

SECURITIES AND EXCHANGE COMMISSION

FORM S-8

Initial registration statement for securities to be offered to employees pursuant to employee benefit plans

Filing Date: **1999-03-26**
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FILER

UNI MARTS INC

CIK: **805020** | IRS No.: **251311379** | State of Incorpor.: **DE** | Fiscal Year End: **0930**
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SIC: **5412** Convenience stores

Mailing Address
477 E BEAVER AVE
477 E BEAVER AVE
STATE COLLEGE PA 16801

Business Address
477 E BEAVER AVE
STATE COLLEGE PA
16801-5690
8142346000

Registration No. _____

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

UNI-MARTS, INC.

(Exact name of registrant as specified in its charter)

Delaware

25-1311379

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

477 East Beaver Avenue,

State College, PA

16801-5690

(Address of principal executive offices)

(Zip Code)

UNI-MARTS, INC. EMPLOYEE STOCK PURCHASE PLAN

(Full title of the plan)

HENRY D. SAHAKIAN

Chairman and Chief Executive Officer

Uni-Marts, Inc.

477 East Beaver Avenue,

State College, PA 16801

(Name and address of agent for service)

(814) 234-6000

(Telephone number, including area code, of agent for service)

Copy of all communications to:

ROBERT J. LICHTENSTEIN

Morgan, Lewis & Bockius LLP

1701 Market Street

Philadelphia, PA 19103

(215) 963-5000

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per share (1)	Proposed maximum aggregate price per share (1)	Amount of registration fee
Common Stock, \$.10 par value	500,000 (2)	\$2.625	\$1,312,500	\$364.88

(1) Estimated pursuant to Rule 457(h) solely for the purpose of calculating the registration fee, based upon the average of the

high and low sales prices of shares of Common Stock on March 24, 1999, as reported on the American Stock Exchange.

- (2) Pursuant to Rule 416 under the Securities Act of 1933, this Registration Statement also covers such additional shares as may hereinafter be offered or issued to prevent dilution resulting from stock splits, stock dividends, recapitalizations or certain other capital adjustments.

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PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The document containing the information required to be included in Part I of this Registration Statement will be given or sent to all persons who are eligible to participate in the Uni-Marts, Inc. Employee Stock Purchase Plan (the "Plan"), as specified by Rule 428.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (the "Exchange Act") by Uni-Mart's, Inc. (the "Company") are incorporated herein by reference:

(a) The Annual Report of the Company on Form 10-K for the year ended September 30, 1998 and the Amended Annual Report of the Company on Form 10-K/A for the year ended September 30, 1998.

(b) The Quarterly Report of the Company on Form 10-Q for the quarter ended December 31, 1998.

(c) The description of the Company's Common Stock contained in the Company's Registration Statement on Form 8-A/A, filed with the Commission on March 25, 1999.

Each document filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act after the date of this Registration Statement and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the date of filing of such document. Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein (or in any other subsequently filed document which also is incorporated by reference herein) modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed to constitute a part hereof except as so modified or

superseded.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law ("Section 145") permits indemnification of directors, officers, agents and controlling persons of a corporation under certain conditions and subject to certain limitations. Article THIRTEENTH of the Company's Amended and Restated Certificate of Incorporation (the "Certificate") requires the Company to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in

the right of the Company) by reason of the fact that he is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or other enterprise. The Company will indemnify any such person against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. In the case of an action by or in the right of the Company, no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that despite the adjudication of liability, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper. The Certificate further provides that to the extent a director, officer, employee or agent of the Company has been successful in the defense of any third-party or corporate proceeding referred to above or in the defense of any claim, issue or matter therein, he shall be indemnified against expenses actually and reasonably incurred by him in connection therewith. The Certificate specifies the procedures for determination of entitlement to indemnification.

In addition, Section 145 and the Certificate permit the Company to purchase and maintain insurance that protects its directors, officers, employees and agents or persons who serve in such positions for another corporation or other enterprise at the request of the Company, against any liabilities incurred in connection with their service in such position

whether or not the Company would otherwise have the power to indemnify under the Certificate. The Company maintains such insurance.

The Company has entered into indemnification agreements (the "Indemnification Agreements") with each of its directors. The Indemnification Agreements, which were approved by the Company's Board of Directors and stockholders, provide for prompt indemnification "to the fullest extent permitted by applicable law" and for the prompt advancement of expenses, including reasonable attorneys' fees and other costs and expenses incurred in connection with any action suit or proceeding in which the director is a witness or which is brought against the director in his capacity as a director, officer, employee, agent, or fiduciary of the Company or of any enterprise which the director was serving at the request of the Company. A director cannot be indemnified under the agreement if he did not act in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company; and with respect to criminal proceedings, a director cannot be indemnified if he had reasonable cause to believe his conduct was unlawful. The agreements provide specific guidelines as to when and under what circumstances indemnification may be provided and/or expenses may be advanced, and also require that, if directors' and officers' liability insurance is maintained, each director be provided with the maximum coverage provided to any other director. Rights of directors under the Indemnification Agreements are in addition to any other rights available to them under Delaware law, directors' and officers' liability insurance, the Company's Certificate, as amended, or otherwise, but double payment is prohibited by the terms of the Indemnification Agreements. The Indemnification Agreements continue until and terminate upon the later of ten years after the date that the indemnitee shall

have ceased to serve as a director of the Company of the final termination of all pending proceedings in respect of which the indemnitee is granted rights of indemnification or advancement of expenses.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

The following exhibits are filed as part of this Registration Statement.

Exhibit
Number

Exhibit

5.1 Opinion of Saul, Ewing, Remick & Saul LLP

10.1 Uni-Marts, Inc. Employee Stock Purchase Plan

- 23.1 Consent of Deloitte & Touche LLP
- 23.2 Consent of Saul, Ewing, Remick & Saul LLP (included in its opinion filed as Exhibit 5.1 hereto)
- 24.1 Power of Attorney (included on signature page of this Registration Statement)

Item 9. Undertakings.

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change in such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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(3) To remove from any registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona

fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES AND POWER OF ATTORNEY

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly

authorized, in State College, Pennsylvania, on March 26, 1999.

UNI-MARTS, INC.

/S/ HENRY D. SAHAKIAN

By: -----

Henry D. Sahakian
Chairman of the Board
(Principal Executive Officer)

/S/ J. KIRK GALLAHER

By: -----

J. Kirk Gallaher
Executive Vice President and
Chief Financial Officer
(Principal Accounting Officer)
(Principal Financial Officer)

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the date indicated.

EACH PERSON IN SO SIGNING ALSO MAKES, CONSTITUTES AND APPOINTS HENRY D. SAHAKIAN AND J. KIRK GALLAHER, AND EACH OF THEM ACTING ALONE, HIS TRUE AND LAWFUL ATTORNEY-IN-FACT, WITH FULL POWER OF SUBSTITUTION, TO EXECUTE AND CAUSE TO BE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, ANY AND ALL AMENDMENTS AND POST-EFFECTIVE AMENDMENTS TO THIS REGISTRATION STATEMENT, WITH EXHIBITS THERETO AND OTHER DOCUMENTS IN CONNECTION THEREWITH, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEY-IN-FACT OR HIS SUBSTITUTE OR SUBSTITUTES MAY DO OR CAUSE TO BE DONE BY VIRTUE HEREOF.

Name	Capacity	Date
------	----------	------

/S/ HENRY D. SAHAKIAN ----- Henry D. Sahakian	Chairman of the Board (principle executive officer)	March 26, 1999
---	--	----------------

/S/ J. KIRK GALLAHER ----- J. Kirk Gallaher	Executive Vice President, Director and Chief Financial Officer (principal financial and accounting officer)	March 26, 1999
---	--	----------------

M. Michael Arjmand Director

/S/ HERBERT C. GRAVES

Herbert C. Graves Director March 26 , 1999

/S/ STEPHEN B. KRUMHOLZ

Stephen B. Krumholz Director March 26, 1999

/S/ DANIEL D. SAHAKIAN

Daniel D. Sahakian Director March 26, 1999

/S/ GEROLD C. SHEA

Gerold C. Shea Director March 26, 1999

UNI-MARTS, INC.
REGISTRATION STATEMENT ON FORM S-8

EXHIBIT INDEX

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23.2	Consent of Saul, Ewing, Remick & Saul LLP (included in its opinion filed as Exhibit 5.1 hereto)
24.1	Power of Attorney (included on signature page of this Registration Statement)

LAW OFFICES OF

SAUL, EWING, REMICK & SAUL LLP

BALTIMORE, MARYLAND	CENTRE SQUARE WEST	NEW YORK, NEW YORK
BERWYN, PENNSYLVANIA	1500 MARKET STREET, 38TH FLOOR	PRINCETON, NEW JERSEY
HARRISBURG, PENNSYLVANIA	PHILADELPHIA, PA 19102-2186	WILMINGTON, DELAWARE

(215) 972-7777

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March 25, 1999

Uni-Marts, Inc.
477 East Beaver Avenue
State College, PA 16801-5690

Gentlemen:

We refer to the Registration Statement on Form S-8 (the "Registration Statement") of Uni-Marts, Inc., a Delaware corporation (the "Company"), covering the registration under the Securities Act of 1933, as amended (the "Securities Act"), of 500,000 shares of common stock, par value \$0.10 per share, of the Company (the "Shares") pursuant to the Uni-Marts, Inc. Employee Stock Purchase Plan (the "Plan").

We have examined the Registration Statement, the Certificate of Incorporation and By-laws of the Company, the Plan and such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this Opinion.

Based on the foregoing, it is our opinion that the issuance of the Shares has been duly authorized and, when issued in accordance with the terms of the Plan, the Shares will be validly issued, fully paid and non-assessable.

We hereby consent to the use of our name in the Registration Statement as counsel who will pass upon the legality of the Shares for the Company and as having prepared this Opinion as an exhibit to the Registration Statement. In giving the foregoing consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and

regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/S/ SAUL, EWING, REMICK & SAUL LLP

UNI-MARTS, INC.
EMPLOYEE STOCK PURCHASE PLAN

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ARTICLE I
INTRODUCTION

Sec. 1.01 STATEMENT OF PURPOSE. The purpose of the Uni-Marts, Inc. Employee Stock Purchase Plan is to provide eligible employees of the Company an opportunity to purchase common stock of the Company. The Board of Directors of the Company believes that employee participation in stock ownership will be to the mutual benefit of both the employees and the Company. The Plan will be effective January 1, 1999, contingent upon approval by the shareholders of the Company within 12 months after the date on which the Plan is adopted.

Sec. 1.02 INTERNAL REVENUE CODE CONSIDERATIONS. The Plan is intended to constitute an "employee stock purchase plan" within the meaning of section 423 of the Internal Revenue Code of 1986, as amended.

Sec. 1.03 ERISA CONSIDERATIONS. The Plan is not intended and shall not be construed as constituting an "employee benefit plan," within the meaning of section 3(3) of the Employee Retirement Income Security Act of 1974, as amended.

ARTICLE II
DEFINITIONS

Sec. 2.01 "Board of Directors" means the board of directors of the Company or a committee of the board of directors authorized to act on its behalf.

Sec. 2.02 "Code" means the Internal Revenue Code of 1986, as amended, and any successor statute of similar nature. References to specific sections of the Code shall be taken to be references to corresponding sections of any successor statute.

Sec. 2.03 "Committee" means the committee appointed by the Board of Directors to administer the Plan, as provided in Section 6.03.

Sec. 2.04 "Company" means Uni-Marts, Inc., a Delaware corporation.

Sec. 2.05 "Effective Date" shall mean a January 1, 1999.

Sec. 2.06 "Election Date" means each October 1, January 1, April 1, and July 1 or such other dates as the Committee shall specify.

Sec. 2.07 "Eligible Employee" means each employee of the Company (i) who is classified by the Company as a full or part-time employee (and not as an independent contractor), (ii) whose customary employment is for more than twenty (20) hours per week and for more than five (5) months per year, (iii) who is not deemed for purposes of

section 423(b) (3) of the Code to own stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company, and (iv) who has completed at least one year of service with the Company.

Sec. 2.08 "Exchange Act" means the Securities Exchange Act of 1934, as amended, and as the same may hereafter be amended.

Sec. 2.09 "Market Value" means the last price for the Stock as reported on the principal market on which the Stock is traded for the date of reference. If there was no such price reported for the date of reference, "Market Value" means the last reported price for the Stock on the day next preceding the date of reference for which such price was reported.

Sec. 2.10 "Participant" means each Eligible Employee who elects to participate in the Plan.

Sec. 2.11 "Plan" means the Uni-Marts, Inc. Employee Stock Purchase Plan, as set forth herein and as hereafter amended.

Sec. 2.12 "Plan Year" means each fiscal year of the Company during which the Plan is in effect.

Sec. 2.13 "Purchase Agreement" means the instrument prescribed by the Committee pursuant to which an Eligible Employee may enroll as a Participant and subscribe for the purchase of shares of Stock on the terms and conditions offered by the Company. The Purchase Agreement is intended to evidence the Company's offer of an option to the Eligible Employee to purchase Stock on the terms and conditions set forth therein and herein.

Sec. 2.14 "Purchase Date" means the last day of each Purchase Period.

Sec. 2.15 "Purchase Period" means each quarterly period or other period specified by the Committee, beginning on or after the Effective Date, during which the Participant's Stock purchase is funded through payroll deduction accumulations (or a lump sum deposit if permitted under Section 4.05(b)).

Sec. 2.16 "Purchase Price" means the purchase price for shares of Stock purchased under the Plan, determined as set forth in Section 4.03.

Sec. 2.17 "Stock" means the common stock of the Company.

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ARTICLE III ADMISSION TO PARTICIPATION

Sec. 3.01 INITIAL PARTICIPATION. An Eligible Employee may elect to participate in the Plan and may become a Participant effective as of any Election Date, by executing and filing with the Committee a Purchase Agreement at such time in advance of such Election Date as the Committee shall prescribe. The Purchase Agreement shall remain in effect until modified or canceled in accordance with the terms of this Plan.

Sec. 3.02 DISCONTINUANCE OF PARTICIPATION. A Participant may voluntarily cease his or her participation in the Plan and stop payroll deductions at any time by filing a notice of cessation of participation on such form and at such time in advance of the Purchase Date as the Committee shall prescribe. Notwithstanding anything in

the Plan to the contrary, if a Participant ceases to be an Eligible Employee, his or her participation automatically shall cease, no further purchase of Stock shall be made for the Participant and the Participant may obtain payment of any funds held in his or her account under the Plan.

Sec. 3.03 READMISSION TO PARTICIPATION. Any Eligible Employee who has previously been a Participant, who has discontinued participation (whether by cessation of eligibility or otherwise), and who wishes to be reinstated as a Participant may again become a Participant by executing and filing with the Committee a new Purchase Agreement. Reinstatement to Participant status shall be effective as of any Election Date, provided the Participant files a new Purchase Agreement with the Committee at such time in advance of the Election Date as the Committee shall prescribe.

ARTICLE IV
STOCK PURCHASE AND DISTRIBUTION OR WITHDRAWALS

Sec. 4.01 RESERVATION OF SHARES. There shall be 500,000 shares of Stock authorized for issuance or transfer under the Plan, subject to adjustment in accordance with the antidilution provisions hereinafter set forth. Except as provided in Section 5.02, the aggregate number of shares of Stock that may be purchased under the Plan shall not exceed the number of shares of Stock reserved under the Plan.

Sec. 4.02 LIMITATIONS ON SHARES AVAILABLE.

(a) The maximum number of shares of Stock that may be purchased for each Participant on a Purchase Date is the lesser of (a) the number of whole shares of Stock that can be purchased by applying the full balance of the Participant's withheld funds to the purchase of shares of Stock at the Purchase Price, or (b) the Participant's proportionate part of the maximum number of whole shares of Stock available under the Plan, as stated in Sections 4.01 and 5.01.

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(b) The maximum number of shares of Stock that a Participant may purchase during a Purchase Period is 6,000; however, the Committee may select a different limitation prior to the first day of any such Purchase Period.

(c) Notwithstanding all of the foregoing, as a further limitation, if any person entitled to purchase shares pursuant to any offering under the Plan would be deemed for purposes of section 423(b)(3) of the Code to own stock (including any number of shares of Stock that such person would be entitled to purchase under the Plan) possessing five percent (5%) or more of the total combined voting

power or value of all classes of stock of Company, the maximum number of shares of Stock that such person shall be entitled to purchase pursuant to the Plan shall be reduced to that number which, when added to the number of shares of stock that such person is deemed to own (excluding any number of shares of Stock that such person would be entitled to purchase under the Plan), is one less than such five percent (5%). Any amounts withheld from a Participant's compensation that cannot be applied to the purchase of Stock by reason of the foregoing limitation shall be returned to the Participant as soon as practicable.

Sec. 4.03 PURCHASE PRICE OF SHARES. The Purchase Price per share of the Stock sold to Participants pursuant to any offering under the Plan shall be 90% of the average Market Value of such share for all of the trading days during the Purchase Period but in no event less than the lower of (i) 90% of the Market Value of such share on the first day of the Purchase Period or (ii) 90% of the Market Value of such share on the Purchase Date. Notwithstanding the foregoing, the Board of Directors may determine that the Purchase Price shall be the Market Value, or a percentage of the Market Value, on either of such dates or the lower of such dates, so long as the percentage shall not be lower than 85% of such Market Value.

Sec. 4.04 EXERCISE OF PURCHASE PRIVILEGE.

(a) On the first day of each Purchase Period, each Participant shall be granted an option to purchase shares of Stock at the Purchase Price specified in Section 4.03 as of the Purchase Date. The option shall continue in effect through the Purchase Date for the Purchase Period and may be exercised only on the Purchase Date. Subject to the provisions of Section 4.02 above and of paragraph (c) of this Section 4.04, on each Purchase Date, the Participant shall automatically be deemed to have exercised his or her option to purchase shares of Stock, unless he or she notifies the Committee, in such manner and at such time in advance of the Purchase Date as the Committee shall prescribe, of his or her desire not to make such purchase.

(b) There shall be purchased for the Participant on each Purchase Date, at the Purchase Price for the Purchase Period, the largest number of whole shares of Stock as can be purchased with the

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amounts withheld from the Participant's compensation (or deposited by the Participant as described in Section 4.05(b) during the Purchase Period. Each such purchase shall be deemed to have occurred on the Purchase Date occurring at the close of the Purchase Period for which the purchase was made.

(c) A Participant may not purchase shares of Stock having an aggregate Market Value of more than twenty-five thousand dollars (\$25,000), determined at the beginning of each Purchase Period, during any calendar year in which one or more offerings under this Plan are outstanding at any time, and a Participant may not purchase a share of Stock under any offering after the expiration of the Purchase Period for the offering.

Sec. 4.05 PAYROLL DEDUCTIONS AND DEPOSITS.

(a) Each Participant may authorize payroll deductions from his or her compensation for the purpose of funding the purchase of Stock pursuant to his or her Purchase Agreement. In the Purchase Agreement, each Participant shall authorize an after-tax payroll deduction from each payment of compensation during a Purchase Period of an amount not less than \$20 per paycheck (\$40 for any Participant on a monthly payroll period) and not more than 25% of such Participant's compensation. A Participant may change the deduction to any permissible level effective as of any Election Date. A change shall be made by the Participant's filing with the Committee of a notice in such form and at such time in advance of the date on which the change is to be effective as the Committee shall prescribe.

(b) The Committee may allow Participants to deposit funds with the Company to be used for the purpose of purchasing Stock pursuant to his or her Purchase Agreement, instead of or in addition to payroll deductions pursuant to subsection (a). The total amount that a Participant may contribute to the Plan during a Purchase Period (through payroll deductions and deposits) may not exceed 25% of the Participant's compensation for the Purchase Period. The Committee shall designate the dates by which any such deposits must be made for a Purchase Period.

Sec. 4.06 PAYMENT FOR STOCK. The Purchase Price for all shares of Stock purchased by a Participant under the Plan shall be paid out of the Participant's authorized payroll deductions (and any deposits made by a Participant pursuant to Section 4.05(b), if permitted by the Committee). All funds received or held by the Company under the Plan are general assets of the Company, shall be held free of any trust or other restriction, and may be used for any corporate purpose.

(a) The shares of Stock purchased by a Participant on a Purchase Date shall, for all purposes, be deemed to have been issued or sold at the close of business on the Purchase Date. Prior to that time, none of the rights or privileges of a shareholder of the Company shall inure to the Participant with respect to such shares of Stock. All the shares of Stock purchased under the Plan shall be credited to an account on the books of the Company until delivered by the Company in a manner as determined by the Committee.

(b) The Committee, in its sole discretion, may determine that shares of Stock shall be delivered by the Company by (i) issuing and delivering to the Participant a certificate for the number of shares of Stock purchased by the Participant on a Purchase Date or during a Plan Year or other period determined by the Committee, (ii) issuing and delivering certificates for the number of shares of Stock purchased by all Participants on a Purchase Date or during a Plan Year or other period determined by the Committee to a firm which is a member of the National Association of Securities Dealers, as selected by the Committee from time to time, which shares shall be maintained by such firm in a separate brokerage account for each Participant, or (iii) issuing and delivering certificates for the number of shares of Stock purchased by all Participants on a Purchase Date or during the Plan Year or other period determined by the Committee to a bank or trust company or affiliate thereof, as selected by the Committee from time to time, which shares may be held by such bank or trust company or affiliate in street name, but with a separate account maintained by such entity for each Participant reflecting such Participant's share interests in the Stock; provided, however, that no certificate shall be issued under any circumstances for fewer than 100 shares unless the Participant has terminated employment with the Company. Each certificate or account, as the case may be, may be in the name of the Participant or, if he or she so designates on the Participant's Purchase Agreement, in the Participant's name jointly with the Participant's spouse, with right of survivorship. A Participant who is a resident of a jurisdiction that does not recognize such joint tenancy may have a certificate or account held in the Participant's name as tenant in common with the Participant's spouse, with or without right of survivorship.

(c) In addition to any restrictions or limitations on the withdrawal or distribution of Stock purchased under the Plan as set forth in Section 4.08 or otherwise hereunder, the Committee, in its sole discretion, may impose such restrictions or limitations as it shall determine on the withdrawal or distribution of Stock, the issuance of individual stock certificates or the withdrawal from any shareholder accounts established for a Participant.

(d) Any dividends payable with respect to shares of Stock credited to a shareholder account of a Participant established pursuant to Section 4.07(a) shall be paid directly to the Participant at such time as is administratively practicable as determined by the Committee.

Sec. 4.08 WITHDRAWAL OR DISTRIBUTION OF SHARES.

(a) A Participant may request a withdrawal of shares of Stock purchased for the Participant under the Plan at any time by making a request in such form and at such time as the Committee shall prescribe but in no event prior to 12 months after the Purchase Date of such shares.

(b) If a Participant terminates his or her employment with the Company or otherwise ceases to be an Eligible Employee, subject to the limitation of paragraph (a), the Participant shall receive a distribution of his or her shares of Stock held in any shareholder account established.

(c) If a Participant is to receive a withdrawal or distribution of shares of Stock, the withdrawal or distribution shall be made in whole shares of Stock.

ARTICLE V
SPECIAL ADJUSTMENTS

Sec. 5.01 SHARES UNAVAILABLE. If, on any Purchase Date, the aggregate funds available for the purchase of Stock would purchase a number of shares in excess of the number of shares of Stock then available for purchase under the Plan, the following events shall occur:

(a) The number of shares of Stock that would otherwise be purchased by each Participant shall be proportionately reduced on the Purchase Date in order to eliminate such excess; and

(b) The Plan shall automatically terminate immediately after the Purchase Date as of which the supply of available shares is exhausted.

Sec. 5.02 ANTI-DILUTION PROVISIONS. The aggregate number of shares of Stock reserved for purchase under the Plan, as provided in Section 4.01, and the calculation of the Purchase Price per share may be appropriately adjusted by the Committee to reflect any

increase or decrease in the number of issued shares of Stock resulting from a subdivision or consolidation of shares or other capital adjustment, or the payment of a stock dividend, or other increase or decrease in such shares, if effected without receipt of consideration by the Company.

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Sec. 5.03 EFFECT OF CERTAIN TRANSACTIONS. Subject to any required action by the shareholders, if the Company shall be the surviving corporation in any merger or consolidation, any offering hereunder shall pertain to and apply to the shares of stock of the Company. However, in the event of a dissolution or liquidation of the Company, or of a merger or consolidation in which the Company is not the surviving corporation, the Plan and any offering hereunder shall terminate upon the effective date of such dissolution, unless the Board determines otherwise, liquidation, merger or consolidation, and the balance of any amounts withheld from a Participant's compensation (or deposited pursuant to Section 4.05(b) which had not by such time been applied to the purchase of Stock shall be returned to the Participant.

ARTICLE VI MISCELLANEOUS

Sec. 6.01 NON-ALIENATION. The right to purchase shares of Stock under the Plan is personal to the Participant, is exercisable only by the Participant during the Participant's lifetime, except as hereinafter set forth, and may not be assigned or otherwise transferred by the Participant. If a Participant dies, there shall be delivered to the executor, administrator or other personal representative of the deceased Participant such shares of Stock and such residual amounts as may remain to the Participant's credit from amounts withheld from the Participant's compensation (or deposited pursuant to Section 4.05(b) before the Participant's death) as of the Purchase Date occurring at the close of the period in which the Participant's death occurs, including shares of Stock purchased as of that date or prior thereto with moneys withheld from the Participant's compensation.

Sec. 6.02 ADMINISTRATIVE COSTS. The Company shall pay the administrative expenses associated with the operation of the Plan.

Sec. 6.03 THE COMMITTEE. The Board of Directors shall appoint a Committee, which shall have the authority and power to administer the Plan and to make, adopt, construe, and enforce rules and regulations not inconsistent with the provisions of the Plan. The Committee shall adopt and prescribe the contents of all forms required

in connection with the administration of the Plan, including, but not limited to, the Purchase Agreement, payroll withholding authorizations, withdrawal documents, and all other notices required hereunder. The Committee shall have the fullest discretion permissible under law in the discharge of its duties. The Committee's interpretations and decisions and determinations of fact with respect to the Plan shall be final and conclusive.

Sec. 6.04 AMENDMENT OF THE PLAN. The Board of Directors may, at any time and from time to time, amend the Plan in any respect, except that any amendment that is required to be approved by the

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shareholders under Section 423 of the Code shall be submitted to the shareholders of the Company for approval.

Sec. 6.05 EXPIRATION AND TERMINATION OF THE PLAN. The Plan shall continue in effect for ten (10) years from the Effective Date, unless terminated prior to that date pursuant to the provisions of the Plan or pursuant to action by the Board of Directors. The Board of Directors shall have the right to terminate the Plan at any time without prior notice to any Participant and without liability to any Participant. Upon the expiration or termination of the Plan, the balance, if any, then standing to the credit of each Participant from amounts withheld from the Participant's compensation which has not, by such time, been applied to the purchase of Stock shall be refunded to the Participant.

Sec. 6.06 REPURCHASE OF STOCK. The Company shall not be required to purchase or repurchase from any Participant any of the shares of Stock that the Participant acquires under the Plan.

Sec. 6.07 NOTICE. A Purchase Agreement and any notice that a Participant files pursuant to the Plan shall be on the form prescribed by the Committee and shall be effective only when received by the Committee. Delivery of such forms may be made by hand or by certified mail, sent postage prepaid, to the Committee at 477 East Beaver Avenue, State College, PA 16801-5690. Delivery by any other mechanism shall be deemed effective at the option and discretion of the Committee.

Sec. 6.08 GOVERNMENT REGULATION. The Company's obligation to sell and to deliver the Stock under the Plan is at all times subject to all approvals of any governmental authority required in connection with the authorization, issuance or delivery of such Stock.

Sec. 6.09 HEADINGS, CAPTIONS, GENDER. The headings and captions herein are for convenience of reference only and shall not be considered as part of the text. The masculine shall include the

feminine, and vice versa.

Sec. 6.10 SEVERABILITY OF PROVISIONS, PREVAILING LAW. The provisions of the Plan shall be deemed severable. In the event any such provision is determined to be unlawful or unenforceable by a court of competent jurisdiction or by reason of a change in an applicable statute, the Plan shall continue to exist as though such provision had never been included therein (or, in the case of a change in an applicable statute, had been deleted as of the date of such change). The Plan shall be governed by the laws of the Commonwealth of Pennsylvania to the extent such laws are not in conflict with, or superseded by, federal law.

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Uni-Mart's, Inc. on Form S-8 of our report dated December 16, 1998, appearing in the Annual Report on Form 10-K of Uni-Mart's, Inc. for the year ended September 30, 1998.

/S/ DELOITTE & TOUCHE LLP

Philadelphia, Pennsylvania
March 26, 1999