

FRANCHISE DISCLOSURE DOCUMENT

TMC FRANCHISE CORPORATION
an Arizona Corporation
1130 West Warner Road
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This Disclosure Document describes the offer for the right to operate a retail convenience store under the “Circle K” trade name and service marks and the Circle K convenience store business system (the “Store”). This Disclosure Document also describes the offer for the right to operate a motor fuel business for the sale of (a) Circle K-sourced motor fuel under the “Circle K” trade name and service marks and the Circle K motor fuel business system (the “Motor Fuel Business”) and (b) third-party sourced motor fuel under the Circle K marks (the “Branded Business”). As of the date of this Disclosure Document, we will offer a Motor Fuel Business or Branded Business only to franchisees that already operate or agree to open and operate a Store.

The total investment necessary to begin operations of a Circle K convenience store franchise is from \$614,250 to \$1,927,640 for a newly constructed Circle K Store and \$189,250 to \$1,020,640 if you are converting an existing convenience store to a Circle K Store. This includes \$25,000 to \$27,750 that must be paid to us or our affiliates whether you open a newly constructed Circle K Store or if you convert an existing convenience store to a Circle K Store. If you purchase an existing company-operated Circle K Store from us, the amount you will pay to us is difficult to estimate based on real estate costs as well as the ancillary businesses usually associated with a convenience store and varies depending on the purchase price we negotiate.

The total investment necessary to begin operations of a Branded Business is from \$8,390 to \$67,390. Of this amount, there are not any fees paid to us or an affiliate. The total investment increases to \$553,390 to \$1,902,390 for a newly constructed or rebuilt Motor Fuel Business and \$133,390 to \$1,337,390 if you are converting an existing forecourt to a Motor Fuel Business. This includes \$20,000 to \$50,000 that must be paid to us or our affiliates. The total investment noted in this paragraph for a Branded Business or a Motor Fuel Business is in addition to the total investment necessary to begin operations of the Circle K convenience store franchise.

In addition, we grant to certain qualified persons the right to own and operate multiple Circle K Stores pursuant to a Multiple Site Operator Agreement. You may pay a reduced Initial Franchise Fee for each additional Circle K Store established pursuant to a Multiple Site Operator Agreement. Additionally, if we agree to hold the initial training session near your Store you will be required to pay us a fee to cover our expenses for such sessions.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying

agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Circle K Franchise Planning and Administrative Director, Mitch Filiere, at 1130 West Warner Road, Tempe, AZ 85284; telephone number 602-728-3958.

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

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

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

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STATE COVER PAGE

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

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

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

1. THE FRANCHISE AGREEMENT, MOTOR FUEL AGREEMENT, BRANDING AGREEMENT AND MULTIPLE SITE OPERATOR AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION OR LITIGATION ONLY IN ARIZONA. OUT-OF STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN ARIZONA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT, MOTOR FUEL AGREEMENT, BRANDING AGREEMENT AND MULTIPLE SITE OPERATOR AGREEMENT STATE THAT ARIZONA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE MOTOR FUEL AGREEMENT MAY BE TERMINATED IF YOU FAIL TO PURCHASE A CERTAIN QUANTITY OF MOTOR FUEL FROM US OR OUR AFFILIATE.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source is our agent and represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Registration States Effective Dates: See following page.

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