchisee	Address/Phone	Status
Coborn's, Incorporated	410 Tenth Avenue SE Milaca, MN 56353 320-983-6771	Active
Kath Fuel Oil Service Co.	5601 Xerxes Ave. S. Minneapolis, MN 55410 612-929-8577	Active
NB Petroleum, LLC	2700 University Ave SE Minneapolis, MN 55414 612-331-6060	Active
Minnetonka Gas Inc.	12908 Minnetonka Blvd Minnetonka, MN 55305 952-933-7788	Active
Orton Motor, Inc.	725 30th Avenue South Moorhead, MN 56560 218-547-1719	Active
Orton Motor, Inc.	16 Highway 10 South Motley, MN 56466 218-352-6756	Active
Five D Limited	2732 NE Highway 10 Mounds View, MN 55112 763-792-1002	Active
New Brighton Gas Inc.	201 West County Rd E2 New Brighton, MN 55112 651-633-2371	Active
Jade Inc.	950 County Road D West New Brighton, MN 55112 651-202-3943	Active
BCD Holdings, LLC	7180 42nd Ave. N. New Hope, MN 55427 763-746-7767	Active
Coborn's, Incorporated	1201 West Ridge Road New Ulm, MN 56073 507-359-9841	Active
7201 Bass Lake, Inc.	7201 Bass Lake Road New Hope, MN 55428 763-285-7055	Active
Linn Retail Centers, Inc.	3344 Hadley Avenue North Oakdale, MN 55128-3617 651-773-5578	Active
Jerry's Service, Inc.	16825 County Road 24 Plymouth, MN 55447 763-551-3914	Active
Kath Fuel Oil Service Co.	7744 12th Avenue South Richfield, MN 55423 612-869-4211	Active
Kath Fuel Oil Service Co.	1583 W. County Road C Roseville, MN 55113 651-633-2119	Active
JE Roseville Gas 2021 LLC	1215 Larpenteur Avenue Roseville, MN 55113 651-330-6514	Active

Franchisee	Address/Phone	Status
Coborn's, Incorporated	1001 Seventh Street Sartell, MN 56377 320-252-1911	Active
Coborn's, Incorporated	212 Riverside Avenue South Sartell, MN 56377 320-258-4352	Active
Coborn's, Incorporated	3 North Benton Drive Sauk Rapids, MN 56379 320-252-1971	Active
Coborn's, Incorporated	1423 Second Street North Sauk Rapids, MN 56379 320-252-0678	Active
Coborn's, Incorporated	1715 Second Avenue North Sauk Rapids, MN 56379 320-255-7062	Active
Kath Fuel Oil Service Co.	3467 North Rice Street Shoreview, MN 55126 651-430-9659	Active
Linn Retail Centers, Inc.	1214 Southview Blvd South St. Paul, MN 55075 651-202-3385	Active
Coborn's, Incorporated	905 County Road 4 St. Cloud, MN 56303 320-253-8963	Active
Coborn's, Incorporated	730 South Highway 10 St. Cloud, MN 56304 320-529-8307	Active
Coborn's, Incorporated	328 5th Avenue S. St. Cloud, MN 56301 320-251-402	Active
Coborn's, Incorporated	304 College Avenue North St. Joseph, MN 56374 320-363-4270	Active
DYP Holdings, LLC	281 North Snelling Avenue St. Paul, MN 55104 651-646-0541	Active
Fuhr Enterprises, Inc.	1770 Old Hudson Road St. Paul, MN 55106 651-200-3687	Active
Park Service, Inc.	2102 Como Avenue St. Paul, MN 55108 651-646-2466	Active
Orton Motor, Inc.	1101 Second Avenue NE Staples, MN 56479 218-894-1361	Active
Holiday Tofte Station Store Limited Liability Company	Highway 61 Tofte, MN 55615-2175 218-663-7882	Active
Fuhr Enterprises, Inc.	1035 East County Road E Vadnais Heights, MN 55110 651-340-0759	Active

Franchisee	Address/Phone	Status
Coborn's, Incorporated	157 South Waite Avenue Waite Park, MN 56387 320-656-0866	Active
Mid-County Coop	801 Pacific Avenue Waverly, MN 55390 763-658-4662	Active
Apollo Oil Company	1030 Dodd Road West St. Paul, MN 55118 651-457-2882	Active
Drake Properties, LLC	4540 Centerville Road White Bear Lake, MN 55127 651-429-1875	Active
Drake Properties, LLC	1105 County Road J White Bear Township, MN 55127 651-426-1123	Active
Fritz Ventures, Inc.	757 Radio Drive Woodbury, MN 55125-9446 651-731-0527	Active
Linn Retail Centers, Inc.	1569 Woodlane Drive Woodbury, MN 55125 651-731-0532	Active
Bar Service Industries, Inc.	1408 Oxford Street Worthington, MN 56187 507-376-4700	Active
Jokama, Inc.	26720 Kettle River Boulevard Wyoming, MN 55092 651-462-5058	Active
North Dakota		
GZCB, LLC	5168 38th St South Fargo, ND 58104 701-282-8228	Active
South Dakota		
Kessler Fuel LLC	702 6th Avenue SE Aberdeen, SD 57401 605-725-2500	Active
Airport Fuel, LLC	4706 6th Avenue SE Aberdeen, SD 57401 605-725-9100	Active
Wisconsin		
Cenergy, LLC	1027 North Hillcrest Pkwy Altoona, WI 54720 715-836-8695	Active
Cenergy, LLC	1630 Blaschko Arcadia, WI 54612 608-323-2206	Active

Franchisee	Address/Phone	Status
Cenergy, LLC	1433 Commercial Blvd Chippewa Falls, WI 54729 715-861-5700	Active
Cenergy, LLC	501 North Bridge St. Chippewa Falls, WI 54729 715-861-5400	Active
Cenergy, LLC	2750 120th St. Chippewa Falls, WI 54729 715-720-0538	Active
Cenergy, LLC	312 Bay Street Chippewa Falls, WI 54729 715-720-0390	Active
Cenergy, LLC	17158 County Highway J Chippewa Falls, WI 54729 715-861-3640	Active
Cenergy, LLC	600 Bridge Street Cornell, WI 54732 715-239-0143	Active
Cenergy, LLC	6126 Texaco Drive Eau Claire, WI 54703 715-874-6662	Active
Cenergy, LLC	2109 Highland Ave. Eau Claire, WI 54701 715-836-8692	Active
Cenergy, LLC	2119 Cameron St. Eau Claire, WI 54703 715-836-8694	Active
Cenergy, LLC	2920 Craig Road Eau Claire, WI 54701 715-836-8696	Active
Cenergy, LLC	2943 Western Ave. Eau Claire, WI 54703 715-836-8697	Active
Cenergy, LLC	5511 Highway 93 Eau Claire, WI 54701 715-836-6357	Active
Cenergy, LLC	4304 Jeffers Road Eau Claire, WI 54703 715-836-8403	Active
Cenergy, LLC	2806 Golf Road Eau Claire, WI 54701 715-831-8838	Active
Cenergy, LLC	2230 Birch St. Eau Claire, WI 54703 715-836-7090	Active
Cenergy, LLC	2940 North Clairemont Ave. Eau Claire, WI 54703 715-836-0902	Active
Cenergy, LLC	539 Water St. Eau Claire, WI 54703 715-836-9166	Active

Franchisee	Address/Phone	Status
Cenergy, LLC	3702 Gateway Drive Eau Claire, WI 54701 715-839-5211	Active
Cenergy, LLC	2611 Birch Street Eau Claire, WI 54703 715-830-0950	Active
Cenergy, LLC	3314 E. Hamilton Ave. Eau Claire, WI 54701 715-830-0920	Active
Cenergy, LLC	17544 N. Main Street Galesville, WI 54630 608-582-3300	Active
JE Wausau Gas 2015, LLC	306 S. 18th Avenue Wausau, WI 54401 715-675-2770	Active

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

AS OF APRIL 30, 2023

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

Franchisees who have had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement since this Disclosure Document was last amended, or who have not communicated with us within 10 weeks of the date of this disclosure document:

Franchisee	Address/Phone	Status
Minnesota		
Wash N Fill Express Blaine, Inc.	12880 Central Ave NE Blaine, MN 55434 763-757-9655	Terminated
Wash N Fill Express Champlin, Inc.	11430 Jefferson Court Champlin, MN 55316 763-323-9642	Terminated
Wash N Fill Stores of Minnesota, Inc.	18296 Zane Street NW Elk River, MN 55330 763-441-3810	Terminated
Wash N Fill Express New Brighton, Inc.	201 West County Rd E2 New Brighton, MN 55112 651-633-2371	Terminated
Vinewood Holiday, Inc.	4075 Vinewood Lane Plymouth, MN 55442-1734 763-553-0565	Terminated
Wisconsin		
Synergy Cooperative	241 U.S. Highway 8 Almena, WI 54805 715-357-3957	Terminated
Coffey Oil, Inc.	915 W. Lake Shore Dr. Ashland, WI 54806 715-682-9755	Terminated
Cenergy, LLC	1731 Bracket Ave. Eau Claire, WI 54701 715-834-1431	Terminated

FRANCHISED AGREEMENT SIGNED BUT OUTLET NOT YET OPEN

S & D Quisberg LLC
7472 Exclesior Road
Baxter, MN 56425
218-829-7808

River Country Cooperative
1341 187th Lane NE
East Bethel, MN 55011

The Market at Redwood LLC
1111 East Bridge Street
Redwood Falls, MN 56283

US Oil Inc.
7744 12th Avenue South
Richfield, MN 55423
612-869-4211

3229 CStore, LLC
3190 36th Street South
Fargo, ND 58103

EXHIBIT E

TO DISCLOSURE DOCUMENT
OF
HOLIDAY DIVERSIFIED SERVICES, LLC

ACKNOWLEDGMENT ADDENDUM

THIS ACKNOWLEDGMENT ADDENDUM DOES NOT APPLY TO CANDIDATES LOCATED IN, OR FRANCHISED BUSINESSES TO BE LOCATED IN, ANY OF THE FOLLOWING FRANCHISE REGISTRATION STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI.

The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.

All agreements between you and Holiday Diversified Services, LLC or its affiliates are collectively referred to in this Questionnaire as “Agreement” or “Agreements.”

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least fourteen calendar days prior to signing the Agreements or paying Holiday Diversified Services, LLC or its affiliates any consideration in connection with the franchise sale? Check one: (_) Yes (_) No. If no, please comment: ____

____

2. Did you receive a copy of each Agreement with all material blanks fully completed at least seven (7) calendar days prior to the date you executed the Agreement? Check one: ( ) Yes ( ) No. If no, please comment:____

____

3. Have you studied and reviewed carefully our Disclosure Document and Agreements? Check one: (_) Yes (_) No. If no, please comment:____

____

4. Did you understand all the information contained in both the Disclosure Document and Agreements? Check one (_) Yes (_) No. If no, please comment____________________________

____

5. Have you had the opportunity to discuss the benefits and risks of operating a Holiday Stationstore® with an attorney, accountant or other professional advisor? Check one (_) Yes (__) No. If no, please comment____

____

6. Has any employee or other person speaking on behalf of Holiday Diversified Services, LLC made any statement, promise, or agreement concerning the advertising, marketing, training, support service, or assistance that Holiday Diversified Services, LLC will furnish to you that is contrary to, or different from, the information contained in the Franchise Disclosure Document or Agreements? Check one (_) Yes (_) No. If yes, please comment__________________________

____

____

7. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document? Check one: (_) Yes (_) No. If yes, please state in detail the oral, written or visual claim or representation:_______________________________________

____

8. Did any employee or other person speaking on behalf of Holiday Diversified Services, LLC make any statement or promise regarding the costs involved in operating a Holiday Stationstore® that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document? Check one: (__) Yes (__) No. If yes, please comment:____

9. Did any employee or other person speaking on behalf of Holiday Diversified Services, LLC make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any a Holiday Stationstore®, or the likelihood of success at your business? Check one: (_) Yes (_) No. If yes, please state in detail the oral, written or visual claim or representation:___________

____

____

10. Did any employee or other person speaking on behalf of TMC Franchise Corporation make any representation as to your ability to procure any required license or permit that may be necessary in order to offer one or more of the services or products contemplated to be offered by the Circle K franchise? Check one: ( ) Yes ( ) No. If yes, please comment:

____

____

11. Do you understand that Holiday Diversified Services, LLC makes no representations or warranties and expressly disclaims all liability with respect to any studies of the prospective a Holiday Stationstore® location prepared by third parties at your request (including, without limitation any third party retail analytics studies) and that any such third party studies are not taken into account by Holiday Diversified Services, LLC in evaluating any proposed site locations? Check one: (_) Yes (_) No. If no, please comment_______________________________

____

12. Do you understand that that the franchise granted is for the right to operate a Holiday Stationstore® at a particular location only and that we have the right to issue franchises or operate competing businesses from any other location, regardless of the proximity to your location? Check one: (__) Yes (__) No. If no, please comment____________________________

____

13. Do you understand that the approval of Holiday Diversified Services, LLC of the site for a Holiday Stationstore® does not constitute an assurance, representation or warranty of any kind as to the successful operation or profitability of a Holiday Stationstore® operated at the site? Check one: (__) Yes (__) No. If no, please comment____

____

14. Do you understand that the Agreements and Disclosure Document contain the entire agreement between you and us concerning the franchise for a Holiday Stationstore®, meaning that any prior oral or written statements not set out in the Agreements or Disclosure Document will not be binding? Check one: (__) Yes (__) No. If no, please comment:____________________________

____

15. Do you understand that the success or failure of your Holiday Stationstore® will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the Holiday Stationstore® trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Holiday Stationstore® may change? Check one (__) Yes (__) No. If no, please comment:____
____

16. Do you understand that any training, support, guidance or tools we provide to you as part of the franchise are for the purpose of protecting the Holiday Stationstore® brand and trademarks and to assist you in the operation of your Holiday Stationstore® and not for the purpose of controlling or in any way intended to exercise or exert control over your decisions or day-to-day operations of your business, including your sole responsibility for the hiring, wages, training, supervision and termination of your employees and all other employment and employee related matters? Check One: (__) Yes (__) No. If no, please comment:____
____

17. Do you understand that Holiday Diversified Services, LLC may receive and keep consideration in the form of discounts, rebates, or marketing allowances on purchases that you make from designated suppliers and service providers? Check One: (__) Yes (__) No. If no, please comment: ____
____

18. Do you understand that you will be required to pay back to Holiday Diversified Services, LLC the unamortized portion of any funding that you elected to receive if you sell your Holiday Stationstore® to a third party or the Franchise Agreement is otherwise terminated early? Check One: (__) Yes (__) No. If no, please comment:____
____

19. Do you understand that you are required to carry, among other types of coverages, general commercial liability insurance, business automobile coverage, liquor liability coverage, and umbrella/excess coverage (each with prescribed minimum policy amounts) and that you will be required to submit a certificate evidencing compliant coverage before you are permitted to open your store? Check One: (__) Yes (__) No. If no, please comment: ____
____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

<u>NOTE</u>: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS OPERATING PARTNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed:______________________	Signed:______________________
Print Name:__________________	Print Name:__________________
Date:________________________	Date:________________________

Signed__________________________________	Signed:__________________________________
Print Name:______________________________	Print Name:______________________________
Date:____________________________________	Date:____________________________________

*** 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 any applicable law that prohibits releases, estoppels or waivers of liability under such law. Should one or more clauses of this Addendum be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Addendum shall be valid and in full force and effect.**

EXHIBIT F

TO DISCLOSURE DOCUMENT
OF
HOLIDAY DIVERSIFIED SERVICES, LLC

STATE LAW ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT

The following modifications are to the Holiday Diversified Services, LLC franchise disclosure document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated ____________________, 20__.

The following is applicable to you only if you are covered by the franchise law of the referenced state:

MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on your right to join an association of franchisees.

(b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits us to terminate a franchise before the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure the failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure the failure.

(d) A provision that permits us to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applied only if: (i) the term of the franchise is less than 5 years and (ii) you are prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area after the expiration of the franchise or you do not receive at least 6 months advance notice of our intent not to renew the franchise.

(e) A provision that permits us to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet our then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of us or our subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) You or your proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value of the assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48933-1067
Telephone Number: (517) 373-7117

MINNESOTA

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

NORTH DAKOTA

Article 27.11 of the Franchise Agreement incorporates the terms and provisions of the North Dakota Franchise Investment Law to the extent they are applicable to franchisees located in North Dakota.

The North Dakota Securities Commissioner has determined that to require franchisees to consent to liquidated damages or termination penalties is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. As a result, the liquidated damages provision included in Item 6 and Item 17(i) of the franchise disclosure document and in Sections 22.1(c) and 28.27 of the Franchise Agreement is deleted in its entirety.

Pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law: (a) provisions of Article 25 of the Franchise Agreement requiring mandatory binding arbitration may not be enforceable in North Dakota; (b) provisions of Article 25 of the Franchise Agreement requiring arbitration hearings to be held in Minneapolis, Minnesota may not be enforceable, and arbitration hearings will be held in North Dakota or at a site mutually agreed upon by the parties; and (c) the provision in Article 25.5 which waive exemplary and punitive damages is deleted.

We have posted a Surety Bond in the amount of $30,000 to secure performance of our initial obligations under the Franchise Agreement.

Article 21.4 and Article 21.6 of the Franchise Agreement is amended to require that, in the event we give you written notice that you are delinquent in the payment of any Royalty Fees or other fees and payments payable to us, you will have 30 days after such written notice within which to correct the breach by making full payment (including interest as provided for herein) to us.

Article 21.11 of the Franchise Agreement is amended to provide that the prevailing party in any enforcement action will be entitled to recover its costs, expenses and attorney's fees.

The consent by you to jurisdiction and venue in Hennepin County, Minnesota contained in Article 27.7 may be inapplicable; provided, however, that such inapplicability in the State of North Dakota will not be construed to mean that venue in Hennepin County, Minnesota is improper, or that you, your officers, directors, agents and personal guarantors are not subject to jurisdiction in Hennepin County, Minnesota, or in any other state.

Pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law (1) provisions of Article 25 of this Agreement requiring mandatory binding arbitration may not be enforceable in North Dakota, and (2) provisions of Article 25 of the Franchise Agreement requiring arbitration hearings to be held in Minneapolis, Minnesota may not be enforceable, and arbitration hearings will be held in North Dakota or at a site mutually agreed upon by the parties.

SOUTH DAKOTA

Article 21.4 and Article 21.6 of the Franchise Agreement is amended to require that, in the event we give you written notice that you are delinquent in the payment of any fees or other payments payable to us, you will have 30 days after such written notice within which to correct the breach by making full payment (including interest as provided for herein) to us.

Any provision of the Franchise Agreement which designates jurisdiction or venue outside of the State of South Dakota or requires you to agree to jurisdiction or venue in a forum outside of the State of South Dakota may be void with respect to any cause of action which is otherwise enforceable in the State of South Dakota.

Pursuant to SDCL 37-5B, any acknowledgment provision, disclaimer or integration clause or other provision having a similar effect in the Franchise Agreement will not negate or act to remove from judicial review any statement, misrepresentation or action that violates Chapter 37-5B or a rule or order under Chapter 37-5B.

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND RELATED AGREEMENTS

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Use of Franchise Brokers. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees and ask them about their experience with the franchisor.

WISCONSIN

With respect to franchise agreements governed by Wisconsin law, the following shall supersede any inconsistent provision:

The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits termination, cancellation, nonrenewal or substantial change in the competitive circumstances of a dealership agreement without good cause. The Law further provides that 90 days' prior written notice of the proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. The disclosure document and Franchise Agreement are hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provisions in the Franchise Agreement that are inconsistent with that Law. Wis. Stats. Ch. 135, The Wisconsin Fair Dealership Law. SEC 32.06(3), Wis. Adm. Code.

ACKNOWLEDGMENT:

It is agreed that any applicable part of the foregoing state law addendum supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of ___________________, 20__, and of the franchise disclosure document, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

DATED this _______ day of _____________________, 20__.

HOLIDAY DIVERSIFIED SERVICES, LLC

By:________________________________

Title:______________________________

FRANCHISEE

By:________________________________

Title:______________________________

By:________________________________

Title:______________________________

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)

RIDER TO STATE ADDENDUM
TO THE HOLIDAY DIVERSIFIED SERVICES, LLC FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

FOR THE FOLLOWING STATES ONLY: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

This Rider to State Addendum to HOLIDAY DIVERSIFIED SERVICES, LLC Franchise Disclosure Document and Franchise Agreement is entered into by and between HOLIDAY DIVERSIFIED SERVICES, LLC, a Minnesota limited liability company with an address of 4567 American Boulevard West, Minneapolis, Minnesota 55437 ("we" or "us") and ________________________ ______________ ("you").

A. This Rider is being signed because you are a resident of one of the states listed in the heading of this Rider (the "Applicable Franchise Registration State") or a non-resident who is acquiring franchise rights permitting the location of one or more Holiday Stationstores® in the Applicable Franchise Registration State.

B. We and you have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and wish to amend the Agreement as provided herein.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. The following language is hereby added to the end of the Agreement:

"No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

2. Except as provided in this Rider, the Agreement remains in full force and effect in accordance with its terms. This Rider shall be effective only to the extent that the jurisdictional requirements of the franchise law of the Applicable Franchise Registration State are met independently without reference to this Rider.

IN WITNESS WHEREOF parties have executed this Rider on this ________ day of ______________________, 20__.

HOLIDAY DIVERSIFIED SERVICES, LLC

By:_________________________________

Title:_______________________________

FRANCHISEE

By:_________________________________

Title:_______________________________

By:________________________________

Title:________________________________

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)

EXHIBIT G

TO DISCLOSURE DOCUMENT
OF
HOLIDAY DIVERSIFIED SERVICES, LLC

SBA ADDENDUM TO FRANCHISE AGREEMENT

ADDENDUM
RELATING TO
HOLIDAY DIVERSIFIED SERVICES, LLC
FRANCHISE AGREEMENT

THIS ADDENDUM (Addendum) is made and entered into on ____________, 20____, by **HOLIDAY DIVERSIFIED SERVICES, LLC**, located at **4567 American Boulevard West, Minneapolis, Minnesota 55437** (Franchisor), and __________________________, located at ___________________________ (Franchisee).

Recitals.

Franchisor and Franchisee entered into a Franchise Agreement on _____________, 20__, (Franchise Agreement).

The Franchisee agreed among other things to operate and maintain a franchise located at ____________________ designated by Franchisor as Unit #__________ (Unit).

Franchisee has obtained from a lender a loan (Loan) in which funding is provided with the assistance of the United States Small Business Administration (SBA). SBA requires the execution of this Addendum as a condition for obtaining the SBA assisted financing.

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable considerations in hand paid by each of the parties to the others, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

- Franchise Agreement is in full force and effect, and Franchisor has sent no official notice of default to Franchisee under the Franchise Agreement that remains uncured on the date hereof.

- Section 23.1 and 23.4 of the Franchise Agreement provides that Franchisor (or any third party assignee of the Franchisor) may elect pursuant to its right of first refusal to exercise said option when Franchisee decides to sell partial ownership interest(s) in Franchisee. This section is hereby amended to reflect that Franchisor (or any third party assignee of Franchisor) will not exercise the option for any partial sale of an ownership interest in Franchisee. Franchisor (or any third party assignee of Franchisor) may not become a partial owner of any SBA-financed Franchisees.

- Franchisor will not unreasonably withhold, delay, or condition its consent to any proposed transfer or assignment by Franchisee which requires Franchisor's consent under Section 20.1 of the Franchise Agreement.

- Notwithstanding anything to the contrary in Section 23.2 (b) of the Franchise Agreement, neither the Franchisor nor its affiliates will have the option to purchase any real estate owned by the Franchisee. Instead the Option to Purchase contained in Section 23.2 will be an option to lease the real estate for the remainder of the Franchisee's term (excluding additional renewals) for fair market value. Franchisor must amend the recorded Memorandum of Option to Purchase and Right of First Refusal to incorporate the foregoing amendment.

- Section 27.11 (b) of the Franchise Agreement, which grants the Franchisor the right to use its reasonable business judgment, will not pertain to any transfer of the Franchisee's business. The Franchisor's consent in the event of a transfer will not be unreasonably withheld, conditioned, or delayed.

- This Addendum automatically terminates on the earliest to occur of the following: (i) a Termination occurs under the Franchise Agreement; (ii) the Loan is paid; or (iii) SBA no longer has any interest in the Loan.

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

FRANCHISOR:	**FRANCHISEE:**
HOLIDAY DIVERSIFIED SERVICES, LLC	
By: ______________________________	By:___________________________
Print Name:_______________________	Print Name: ____________________
Title: ____________________________	Title: _________________________

EXHIBIT H

TO DISCLOSURE DOCUMENT
OF
HOLIDAY DIVERSIFIED SERVICES, LLC

Exhibit H-1

HOLIDAY DIVERSIFIED SERVICES, LLC

CONVERSION AGREEMENT
(#[store number] – [city/state])

THIS AGREEMENT (this "**Conversion Agreement**"), dated as of ___________, 2023 is among **HOLIDAY DIVERSIFIED SERVICES**, **LLC**, a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, Minnesota 55437 ("**HDS**"), **ERICKSON PETROLEUM, LLC**, a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, MN 55437 ("**EPC**"), **HOLIDAY STATIONSTORES, LLC,** a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, MN 55437 ("**HSI**") and ____________________________, a ______________, [address] ("**Franchisee**").

RECITALS

A. [_____], a ________________ ("**Affiliate**") currently owns property located at ____ (the "**Property**"). Franchisee is an affiliate of Affiliate and currently leases the Property from Affiliate pursuant to that certain Lease Agreement dated _________________ (the "**Lease**") for the operation of a gasoline station/convenience store (the "**Store**").

B. Franchisee desires to enter into a franchise agreement (as amended, the "**Franchise Agreement**") with HDS with respect to the Store.

C. In connection with the Franchise Agreement, Franchisee has asked that EPC extend certain financial accommodations with respect to the Store as further set out in this Conversion Agreement. EPC is willing to extend such financial accommodations in accordance with the terms of this Conversion Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. FINANCIAL ACCOMMODATIONS

1.1 **Conversion Allowance**. Subject to the repayment provisions of Section 1.2, EPC hereby agrees to pay up ______________ Dollars ($____________) (the "**Conversion Allowance**") for the Store to, or for the benefit of, Franchisee for costs related to remodeling and reimaging of the Store with the Holiday® brand (the "**Conversion Costs**"). Concurrently herewith, Franchisee shall execute the Conversion Note attached hereto as Exhibit A (the "**Conversion Note**"). The Conversion Allowance (a) shall only be used to fund Conversion Costs incurred within one (1) year of the date hereof; (b) shall only be disbursed as needed for the Store following the date hereof; (c) shall be disbursed directly to EPC for any Conversion Costs for which EPC or an affiliate directly pays the applicable vendor; and (d) shall otherwise be disbursed directly to Franchisee after the applicable Conversion Costs have been incurred and upon presentation to EPC of documentation evidencing the applicable Conversion Costs.

1.2 **Repayment**. The consideration for the extension of the Conversion Allowance by EPC is the agreement of Franchisee and the other related parties to enter into and to perform pursuant to the Franchise Agreement, Conversion Note and other agreements listed on Exhibit C (the "**Related Agreements**"). Accordingly, Franchisee hereby agrees to repay the Conversion Allowance to EPC in accordance with the following terms:

(a) On dates set forth on Exhibit B, a portion of the Conversion Allowance shall be waived, as set out in the Allowances Waiver Schedule attached hereto as Exhibit B unless on such date Franchisee or any other signatory to any Related Agreement ("**Related Parties**") is in default pursuant to this Conversion Agreement, Franchise Agreement, Conversion Note, or Related Agreements.

(b) In the event of a termination of the Franchise Agreement, Franchisee shall, within five (5) business days following written demand from EPC, repay to EPC an amount equal to (1) the total of all Conversion Allowance advanced by EPC prior to the date of such termination, times (2) the percentage set out in Column B of the applicable Allowance Waiver Schedule. In the event of termination, no Conversion Allowance may be further advanced with respect to the Store.

(c) Franchisee shall pay to EPC a late charge of eighteen percent (18%) per annum, or such lesser percentage which is the highest rate permitted by law in the State of Minnesota, of any such amount not received by EPC within five (5) business days after such amount is due. If action is taken to collect amounts owing hereunder, EPC shall be entitled to collect, and Franchisee agrees to pay, all costs and expenses of collection, including without limitation reasonable attorneys' fees. EPC shall be under no obligation to re-extend any of the Conversion Allowance after such repayment.

1.3 **Construction**. HSI or its affiliates shall be responsible for oversight, coordination and, except to the extent Franchisee enters into a contract with a general contractor, for construction of the improvements to be funded with the Conversion Allowance (the "**Store Improvements**"). Except to the extent such work is covered by a contract entered into directly between Franchisee and a general contractor, HSI or its affiliates shall (a) use reasonable efforts to secure appropriate permits and approvals necessary to construct the Store Improvements, and (b) construct, or enter into agreements with mutually-acceptable third party contractors to construct, the Store Improvements in accordance with mutually-acceptable plans and at competitive and commercially reasonable expense. Franchisee hereby grants HSI, its affiliates, employees and contractors, the right to perform the activities specified above, and hereby agrees to cooperate with HSI in the performance of said activities, including, without limitation, in the filing and prosecution of permit or approval applications, including the filing of the same in Franchisee's name, if required. In addition to standard fees, Franchisee shall pay HSI, for its time dedicated to construction and project management services rendered in connection with the Store Improvements, Ninety Dollars ($90.00) per hour, plus mileage and reasonable reimbursable expenses of HSI's employees (i.e., food and lodging, if necessary). HSI will have no liability to Franchisee or third parties for, and Franchisee hereby waives, all claims, damages or liabilities arising or related to the design or construction of the Store Improvements, other than those which arise out of HSI's gross negligence or breach of this Agreement, and in any event HSI shall not be liable for, and Franchisee hereby waives claims for, any special, incidental, indirect, punitive or consequential losses or damages. Upon request following substantial completion of the Store Improvements, HSI shall assign to Franchisee its assignable rights under any construction agreements or equipment purchase agreements.

2. FRANCHISE AGREEMENTS

2.1 **Commencement Schedule**. Franchisee agrees that the remodeling and reimaging of the Store shall be completed on or before _______________, 20__. Franchisee and HDS shall mutually agree upon a schedule commencing as soon as practical after the execution of this Conversion Agreement.

2.2 **Franchise Agreements**. Concurrently with this Conversion Agreement, Franchisee shall execute and cause any Related Parties to enter into, those documents listed on Exhibit C attached hereto.

2.3 **Default; Termination**. The termination of the Franchise Agreement with respect to the Store, whether pursuant to the right of a party to do so under a Franchise Agreement, this Conversion Agreement or another Related Agreement or otherwise, may be referred to herein as a termination. In addition to, and without limitation of, any other termination rights of HDS pursuant to the Franchise

Agreement, HDS may terminate the Store pursuant to the Franchise Agreement if Franchisee or any Related Parties are in default pursuant to this Conversion Agreement, Franchise Agreement, Conversion Note or the Related Agreements, including without limitation the failure to repay any amounts due pursuant to the Conversion Note or an inaccuracy in any representation or warranty set out herein or in any Related Agreements. In such event, all amounts due under the Conversion Note are immediately due and payable to EPC, HSI is hereby authorized to suspend any work related to the Store Improvements and HDS is hereby authorized to reduce any amounts owed to Franchisee under the Franchise Agreement or any other franchise agreement or other agreement until all amounts owed to EPC under the Conversion Note have been repaid in full.

3. REPRESENTATIONS AND WARRANTIES

Franchisee hereby represents and warrants to HDS, EPC and HSI as follows:

3.1 **Corporate Authority**. Franchisee is a Minnesota corporation validly existing in good standing under the laws of the jurisdiction of its incorporation or creation and has all requisite corporate power and authority to carry on its business as now conducted, to enter into this Conversion Agreement, the Conversion Note and the other Related Agreements to which it is a party and to perform all of its obligations thereunder. The execution, delivery and performance of this Conversion Agreement, the Conversion Note and the other Related Agreements have been duly authorized by all necessary corporate action and the execution by no other party is necessary to give full force and effect to this Conversion Agreement, the Conversion Note and each of the Related Agreements. The execution, delivery and performance of the Conversion Agreement, Conversion Note and the other Related Agreements will not (a) violate any provision of any law or regulation applying to Franchisee; (b) violate any provision of the articles of incorporation, articles of organization, limited liability agreement, partnership agreement, member agreement or bylaws of Franchisee; or (c) result in a breach of or constitute a default under any agreement to which Franchisee is a party or by which it may be bound.

3.2 **Ownership**. Anthony Rammer is the sole shareholder of Franchisee, and Anthony Rammer is also the sole member of Affiliate.

3.3 **Consent**. No order, consent, approval or other authorization by any governmental authority or other party is necessary to authorize the execution, delivery and performance of the Conversion Agreement, Franchise Agreement, Conversion note and the other Related Agreements.

3.4 **Leases**. Franchisee has provided to HDS a true, correct and complete copy of the Lease. Franchisee will not lease any equipment used in the operation of the Store without the prior written consent of HDS and EPC, which consent shall not be unreasonably withheld.

3.5 **Supply And Other Agreements**. There are no agreements, options, rights of first refusal or other similar rights or other contracts of any nature, including without limitation supply, distributor or franchise agreements. There are no agreements regarding the operation or merchandising of the Stores.

3.6 **Individual Agreements**. Franchisee represents and warrants that each such representation and warranty made in this Section or elsewhere in the Conversion Agreement, Franchise Agreement, Conversion Note or the Related Agreements is accurate as of the date of this Conversion Agreement. Franchisee acknowledges that HDS and EPC are relying upon the continuing accuracy thereof in entering into the Conversion Agreement, Franchise Agreement, Conversion Note, and the Related Agreements and agrees that the inaccuracy at any time thereof shall constitute a default under the Conversion Agreement, Franchise Agreement, Conversion Note and the Related Agreements.

4. MISCELLANEOUS

4.1 **Binding Agreement; Survival**. This Conversion Agreement is binding upon and shall inure to the benefit of the parties and their heirs, representatives, successors and assigns. This

Conversion Agreement shall remain in full force and effect until all obligations of each party to this Conversion Agreement, the Franchise Agreement, the Conversion Note, and each Related Agreement have been fully satisfied in accordance with the terms of each such agreement. No failure on the part of a party to exercise, and no delay in exercising any right, power or remedy hereunder or under this Conversion Agreement, the Franchise Agreement, the Conversion Note, or any Related Agreements shall operate as a waiver of such right, power or remedy, nor shall any single or partial exercise of any right, power or remedy hereunder or under any of the foregoing agreements preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy.

4.2 **Cumulative Rights**. No right or remedy conferred or reserved to HDS, EPC or any related entity is intended to be exclusive of any other right or remedy herein or by law provided, but each shall be cumulative in and in addition to every other right or remedy existing at law, in equity or by statute, now or hereafter.

4.3 **Entire Agreement; Modification**. This Conversion Agreement, the Conversion Note, the Franchise Agreement and the Related Agreements and the exhibits hereto set forth the entire agreement of the parties with respect to the Store and supersedes all prior discussions or understandings, whether oral or in writing. This Conversion Agreement may be altered, modified or amended only by a written document signed by all parties hereto. A waiver of any provision hereunder shall be effective only if such waiver is in writing signed by the party against whom such waiver is sought to be enforced. No course of dealing and no delay on the part of a party in exercising any right, power or remedy under this Conversion Agreement shall operate as a waiver thereof or otherwise prejudice such party's rights, powers or remedies.

4.4 **Assignment**. Neither this Conversion Agreement nor the Conversion Note may be assigned without the prior written consent of HDS and EPC; provided, however, HDS, HSI and EPC may assign this Conversion Agreement and Conversion Note to any other person or entity, including without limitation any affiliate.

4.5 **Notice**. Any notice to be given by a party hereto shall be personally delivered (including messenger delivery), or be sent by confirmed facsimile transmission, by registered or certified mail, or by a nationally recognized overnight courier which issues a receipt, in each case postage prepaid, to the other party at the addresses set forth in the preamble, with attention, in the case of EPC, HDS or HSI, to President and Franchise Department (or to such other address as may be designated by notice given pursuant to this Section), and shall be deemed given upon personal delivery, confirmation of facsimile transmission, three (3) days after the date postmarked or one (1) business day after delivery to such overnight courier.

4.6 **Governing Law**. The provisions of this Conversion Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, except as may be set out specifically in a Related Agreement.

4.7 **Authority**. Each party has caused this Conversion Agreement to be executed and represents and warrants that its signatory has been and is on the date of this Conversion Agreement duly authorized by all necessary and appropriate corporate action to execute this Conversion Agreement and in the case of Franchisee, duly authorized by all necessary and appropriate corporate action to execute the Conversion Note.

4.8 **Counterparts; Facsimiles**. This Conversion Agreement may be executed in any number of counterparts and all of the signatures to such agreement taken together shall constitute one and the same agreement, and any of the parties hereto may execute such agreement by signing any such counterpart. Facsimile or PDF signatures on this Conversion Agreement shall be treated as originals.

4.9 **Unified Transaction**. The transactions contemplated by this Conversion Agreement, the Franchise Agreement, the Conversion Note, and each Related Agreement are a single, unified transaction.

4.10 **No Reliance**. Franchisee acknowledges that it has, in entering into this Conversion Agreement and the Conversion Note, made its own evaluation with respect to the financial prospects of the Store under the Franchise Agreement and hereby acknowledges that none of HDS, EPC, HSI or any related entities have made any representation or warranty with respect to the performance of any of the Store as a franchised Holiday Stationstore®.

4.11 **Exhibits**. The following exhibits are attached to this Conversion Agreement and made a part hereof:

Exhibit	**Document**
A	Conversion Note $__________
B	Allowances Waiver Schedule
C	Related Agreements

IN AGREEMENT, this Conversion Agreement has been executed as of the date and year first above written.

ERICKSON PETROLEUM, LLC

By_______________________________________
Gary M. Brant, Vice President Operations

[_________________________]

By_______________________________________
[name/title]

HOLIDAY DIVERSIFIED SERVICES, LLC

By_______________________________________
Gary M. Brant, Vice President Operations

HOLIDAY STATIONSTORES, LLC

By_______________________________________
Gary M. Brant, Vice President Operations

ERICKSON PETROLEUM, LLC
CONVERSION NOTE
(#______ – [city/state])

$______________ ________________, 20__

FOR VALUE RECEIVED, **[_____________]**, a _______, [address] (**"Franchisee"**) hereby promises to pay to the order of **ERICKSON PETROLEUM, LLC**, a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, Minnesota 55437 ("**EPC**"), in accordance with the terms of that certain Conversion Agreement dated as of the date hereof by Holiday Diversified Services, LLC, EPC, Holiday Stationstores, LLC and Franchisee (the **"Conversion Agreement"**), the principal sum of _____________________ ($_____________). Terms used but not defined herein have the meanings given in the Conversion Agreement.

1. **Interest**. Interest shall accrue on the unpaid principal balance of this Conversion Note at the rate of five percent (5.0%) per annum.

2. **Payment**. The principal balance and accrued interest, to the extent not forgiven in accordance with the terms hereof, shall be due and payable in full upon the earlier of (a) _____________. 2033, or (b) the termination of the Franchise Agreement (as defined in the Conversion Agreement). Amounts repaid or forgiven may not be reborrowed. If Franchisee is not in default under any term of the Franchise Agreement, this Conversion Note, the Conversion Agreement or any Related Agreements, then the initial principal balance and accrued interest of this Conversion Note shall be forgiven in accordance with the schedule attached hereto as Exhibit A.

3. **Late Fees**. Franchisee shall pay to EPC a late charge of eighteen percent (18%) per annum, calculated based on a 360-day year, or such lesser percentage which is the highest rate permitted by law in the State of Minnesota, of any amount not received by EPC within five (5) business days after such amount is due. To the extent permissible by law, Franchisee accordingly waives any defense of usury.

4. **Notice**. Any notice to be given hereunder shall be transmitted in accordance with the terms of the Conversion Agreement.

5. **Commercial Purposes**. Franchisee covenants and agrees that all amounts borrowed from EPC pursuant to this Conversion Note will, at all times, be used solely for Conversion Costs relating to the Store.

6. **Cross-Default**. Without limitation of any other term of the Conversion Agreement, this Conversion Note shall be in default if Franchisee is in default of any of the Conversion Agreement, the Franchise Agreement or the Related Agreements. Upon default and expiration of a cure period, if any, this Conversion Note shall be immediately due and payable upon written notice by EPC to Franchisee.

7. **Applicable Law and Severability**. The provisions of this Conversion Note shall be governed by and construed in accordance with the laws of the State of Minnesota. If it should appear that any provision hereof is in conflict with any applicable statute or rule of law, then such provision shall be deemed null and void to the extent that it conflicts therewith, but without invalidating the remaining provisions hereof.

8. **Miscellaneous**. Presentment, notice of dishonor, and protest are hereby waived by Franchisee and any guarantor or other person liable for all or any part of the indebtedness evidenced by this Conversion Note. This Conversion Note shall be binding upon Franchisee's successors and assigns.

[______________________]

By____________________________________
[name/title]

WAIVER SCHEDULE
(#____________ – [city/state])

	This portion of principal and accrued interest will be forgiven on this date:	This portion of principal and accrued interest to be repaid following this date:
First Anniversary Date (___________)	5%	95%
Second Anniversary Date (___________)	5%	90%
Third Anniversary Date (___________)	5%	85%
Fourth Anniversary Date (___________)	5%	80%
Fifth Anniversary Date (___________)	5%	75%
Sixth Anniversary Date (___________)	15%	60%
Seventh Anniversary Date (___________)	15%	45%
Eighth Anniversary Date (___________)	15%	30%
Ninth Anniversary Date (___________)	15%	15%
Tenth Anniversary Date (___________)	15%	0%

EXHIBIT B
TO CONVERSION AGREEMENT

ALLOWANCES WAIVER SCHEDULE
(#_____ – [city/state])

	This portion of Allowances will be forgiven on this date:	This portion of Allowances to be repaid following this date:
First Anniversary Date (______________)	5%	95%
Second Anniversary Date (______________)	5%	90%
Third Anniversary Date (______________)	5%	85%
Fourth Anniversary Date (______________)	5%	80%
Fifth Anniversary Date (______________)	5%	75%
Sixth Anniversary Date (______________)	15%	60%
Seventh Anniversary Date (______________)	15%	45%
Eighth Anniversary Date (______________)	15%	30%
Ninth Anniversary Date (______________)	15%	15%
Tenth Anniversary Date (______________)	15%	0%

RELATED AGREEMENTS
(#____ – [city/state])

1. Conversion Agreement
2. Conversion Note ($__________)
3. Franchise Agreement with Exhibits A-D
4. First Amendment to Franchise Agreement
5. State Law Addenda to Franchise Agreement
6. Rider to State Law Addendum
7. Confidentiality Agreement
8. Amendment to Confidentiality Agreement
9. Sign Rental Agreement
10. Personal Guaranty
11. Memorandum of Obligation to Meet and Confer and Right of First Refusal
12. Consent and Joinder

Exhibit H-2

HOLIDAY DIVERSIFIED SERVICES, LLC
CAPITAL IMPROVEMENT AGREEMENT
(#[Store #]— [city/state])

THIS AGREEMENT (this **"Capital Improvement Agreement"),** dated as of ______________ is among **HOLIDAY DIVERSIFIED SERVICES, LLC,** a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, Minnesota 55437, **("HDS"), ERICKSON PETROLEUM, LLC,** a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, MN 55437 **("EPC"), HOLIDAY STATIONSTORES, LLC,** a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, MN 55437 **("HSI"),** and ________________________, a ________________________________, [address] **("Franchisee").**

RECITALS:

A. [_____________], a ________________ **("Affiliate")** currently owns property located at ____ (the **"Property").** Franchisee is an affiliate of Affiliate and currently leases the Property from Affiliate pursuant to that certain Lease Agreement dated ______________ (as amended, the **"Lease")** for the operation of a gasoline station/convenience store as a Holiday® Stationstore (the **"Store")** pursuant to existing franchise documents with HDS.

B. Franchisee desires to enter into a new franchise agreement (as amended, the **"Franchise Agreement")** with HDS with respect to the Store.

C. In connection with the Franchise Agreement, Franchisee has asked that EPC extend certain financial accommodations with respect to the Store as further set out in this Capital Improvement Agreement. EPC is willing to extend such financial accommodations in accordance with the terms of this Capital Improvement Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. FINANCIAL ACCOMMODATIONS

1.1 **Capital Improvement Allowance.** Subject to the repayment provisions of Section 1.2, EPC hereby agrees to pay up to _________________ ($___________) (the **"Capital Improvement Allowance")** for the Store to, or for the benefit of, Franchisee for costs related to remodeling and reimaging of the Store with the Holiday® brand (the **"Capital Improvement Costs").** Concurrently herewith, Franchisee shall execute the Capital Improvement Note attached hereto as Exhibit A (the **"Capital Improvement Note").** The Capital Improvement Allowance (a) shall only be used to fund Capital Improvement Costs incurred on or before _____________; (b) shall only be disbursed as needed for the Store following the date hereof; (c) shall be disbursed directly to EPC for any Capital Improvement Costs for which EPC or an affiliate directly pays the applicable vendor; and (d) shall otherwise be disbursed directly to Franchisee after the applicable Capital Improvement Costs have been incurred and upon presentation to EPC of documentation evidencing the applicable Capital Improvement Costs.

1.2 **Repayment.** The consideration for the extension of the Capital Improvement Allowance by EPC is the agreement of Franchisee and the other related parties to enter into and to perform pursuant to the Franchise Agreement, Capital Improvement Note and other agreements listed on Exhibit C (the **"Related Agreements").** Accordingly, Franchisee hereby agrees to repay the Capital Improvement Allowance to EPC in accordance with the following terms:

(a) On dates set forth on Exhibit B, a portion of the Capital Improvement Allowance shall be waived, as set out in the Allowances Waiver Schedule attached hereto as Exhibit B unless on such date Franchisee or any other signatory to any Related Agreement **("Related Parties")** is in default pursuant to this Capital Improvement Agreement, Franchise Agreement, Capital Improvement Note, or Related Agreements.

(b) In the event of a termination of the Franchise Agreement, Franchisee shall, within five (5) business days following written demand from EPC, repay to EPC an amount equal to (1) the total of all Capital Improvement Allowance advanced by EPC prior to the date of such termination, times (2) the percentage set out in Column B of the applicable Allowance Waiver Schedule. In the event of termination, no Capital Improvement Allowance may be further advanced with respect to the Store.

(c) Franchisee shall pay to EPC a late charge of eighteen percent (18%) per annum, or such lesser percentage which is the highest rate permitted by law in the State of Minnesota, of any such amount not received by EPC within five (5) business days after such amount is due. If action is taken to collect amounts owing hereunder, EPC shall be entitled to collect, and Franchisee agrees to pay, all costs and expenses of collection, including without limitation reasonable attorneys' fees. EPC shall be under no obligation to re-extend any of the Capital Improvement Allowance after such repayment.

1.3 **Construction.** HSI or its affiliates shall be responsible for oversight, coordination and, except to the extent Franchisee enters into a contract with a general contractor, for construction of the improvements to be funded with the Capital Improvement Allowance (the **"Store Improvements").** Except to the extent such work is covered by a contract entered into directly between Franchisee and a general contractor, HSI or its affiliates shall (a) use reasonable efforts to secure appropriate permits and approvals necessary to construct the Store Improvements, and (b) construct, or enter into agreements with mutually-acceptable third party contractors to construct, the Store Improvements in accordance with mutually-acceptable plans and at competitive and commercially reasonable expense. Franchisee hereby grants HSI, its affiliates, employees and contractors, the right to perform the activities specified above, and hereby agrees to cooperate with HSI in the performance of said activities, including, without limitation, in the filing and prosecution of permit or approval applications, including the filing of the same in Franchisee's name, if required. In addition to standard fees, Franchisee shall pay HSI, for its time dedicated to construction and project management services rendered in connection with the Store Improvements, Ninety Dollars ($90.00) per hour, plus mileage and reasonable reimbursable expenses of HSI's employees (i.e., food and lodging, if necessary). HSI will have no liability to Franchisee or third parties for, and Franchisee hereby waives, all claims, damages or liabilities arising or related to the design or construction of the Store Improvements, other than those which arise out of HSI's gross negligence or breach of this Agreement, and in any event HSI shall not be liable for, and Franchisee hereby waives claims for, any special, incidental, indirect, punitive or consequential losses or damages. Upon request following substantial completion of the Store Improvements, HSI shall assign to Franchisee its assignable rights under any construction agreements or equipment purchase agreements.

2. FRANCHISE AGREEMENTS

2.1 **Franchise Agreements.** Concurrently with this Capital Improvement Agreement, Franchisee shall execute, and cause any Related Parties to enter into, those documents listed on Exhibit C attached hereto.

2.2 **Default; Termination.** The termination of the Franchise Agreement with respect to the Store, whether pursuant to the right of a party to do so under a Franchise Agreement, this Capital Improvement Agreement or another Related Agreement or otherwise, may be referred to herein as a termination. In addition to, and without limitation of, any other termination rights of HDS pursuant to the Franchise Agreement, HDS may terminate the Store pursuant to the Franchise Agreement if Franchisee or any Related Parties are in default pursuant to this Capital Improvement Agreement, Franchise Agreement, Capital Improvement Note or the Related Agreements, including without limitation the failure to repay any amounts due pursuant to the Capital Improvement Note or an inaccuracy in any representation or warranty set out herein or in any Related Agreements. In such event, all amounts due under the Capital Improvement Note are immediately due and payable to EPC, HSI is hereby authorized to suspend any work related to the Store Improvements and HDS is hereby authorized to reduce any amounts owed to Franchisee under the Franchise Agreement or any other franchise agreement or other agreement until all amounts owed to EPC under the Capital Improvement Note have been repaid in full.

3. REPRESENTATIONS AND WARRANTIES

Franchisee hereby represents and warrants to HDS, HSI and EPC as follows:

3.1 **Corporate Authority.** Franchisee is a corporation validly existing in good standing under the laws of the jurisdiction of its incorporation or creation and has all requisite corporate power and authority to carry on its business as now conducted, to enter into this Capital Improvement Agreement, the Capital Improvement Note and the other Related Agreements to which it is a party and to perform all of its obligations thereunder. The execution, delivery and performance of this Capital Improvement Agreement, the Capital Improvement Note and the other Related Agreements have been duly authorized by all necessary corporate action and the execution by no other party is necessary to give full force and effect to this Capital Improvement Agreement, the Capital Improvement Note and each of the Related Agreements. The execution, delivery and performance of the Capital Improvement Agreement, Capital Improvement Note and the other Related Agreements will not (a) violate any provision of any law or regulation applying to Franchisee; (b) violate any provision of the articles of organization, limited liability agreement or member agreement of Franchisee; or (c) result in a breach of or constitute a default under any agreement to which Franchisee is a party or by which it may be bound.

3.2 **Consent.** No order, consent, approval or other authorization by any governmental authority or other party is necessary to authorize the execution, delivery and performance of the Capital Improvement Agreement, Franchise Agreement, Capital Improvement Note and the other Related Agreements.

3.3 **Leases.** Franchisee represents it intends to lease the real property with respect to the Store from Affiliate. [_______] and [_____________] are the sole shareholders of Franchisee and are also the sole shareholders of Affiliate. Franchisee does not lease any equipment used in the operation of the Store. Franchisee will not lease any equipment used in the operation of the Store without the prior written consent of HDS and EPC, which consent shall not be unreasonably withheld.

3.4 **Supply And Other Agreements.** With respect to the Store, there are no agreements, options, rights of first refusal or other similar rights or other contracts of any nature, including without limitation supply, distributor or franchise agreements, and there are no other agreements regarding the operation or merchandising of the Store.

3.5 **Individual Agreements.** Franchisee represents and warrants that each such representation and warranty made in this Section or elsewhere in the Capital Improvement Agreement, Franchise Agreement, Capital Improvement Note or the Related Agreements is accurate as of the date of this Capital Improvement Agreement. Franchisee acknowledges that HDS and EPC are relying upon the continuing accuracy thereof in entering into the Capital Improvement Agreement, Franchise Agreement, Capital Improvement Note, and the Related Agreements and agrees that the inaccuracy at any time thereof shall constitute a default under the Capital Improvement Agreement, Franchise Agreement, Capital Improvement Note and the Related Agreements.

4. MISCELLANEOUS

4.1 **Binding Agreement: Survival.** This Capital Improvement Agreement is binding upon and shall inure to the benefit of the parties and their heirs, representatives, successors and assigns. This Capital Improvement Agreement shall remain in full force and effect until all obligations of each party to this Capital Improvement Agreement, the Franchise Agreement, the Capital Improvement Note, and each Related Agreement have been fully satisfied in accordance with the terms of each such agreement. No failure on the part of a party to exercise, and no delay in exercising any right, power or remedy hereunder or under this Capital Improvement Agreement, the Franchise Agreement, the Capital Improvement Note, or any Related Agreements shall operate as a waiver of such right, power or remedy, nor shall any single or partial exercise of any right, power or remedy hereunder or under any of the foregoing agreements preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy.

4.2 **Cumulative Rights.** No right or remedy conferred or reserved to HDS, EPC, HSI or any related entity is intended to be exclusive of any other right or remedy herein or by law provided, but each shall be cumulative in and in addition to every other right or remedy existing at law, in equity or by statute, now or hereafter.

4.3 **Entire Agreement; Modification.** This Capital Improvement Agreement, the Capital Improvement Note, the Franchise Agreement and the Related Agreements and the exhibits hereto set forth the entire agreement of the parties with respect to the Store and supersedes all prior discussions or understandings, whether oral or in writing. This Capital Improvement Agreement may be altered, modified or amended only by a written document signed by all parties hereto. A waiver of any provision hereunder shall be effective only if such waiver is in writing signed by the party against whom such waiver is sought to be enforced. No course of dealing and no delay on the part of a party in exercising any right, power or remedy under this Capital Improvement Agreement shall operate as a waiver thereof or otherwise prejudice such party’s rights, powers or remedies.

4.4 **Assignment.** Neither this Capital Improvement Agreement nor the Capital Improvement Note may be assigned without the prior written consent of HDS, HSI and EPC; provided, however, HDS, HSI, EPC may assign this Capital Improvement Agreement and Capital Improvement Note to any other person or entity, including without limitation any affiliate.

4.5 **Notice.** Any notice to be given by a party hereto shall be personally delivered (including messenger delivery), or be sent by confirmed facsimile transmission, by registered or certified mail, or by a nationally recognized overnight courier which issues a receipt, in each case postage prepaid, to the other party at the addresses set forth in the preamble, with attention, in the case of EPC, HDS or HSI, to President and Legal Department (or to such other address as may be designated by notice given pursuant to this Section), and shall be deemed given upon personal delivery, confirmation of facsimile transmission, three (3) days after the date postmarked or one (1) business day after delivery to such overnight courier.

4.6 **Governing Law.** The provisions of this Capital Improvement Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, except as may be set out specifically in a Related Agreement.

4.7 **Authority.** Each party has caused this Capital Improvement Agreement to be executed and represents and warrants that its signatory has been and is on the date of this Capital Improvement Agreement duly authorized by all necessary and appropriate corporate action to execute this Capital Improvement Agreement and in the case of Franchisee, duly authorized by all necessary and appropriate corporate action to execute the Capital Improvement Note.

4.8 **Counterparts; Facsimiles.** This Capital Improvement Agreement may be executed in any number of counterparts and all of the signatures to such agreement taken together shall constitute one and the same agreement, and any of the parties hereto may execute such agreement by signing any such counterpart. Facsimile or **PDF** signatures on this Capital Improvement Agreement shall be treated as originals until the actual original signatures are obtained.

4.9 **Unified Transaction.** The transactions contemplated by this Capital Improvement Agreement, the Franchise Agreement, the Capital Improvement Note, and each Related Agreement are a single, unified transaction.

4.10 **No Reliance.** Franchisee acknowledges that it has, in entering into this Capital Improvement Agreement and the Capital Improvement Note, made its own evaluation with respect to the financial prospects of the Store under the Franchise Agreement and hereby acknowledges that none of HDS, EPC or any related entities have made any representation or warranty with respect to the performance of any of the Store as a franchised Holiday Stationstore®.

4.11 **Exhibits.** The following exhibits are attached to this Capital Improvement Agreement and made a part hereof:

Exhibit	**Document**
A	Capital Improvement Note $______
B	Allowances Waiver Schedule
C	Closing Documents

IN AGREEMENT, this Capital Improvement Agreement has been executed as of the date and year first above written.

ERICKSON PETROLEUM, LLC

By:______________________________
Richard D. Johnson, Vice President Operations

[______]

By:______________________________

HOLIDAY DIVERSIFIED SERVICES, LLC

By:______________________________
Richard D. Johnson, Vice President Operations

HOLIDAY STATIONSTORES, LLC

By:______________________________
Richard D. Johnson, Vice President Operations

EXHIBIT A
TO CAPITAL IMPROVEMENT AGREEMENT

ERICKSON PETROLEUM, LLC
CAPITAL IMPROVEMENT NOTE
(#_______ — [city/state])

$________________________ **[date]**

FOR VALUE RECEIVED, **___________________________,** a _________________, ___________________________________ **("Franchisee")** hereby promises to pay to the order of **ERICKSON PETROLEUM, LLC,** a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, Minnesota 55437 **("EPC"),** in accordance with the terms of that certain Capital Improvement Agreement dated as of the date hereof by Holiday Diversified Services, LLC, EPC, Holiday Stationstores, LLC and Franchisee (the **"Capital Improvement Agreement"),** the principal sum of ___________________ Dollars ($________________). Terms used but not defined herein have the meanings given in the Capital Improvement Agreement.

1. **Interest**. Interest shall accrue on the unpaid principal balance of this Capital Improvement Note at the rate of five percent (5.0%) per annum.

2. **Payment**. The principal balance and accrued interest, to the extent not forgiven in accordance with the terms hereof, shall be due and payable in full upon the earlier of (a) __________________________ or (b) the termination of the Franchise Agreement (as defined in the Capital Improvement Agreement). Amounts repaid or forgiven may not be reborrowed. If Franchisee is not in default under any term of the Franchise Agreement, this Capital Improvement Note, the Capital Improvement Agreement or any Related Agreements, then the initial principal balance and accrued interest of this Capital Improvement Note shall be forgiven in accordance with the schedule attached hereto as Exhibit A.

3. **Late Fees**. Franchisee shall pay to EPC a late charge of eighteen percent (18%) per annum, calculated based on a 360-day year, or such lesser percentage which is the highest rate permitted by law in the State of Minnesota, of any amount not received by EPC within five (5) business days after such amount is due. To the extent permissible by law, Franchisee accordingly waives any defense of usury.

4. **Notice**. Any notice to be given hereunder shall be transmitted in accordance with the terms of the Capital Improvement Agreement.

5. **Commercial Purposes**. Franchisee covenants and agrees that all amounts borrowed from EPC pursuant to this Capital Improvement Note will, at all times, be used solely for Capital Improvement Costs relating to the Store.

6. **Cross-Default**. Without limitation of any other term of the Capital Improvement Agreement, this Capital Improvement Note shall be in default if Franchisee is in default of any of the Capital Improvement Agreement, the Franchise Agreement or the Related Agreements. Upon default and expiration of a cure period, if any, this Capital Improvement Note shall be immediately due and payable upon written notice by EPC to Franchisee.

7. **Applicable Law and Severability**. The provisions of this Capital Improvement Note shall be governed by and construed in accordance with the laws of the State of Minnesota. If it should appear that any provision hereof is in conflict with any applicable statute or rule of law, then such provision shall be deemed null and void to the extent that it conflicts therewith, but without invalidating the remaining provisions hereof.

8. **Miscellaneous**. Presentment, notice of dishonor, and protest are hereby waived by Franchisee and any guarantor or other person liable for all or any part of the indebtedness evidenced by this Capital Improvement Note. This Capital Improvement Note shall be binding upon Franchisee's successors and assigns.

[____________________]

By:____
Name/title

EXHIBIT A
TO CAPITAL IMPROVEMENT NOTE

WAIVER SCHEDULE
(#________— [city/state])

	This portion of principal and accrued interest will be forgiven on this date:	**This portion of principal and accrued interest to be repaid following this date:**
First Anniversary Date (date)	5%	95%
Second Anniversary Date (date)	5%	90%
Third Anniversary Date (date)	5%	85%
Fourth Anniversary Date (date)	5%	80%
Fifth Anniversary Date (date)	5%	75%
Sixth Anniversary Date (date)	15%	60%
Seventh Anniversary Date (date)	15%	45%
Eighth Anniversary Date (date)	15%	30%
Ninth Anniversary Date (date)	15%	15%
Tenth Anniversary Date (date)	15%	0%

EXHIBIT B
TO CAPITAL IMPROVEMENT AGREEMENT

ALLOWANCES WAIVER SCHEDULE
(#_______— [city/state])

	This portion of Allowances will be forgiven on this date:	This portion of Allowances to be repaid following this date:
First Anniversary Date (date)	5%	95%
Second Anniversary Date (date)	5%	90%
Third Anniversary Date (date)	5%	85%
Fourth Anniversary Date (date)	5%	80%
Fifth Anniversary Date (date)	5%	75%
Sixth Anniversary Date (date)	15%	60%
Seventh Anniversary Date (date)	15%	45%
Eighth Anniversary Date (date)	15%	30%
Ninth Anniversary Date (date)	15%	15%
Tenth Anniversary Date (date)	15%	0%

EXHIBIT C
TO CAPITAL IMPROVEMENT AGREEMENT

CLOSING DOCUMENTS
(#____ — [city/state])

(A) Capital Improvement Agreement

(B) Capital Improvement Note ($_______________)

(C) Franchise Agreement with Exhibits A-D.

(D) First Amendment to Franchise Agreement

(E) State Law Addenda to Franchise Agreement

(F) Confidentiality Agreement

(G) Sign Rental Agreement

(H) Personal Guaranty

(I) Memorandum of Right to Meet and Confer

(J) Consent and Joinder

Exhibit H-3

HOLIDAY DIVERSIFIED SERVICES, LLC
CONSTRUCTION AGREEMENT
(#[*store#*] — [*city/state*])

THIS AGREEMENT (this **"Construction Agreement"),** dated as of ____________________ is among **HOLIDAY DIVERSIFIED SERVICES, LLC,** a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, Minnesota 55437, **("HDS"), ERICKSON PETROLEUM, LLC,** a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, MN 55437 **("EPC"), HOLIDAY STATIONSTORES, LLC,** a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, MN 55437 **("HSI"),** and **__________________________,** a ___________________, ____ **("Franchisee").**

RECITALS:

A. **[__________]**, a _______________________ **("Affiliate")** currently owns property located at ____________________________ (the **"Property").** Franchisee is an affiliate of Affiliate and currently leases the Property from Affiliate pursuant to that certain Lease Agreement dated ______________________ (as amended, the **"Lease")**.

B. Franchisee desires to construct a gasoline station/convenience store on the Property (the "Store") and to enter into a franchise agreement (as amended, the **"Franchise Agreement")** with HDS with respect to the Store in order to operate it as a franchised Holiday® Stationstore.

C. In connection with the Franchise Agreement, Franchisee has asked that EPC extend certain financial accommodations with respect to the Store as further set out in this Construction Agreement. EPC is willing to extend such financial accommodations in accordance with the terms of this Construction Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

5. FINANCIAL ACCOMMODATIONS

5.1 **Construction Allowance.** Subject to the repayment provisions of Section 1.2, EPC hereby agrees to pay up to _________________________________ ($_________) (the **"Construction Allowance")** for the Store to, or for the benefit of, Franchisee for costs related to remodeling and reimaging of the Store with the Holiday® brand (the **"Construction Costs").** Concurrently herewith, Franchisee shall execute the Construction Note attached hereto as Exhibit A (the **"Construction Note").** The Construction Allowance (a) shall only be used to fund Construction Costs incurred [within one (1) year of the date hereof]; (b) shall only be disbursed as needed for the Store following the date hereof; (c) shall be disbursed directly to EPC for any Construction Costs for which EPC or an affiliate directly pays the applicable vendor; and (d) shall otherwise be disbursed directly to Franchisee after the applicable Construction Costs have been incurred and upon presentation to EPC of documentation evidencing the applicable Construction Costs.

5.2 **Repayment.** The consideration for the extension of the Construction Allowance by EPC is the agreement of Franchisee and the other related parties to enter into and to perform pursuant to the Franchise Agreement, Construction Note and other agreements listed on Exhibit C (the **"Related Agreements").** Accordingly, Franchisee hereby agrees to repay the Construction Allowance to EPC in accordance with the following terms:

(a) On dates set forth on Exhibit B, a portion of the Construction Allowance shall be waived, as set out in the Allowances Waiver Schedule attached hereto as Exhibit B unless on such date Franchisee or any other signatory to any Related Agreement **("Related Parties")** is in default pursuant to this Construction Agreement, Franchise Agreement, Construction Note, or Related Agreements.

(b) In the event of a termination of the Franchise Agreement, Franchisee shall, within five (5) business days following written demand from EPC, repay to EPC an amount equal to (1) the total of all Construction Allowance advanced by EPC prior to the date of such termination, times (2) the percentage set out in Column B of the applicable Allowance Waiver Schedule. In the event of termination, no Construction Allowance may be further advanced with respect to the Store.

(c) Franchisee shall pay to EPC a late charge of eighteen percent (18%) per annum, or such lesser percentage which is the highest rate permitted by law in the State of Minnesota, of any such amount not received by EPC within five (5) business days after such amount is due. If action is taken to collect amounts owing hereunder, EPC shall be entitled to collect, and Franchisee agrees to pay, all costs and expenses of collection, including without limitation reasonable attorneys' fees. EPC shall be under no obligation to re-extend any of the Construction Allowance after such repayment.

5.3 **Construction.** HSI or its affiliates shall be responsible for oversight, coordination and, except to the extent Franchisee enters into a contract with a general contractor, for construction of the improvements to be funded with the Construction Allowance (the **"Store Improvements").** Except to the extent such work is covered by a contract entered into directly between Franchisee and a general contractor, HSI or its affiliates shall (a) use reasonable efforts to secure appropriate permits and approvals necessary to construct the Store Improvements, and (b) construct, or enter into agreements with mutually-acceptable third party contractors to construct, the Store Improvements in accordance with mutually-acceptable plans and at competitive and commercially reasonable expense. Franchisee hereby grants HSI, its affiliates, employees and contractors, the right to perform the activities specified above, and hereby agrees to cooperate with HSI in the performance of said activities, including, without limitation, in the filing and prosecution of permit or approval applications, including the filing of the same in Franchisee's name, if required. In addition to standard fees, Franchisee shall pay HSI, for its time dedicated to construction and project management services rendered in connection with the Store Improvements, Ninety Dollars ($90.00) per hour, plus mileage and reasonable reimbursable expenses of HSI's employees (i.e., food and lodging, if necessary). HSI will have no liability to Franchisee or third parties for, and Franchisee hereby waives, all claims, damages or liabilities arising or related to the design or construction of the Store Improvements, other than those which arise out of HSI's gross negligence or breach of this Agreement, and in any event HSI shall not be liable for, and Franchisee hereby waives claims for, any special, incidental, indirect, punitive or consequential losses or damages. Upon request following substantial completion of the Store Improvements, HSI shall assign to Franchisee its assignable rights under any construction agreements or equipment purchase agreements.

6. FRANCHISE AGREEMENTS

6.1 **Franchise Agreements.** Concurrently with this Construction Agreement, Franchisee shall execute, and cause any Related Parties to enter into, those documents listed on Exhibit C attached hereto.

6.2 **Default; Termination.** The termination of the Franchise Agreement with respect to the Store, whether pursuant to the right of a party to do so under a Franchise Agreement, this Construction Agreement or another Related Agreement or otherwise, may be referred to herein as a termination. In addition to, and without limitation of, any other termination rights of HDS pursuant to the Franchise Agreement, HDS may terminate the Store pursuant to the Franchise Agreement if Franchisee or any

Related Parties are in default pursuant to this Construction Agreement, Franchise Agreement, Construction Note or the Related Agreements, including without limitation the failure to repay any amounts due pursuant to the Construction Note or an inaccuracy in any representation or warranty set out herein or in any Related Agreements. In such event, all amounts due under the Construction Note are immediately due and payable to EPC, HSI is hereby authorized to suspend any work related to the Store Improvements and HDS is hereby authorized to reduce any amounts owed to Franchisee under the Franchise Agreement or any other franchise agreement or other agreement until all amounts owed to EPC under the Construction Note have been repaid in full.

7. REPRESENTATIONS AND WARRANTIES

Franchisee hereby represents and warrants to HDS, HSI and EPC as follows:

7.1 **Corporate Authority.** Franchisee is a corporation validly existing in good standing under the laws of the jurisdiction of its incorporation or creation and has all requisite corporate power and authority to carry on its business as now conducted, to enter into this Construction Agreement, the Construction Note and the other Related Agreements to which it is a party and to perform all of its obligations thereunder. The execution, delivery and performance of this Construction Agreement, the Construction Note and the other Related Agreements have been duly authorized by all necessary corporate action and the execution by no other party is necessary to give full force and effect to this Construction Agreement, the Construction Note and each of the Related Agreements. The execution, delivery and performance of the Construction Agreement, Construction Note and the other Related Agreements will not (a) violate any provision of any law or regulation applying to Franchisee; (b) violate any provision of the articles of organization, limited liability agreement or member agreement of Franchisee; or (c) result in a breach of or constitute a default under any agreement to which Franchisee is a party or by which it may be bound.

7.2 **Ownership.** [___________] and [____________________] are the sole shareholders of Franchisee, and are also the sole members of Affiliate.

7.3 **Consent.** No order, consent, approval or other authorization by any governmental authority or other party is necessary to authorize the execution, delivery and performance of the Construction Agreement, Franchise Agreement, Construction Note and the other Related Agreements.

7.4 **Leases.** Franchisee has provided to HDS a true, correct and complete copy of the Lease. Franchisee will not lease any equipment used in the operation of the Store without the prior written consent of HDS and EPC, which consent shall not be unreasonably withheld.

7.5 **Supply And Other Agreements.** With respect to the Store, there are no agreements, options, rights of first refusal or other similar rights or other contracts of any nature, including without limitation supply, distributor or franchise agreements. There are no agreements regarding the operation or merchandising of the Store.

7.6 **Individual Agreements.** Franchisee represents and warrants that each such representation and warranty made in this Section or elsewhere in the Construction Agreement, Franchise Agreement, Construction Note or the Related Agreements is accurate as of the date of this Construction Agreement. Franchisee acknowledges that HDS and EPC are relying upon the continuing accuracy thereof in entering into the Construction Agreement, Franchise Agreement, Construction Note, and the Related Agreements and agrees that the inaccuracy at any time thereof shall constitute a default under the Construction Agreement, Franchise Agreement, Construction Note and the Related Agreements.

8. MISCELLANEOUS

8.1 **Binding Agreement; Survival.** This Construction Agreement is binding upon and shall inure to the benefit of the parties and their heirs, representatives, successors and assigns. This Construction Agreement shall remain in full force and effect until all obligations of each party to this Construction Agreement, the Franchise Agreement, the Construction Note, and each Related Agreement have been fully satisfied in accordance with the terms of each such agreement. No failure on the part of a party to exercise, and no delay in exercising any right, power or remedy hereunder or under this Construction Agreement, the Franchise Agreement, the Construction Note, or any Related Agreements shall operate as a waiver of such right, power or remedy, nor shall any single or partial exercise of any right, power or remedy hereunder or under any of the foregoing agreements preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy.

8.2 **Cumulative Rights.** No right or remedy conferred or reserved to HDS, EPC, HSI or any related entity is intended to be exclusive of any other right or remedy herein or by law provided, but each shall be cumulative in and in addition to every other right or remedy existing at law, in equity or by statute, now or hereafter.

8.3 **Entire Agreement; Modification.** This Construction Agreement, the Construction Note, the Franchise Agreement and the Related Agreements and the exhibits hereto set forth the entire agreement of the parties with respect to the Store and supersedes all prior discussions or understandings, whether oral or in writing. This Construction Agreement may be altered, modified or amended only by a written document signed by all parties hereto. A waiver of any provision hereunder shall be effective only if such waiver is in writing signed by the party against whom such waiver is sought to be enforced. No course of dealing and no delay on the part of a party in exercising any right, power or remedy under this Construction Agreement shall operate as a waiver thereof or otherwise prejudice such party's rights, powers or remedies.

8.4 **Assignment.** Neither this Construction Agreement nor the Construction Note may be assigned without the prior written consent of HDS, HSI and EPC; provided, however, HDS, HSI, EPC may assign this Construction Agreement and Construction Note to any other person or entity, including without limitation any affiliate.

8.5 **Notice.** Any notice to be given by a party hereto shall be personally delivered (including messenger delivery), or be sent by confirmed facsimile transmission, by registered or certified mail, or by a nationally recognized overnight courier which issues a receipt, in each case postage prepaid, to the other party at the addresses set forth in the preamble, with attention, in the case of EPC, HDS or HSI, to President and Legal Department (or to such other address as may be designated by notice given pursuant to this Section), and shall be deemed given upon personal delivery, confirmation of facsimile transmission, three (3) days after the date postmarked or one (1) business day after delivery to such overnight courier.

8.6 **Governing Law.** The provisions of this Construction Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, except as may be set out specifically in a Related Agreement.

8.7 **Authority.** Each party has caused this Construction Agreement to be executed and represents and warrants that its signatory has been and is on the date of this Construction Agreement duly authorized by all necessary and appropriate corporate action to execute this Construction Agreement and in the case of Franchisee, duly authorized by all necessary and appropriate corporate action to execute the Construction Note.

8.8 **Counterparts; Facsimiles.** This Construction Agreement may be executed in any number of counterparts and all of the signatures to such agreement taken together shall constitute one and the same agreement, and any of the parties hereto may execute such agreement by signing any such counterpart. Facsimile or PDF signatures on this Construction Agreement shall be treated as originals until the actual original signatures are obtained.

8.9 **Unified Transaction.** The transactions contemplated by this Construction Agreement, the Franchise Agreement, the Construction Note, and each Related Agreement are a single, unified transaction.

8.10 **No Reliance.** Franchisee acknowledges that it has, in entering into this Construction Agreement and the Construction Note, made its own evaluation with respect to the financial prospects of the Store under the Franchise Agreement and hereby acknowledges that none of HDS, EPC or any related entities have made any representation or warranty with respect to the performance of any of the Store as a franchised Holiday Stationstore®.

8.11 **Exhibits.** The following exhibits are attached to this Construction Agreement and made a part hereof:

Exhibit	**Document**
A	Construction Note $______________
B	Allowances Waiver Schedule
C	Closing Documents

IN AGREEMENT, this Construction Agreement has been executed as of the date and year first above written.

ERICKSON PETROLEUM, LLC

By:______________________________
Gary M. Brant,
Vice President Operations

[________________________]

By:______________________________
[name/title]

HOLIDAY DIVERSIFIED SERVICES, LLC

By:______________________________
Gary M. Brant,
Vice President Operations

HOLIDAY STATIONSTORES, LLC

By:______________________________
Gary M. Brant,
Vice President Operations

EXHIBIT A
TO CONSTRUCTION AGREEMENT

CONSTRUCTION NOTE
(#_______ — [city/state])

$___________________________ **[date]**

FOR VALUE RECEIVED, **_________________________,** a __________________, [*insert address*] **("Franchisee")** hereby promises to pay to the order of **ERICKSON PETROLEUM, LLC,** a Minnesota limited liability company, 4567 American Boulevard West, Minneapolis, Minnesota 55437 **("EPC"),** in accordance with the terms of that certain Construction Agreement dated as of the date hereof by Holiday Diversified Services, LLC, EPC, Holiday Stationstores, LLC and Franchisee (the **"Construction Agreement"),** the principal sum of _________________________ ($______________). Terms used but not defined herein have the meanings given in the Construction Agreement.

9. **Interest**. Interest shall accrue on the unpaid principal balance of this Construction Note at the rate of five percent (5.0%) per annum.

10. **Payment**. The principal balance and accrued interest, to the extent not forgiven in accordance with the terms hereof, shall be due and payable in full upon the earlier of (a) _____________________, or (b) the termination of the Franchise Agreement (as defined in the Construction Agreement). Amounts repaid or forgiven may not be reborrowed. If Franchisee is not in default under any term of the Franchise Agreement, this Construction Note, the Construction Agreement or any Related Agreements, then the initial principal balance and accrued interest of this Construction Note shall be forgiven in accordance with the schedule attached hereto as Exhibit A.

11. **Late Fees**. Franchisee shall pay to EPC a late charge of eighteen percent (18%) per annum, calculated based on a 360-day year, or such lesser percentage which is the highest rate permitted by law in the State of Minnesota, of any amount not received by EPC within five (5) business days after such amount is due. To the extent permissible by law, Franchisee accordingly waives any defense of usury.

12. **Notice**. Any notice to be given hereunder shall be transmitted in accordance with the terms of the Construction Agreement.

13. **Commercial Purposes**. Franchisee covenants and agrees that all amounts borrowed from EPC pursuant to this Construction Note will, at all times, be used solely for Capital Improvement Costs relating to the Store.

14. **Cross-Default**. Without limitation of any other term of the Construction Agreement, this Construction Note shall be in default if Franchisee is in default of any of the Construction Agreement, the Franchise Agreement or the Related Agreements. Upon default and expiration of a cure period, if any, this Construction Note shall be immediately due and payable upon written notice by EPC to Franchisee.

15. **Applicable Law and Severability**. The provisions of this Construction Note shall be governed by and construed in accordance with the laws of the State of Minnesota. If it should appear that any provision hereof is in conflict with any applicable statute or rule of law, then such provision shall be deemed null and void to the extent that it conflicts therewith, but without invalidating the remaining provisions hereof.

16. **Miscellaneous**. Presentment, notice of dishonor, and protest are hereby waived by Franchisee and any guarantor or other person liable for all or any part of the indebtedness evidenced by this Construction Note. This Construction Note shall be binding upon Franchisee's successors and assigns.

[________________________]

By____
[name/title]

EXHIBIT A
TO CONSTRUCTION NOTE

WAIVER SCHEDULE
(#________ — [city/state])

	This portion of principal and accrued interest will be forgiven on this date:	**This portion of principal and accrued interest to be repaid following this date:**
First Anniversary Date (date)	5%	95%
Second Anniversary Date (date)	5%	90%
Third Anniversary Date (date)	5%	85%
Fourth Anniversary Date (date)	5%	80%
Fifth Anniversary Date (date)	5%	75%
Sixth Anniversary Date (date)	15%	60%
Seventh Anniversary Date (date)	15%	45%
Eighth Anniversary Date (date)	15%	30%
Ninth Anniversary Date (date)	15%	15%
Tenth Anniversary Date (date)	15%	0%

EXHIBIT B
TO CONSTRUCTION AGREEMENT

ALLOWANCES WAIVER SCHEDULE
(#____ — [city/state])

	This portion of Allowances will be forgiven on this date:	This portion of Allowances to be repaid following this date:
First Anniversary Date (date)	5%	95%
Second Anniversary Date (date)	5%	90%
Third Anniversary Date (date)	5%	85%
Fourth Anniversary Date (date)	5%	80%
Fifth Anniversary Date (date)	5%	75%
Sixth Anniversary Date (date)	15%	60%
Seventh Anniversary Date (date)	15%	45%
Eighth Anniversary Date (date)	15%	30%
Ninth Anniversary Date (date)	15%	15%
Tenth Anniversary Date (date)	15%	0%

EXHIBIT C
TO CONSTRUCTION AGREEMENT

CLOSING DOCUMENTS
(#____ — [city/state])

(K) Construction Agreement

(L) Construction Note ($_________________)

(M) Franchise Agreement with Exhibits A-D.

(N) First Amendment to Franchise Agreement

(O) State Law Addenda to Franchise Agreement

(P) Confidentiality Agreement

(Q) Sign Rental Agreement

(R) Personal Guaranty

(S) Memorandum of Obligation to Meet and Confer and Right of First Refusal

(T) Consent and Joinder

EXHIBIT I

TO DISCLOSURE DOCUMENT
OF
HOLIDAY DIVERSIFIED SERVICES, LLC

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

Michigan:	July 12, 2023
Minnesota:	PENDING
North Dakota:	PENDING
South Dakota:	PENDING
Washington:	PENDING
Wisconsin:	PENDING

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT J

**TO DISCLOSURE DOCUMENT
OF
HOLIDAY DIVERSIFIED SERVICES, LLC**

RECEIPTS

HOLIDAY DIVERSIFIED SERVICES, LLC

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 Holiday Diversified Services, LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale. Under South Dakota law, if applicable, we must provide this Disclosure Document to you at your first personal meeting to discuss the franchise.

If Holiday Diversified Services, LLC offers you a franchise in Iowa or Michigan, we must give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Holiday Diversified Services, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: Cullen Prouty and Frank Jung of Holiday Diversified Services, LLC, 4567 American Boulevard West, Minneapolis, MN 55437, (952) 830-8700, Gary M. Brant of Holiday Stationstores, LLC, 4567 American Boulevard West, Minneapolis, MN 55437, (952) 830-8700, and ____. [Any other franchise seller involved in a particular franchise transaction must be disclosed here before the Disclosure Document is given to the prospective franchisee.]

Issuance Date: July 12, 2023

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated July 12, 2023 that included the following Exhibits: Exhibit A – State Administrators and Agents for Service of Process; Exhibit B – Financial Statements; Exhibit C – Holiday Stationstores® Franchise Agreement; Exhibit D – List of Franchisees; Exhibit E – Acknowledgment Addendum; Exhibit F – State Addenda to FDD and to Franchise Agreement; Exhibit G – SBA Addendum to Franchise Agreement; Exhibit H – Funding Agreements; Exhibit I - State Effective Dates; and Exhibit J – Receipts.

FRANCHISEE:

____
Print corporate or partnership name)

____
State of incorporation or partnership)

By:_________________________________
Title:________________________________
Address:______________________________
City, State:____________________________
Date:_____________________________________

Please sign this copy of the receipt, date your signature, and return it to Cullen Prouty, Holiday, Diversified Services, LLC, 4567 American Boulevard West, Minneapolis, MN 55437, (952) 830-8700.

Prospective Franchisee's Copy

HOLIDAY DIVERSIFIED SERVICES, LLC

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 Holiday Diversified Services, LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale. Under South Dakota law, if applicable, we must provide this Disclosure Document to you at your first personal meeting to discuss the franchise.

If Holiday Diversified Services, LLC offers you a franchise in Iowa or Michigan, we must give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Holiday Diversified Services, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: Cullen Prouty and Frank Jung of Holiday Diversified Services, LLC, 4567 American Boulevard West, Minneapolis, MN 55437, (952) 830-8700, Gary M. Brant of Holiday Stationstores, LLC, 4567 American Boulevard West, Minneapolis, MN 55437, (952) 830-8700, and ____. [Any other franchise seller involved in a particular franchise transaction must be disclosed here before the Disclosure Document is given to the prospective franchisee.]

Issuance Date: July 12, 2023

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated July 12, 2023 that included the following Exhibits: Exhibit A – State Administrators and Agents for Service of Process; Exhibit B – Financial Statements; Exhibit C – Holiday Stationstores® Franchise Agreement; Exhibit D – List of Franchisees; Exhibit E – Acknowledgment Addendum; Exhibit F – State Addenda to FDD and to Franchise Agreement; Exhibit G – SBA Addendum to Franchise Agreement; Exhibit H – Funding Agreements; Exhibit I - State Effective Dates; and Exhibit J – Receipts.

FRANCHISEE:

____
Print corporate or partnership name)

____
State of incorporation or partnership)

By:_________________________________
Title:_______________________________
Address:_____________________________
City, State:___________________________
Date:_____________________________________

Please sign this copy of the receipt, date your signature, and return it to Cullen Prouty, Holiday, Diversified Services, LLC, 4567 American Boulevard West, Minneapolis, MN 55437, (952) 830-8700.

Franchisor’s Copy