

The Advertising and Promotion Fees received by BP are typically used by BP to conduct marketing research, produce and purchase advertising art, commercials, musical jingles, internet websites, intranet or extranet, print advertisements, point of sale materials, media advertising, outdoor advertising art, decals, resets, promotion equipment, email or other electronic or other web-based market programs and direct mail pamphlets and literature Advertising and Promotion Fees may also be used to conduct online internet advertising and marketing, including Facebook, Twitter, and other social media, and to pay for click-through charges to search engines, banner advertising sources, and advertising host sites (“**social media**” includes personal blogs, common social networks like Facebook and Myspace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools) Advertising and Promotion Fees may also be used to promote and enhance the image and identity of Proprietary Products, including BP-branded products or branded products of TFC or one of its affiliates (See Note 2 to Item 6), purchase existing marketing and/or advertising materials from affiliates of TFC or BP, or to conduct joint marketing and/or advertising with any third party, including, any affiliate of TFC or BP or any fund managed by any affiliate of TFC or BP These fees may also be spent to retain an advertising or public relations agency and to reimburse TFC or BP for its internal expenses incurred to manage, administer, direct and operate the advertising program BP determines, in its discretion, exercised in good faith, all matters relating to advertising, public relations and promotional campaigns funded by the Advertising and Promotion Fees, and BP is not required (nor is TFC) to allocate or expend any of the Advertising and Promotion Fees for the benefit of any particular franchisee or group of franchisees on a pro rata or proportional basis

If BP spends less than the total of all Advertising and Promotion Fees received from TFC during any fiscal year, BP may accumulate the remaining sums for use on advertising and related expenditures in later years In addition, if there any rebate amounts not earned by you or any other *ampm* franchisees, or any amounts contributed by TFC to its *ampm* marketing fund on behalf of the one *ampm* mini market that TFC owns and operates, and TFC does not spend such amounts during any fiscal year, TFC may accumulate any remaining sums for use on advertising and related expenditures in later years (or provide such funds to BP for BP’s use on advertising the *ampm* system)

BP’s advertising fund, as well as TFC’s advertising fund (if any), are administered by BP’s and TFC’s respective *ampm* marketing personnel No advertising funds are used principally to solicit new franchise sales The funds are not audited and financial statements are not available for your review

No advertising funds were spent by TFC in the 2012 fiscal year However, in the 2012 fiscal year, BP’s advertising funds were spent as follows

Advertising Production & Development	31%
Sales Promotion & Development.	18%
Display/Promotion Allowances to Franchisees.	51%

Except for BP’s marketing fund which your Advertising and Promotion Fees support as set forth above, there is no other advertising fund for the *ampm* system in which you must participate.

You may develop your own advertising material or promotions at your expense, but you must get TFC’s approval before use of such advertising material

While there currently are no advertising councils comprised of franchisees or cooperatives, TFC or BP may form, change, dissolve or merge any advertising councils or cooperatives

## Computer Systems

Your Mini Market must be equipped with a POS/BOS System (defined in Item 5 above), as specified by TFC, for processing transactions at *ampm* mini markets in the Tesoro Region. TFC may periodically modify the specifications for the POS/BOS System and/or any of the components of the POS/BOS System.

### (i) DOFO Franchise Agreements.

This first section of this disclosure regarding computer systems applies if you do not lease the Premises from TFC or Tesoro (i.e., your Franchise Agreement is the DOFO Franchise Agreement).

When you sign the DOFO Franchise Agreement, unless a POS/BOS System meeting TFC's specifications has already been installed at the Mini Market as of the Effective Date, you must purchase a POS/BOS System from a vendor approved by TFC, and have the POS/BOS System installed at the Mini Market by the approved vendor. The POS/BOS Purchase Price due to the vendor(s) will be based on which POS/BOS System you select from among the alternative computer system options designated by TFC, and associated installation costs. The POS/BOS Purchase Price will also be based in part on the number of point of sale devices that you select (depending on the number of lanes at the checkout counter in the Mini Market), subject to TFC's approval, which approval may be withheld by TFC in its sole discretion. (See Item 5 for the estimated ranges of POS/BOS Purchase Price amounts.)

As of the date of this disclosure document, TFC is working with vendors to make two alternative POS/BOS System options available for *ampm* mini markets in the Tesoro Region. The approved and recommended option is expected to be a POS system provided by VeriFone Systems, Inc., integrated with a BOS system made available by JDA Software Group, Inc. (the "**RedPrairie BOS system**"), and collectively with the VeriFone POS component, the "**VeriFone Topaz System**"). The alternative approved option is expected to be a POS system provided by Fiscal Systems, Inc., also required to be utilized along with the RedPrairie BOS system (collectively, the "**Fiscal System**"). TFC currently expects both of these POS/BOS System options to be available commencing on or before April 1, 2014. However, the RedPrairie BOS system is only expected to be capable of interfacing electronically with the POS component of the VeriFone Topaz System, for the indefinite future, the RedPrairie BOS system will not be capable of interfacing electronically with the POS component of the Fiscal System.

In the meantime, the POS/BOS System available for certain *ampm* mini markets in the Tesoro Region is a computer system made available to the Tesoro Region for a limited time by BP (the "**Retalix System**"). Specifically, if you agree to purchase the VeriFone Topaz System before it is available for *ampm* mini markets in the Tesoro Region, the Retalix System may be installed temporarily at your Mini Market at TFC's expense until the VeriFone Topaz System is available. In such case, you may be required to pay TFC the POS/BOS Purchase Price of the VeriFone Topaz System, including estimated costs of installation and Installation Preparation Work, in a non-refundable sum in lawful money of the United States within 30 days after installation of the Retalix System at your Mini Market. (See Item 5 for the estimated ranges of such POS/BOS Purchase Price amounts.) While the Retalix System is in place at the Mini Market, TFC will provide maintenance and support for the Retalix System and you will be responsible for paying maintenance and support fees to TFC. When the VeriFone Topaz System is available for installation, TFC will pay the approved vendor the same amount that you paid to TFC for the VeriFone Topaz System (and estimated installation and Installation Preparation Work costs), and the Retalix System will be removed and the VeriFone Topaz System installed by TFC (or a vendor approved by TFC), all at TFC's expense. Any additional fees owed to the vendor at that time for the VeriFone Topaz System (including for installation and/or Installation Preparation Work), in excess of the amount you paid to TFC when the Retalix System was installed, will be your responsibility. If you elect to purchase the Fiscal System

before it is available for *ampm* mini markets in the Tesoro Region, this option of paying TFC for the cost of the Fiscal System, and having the Retailix System installed temporarily at your Mini Market, will not apply

Although not recommended by TFC, you may elect to purchase for the Mini Market used POS/BOS equipment, provided that it meets TFC's then current specifications for new equipment, is installed by an approved vendor and otherwise complies with the requirements for new equipment

You are solely responsible for all costs and permits associated with installation of the POS/BOS System at the Mini Market, including all Installation Preparation Work. You are also responsible for obtaining and complying with all Permits at your expense. In addition, you will be responsible for all costs and permits associated with upgrading incompatible dispensers, dispenser debit encryption, and card readers at dispensers to be compatible with the POS/BOS System

You must obtain, purchase, lease and/or license from from a supplier designated by TFC, all updates, upgrades, enhancements, replacements and other components to the POS/BOS System, including hardware and software (including Proprietary Software), and obtain service and support for the POS/BOS System that TFC may require (as more fully set forth in the next paragraph). If the Retailix System is temporarily installed at your Mini Market, such items may need to be purchased, leased and/or licensed from BP or from a supplier designated by BP (BP has committed to make such items available for purchasing, leasing and/or licensing by *ampm* franchisees in the Tesoro Region for a limited time )

You must obtain from one or more vendors specified by TFC all required hardware and software maintenance and support services for the POS/BOS System, including access to required software upgrades, and pay such vendors their then current maintenance and support fees. Although you are responsible for negotiating the agreements and associated fees, and paying the vendors directly, for these required support services, TFC estimates your costs for these services to be approximately as follows:

- (i) POS system annual software maintenance and help desk support. \$650 to \$1,200 per year,
- (ii) BOS system annual software maintenance and help desk support \$900 to \$1,200 per year; and
- (iii) POS and BOS hardware maintenance fees Approximately \$1,540 per year (for 2 POS), approximately \$2,000 per year (for 3 POS), approximately \$2,450 per year (for 4 POS), approximately \$2,910 per year (for 5 POS), and approximately \$3,370 per year (for 6 POS)

You must also obtain from a vendor specified by TFC any required services relating to network access and connectivity (according to specifications provided by TFC), and pay such vendors their then current network connection service fees. TFC estimates your costs for such network connection services (for card payment processing) to be between \$50 and \$100 per month. As noted in Item 6, you must also pay TFC a network connection service fee (for fuel tank monitoring and tank environmental alarm monitoring) between \$40 and \$60 per month

There currently is no approved optional equipment. However, TFC may authorize certain other equipment for testing at specific test locations. Until other equipment is added by TFC as "Approved Optional Equipment" to the listings entitled "Mini Market Equipment" or "Computer Equipment" set forth in the Manual as required equipment, you may not add or install other equipment unless otherwise notified in writing by TFC. TFC may approve additional equipment for all franchisees in the Tesoro

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