



## Frequently Asked Questions

\*The communications made through this web page should not be construed as an offer to sell a Circle K<sup>®</sup> franchise in, nor are the communications directed by or on behalf of TMC Franchise Corporation to the residents of, any jurisdiction that requires registration of a franchise prior to offering and selling the franchise in that jurisdiction. No Circle K<sup>®</sup> franchise will be sold to any resident of any such jurisdiction until the offering has been duly registered and declared effective by such jurisdiction and the required offering circular, if any, has been delivered to the prospective franchisee before the sale in compliance with applicable law. Nothing in this disclaimer should be construed as a waiver of any applicable exemption provisions which may be available to TMC Franchise Corporation.

### DO YOU HAVE ANY CIRCLE K STORES FOR SALE? HOW DO I BUY A CIRCLE K?

Existing Circle Ks typically are not offered for sale. Therefore, you will be responsible for locating a site for your Circle K store. Typically, interested franchisees have a location or have land to build a new Circle K store. In addition, if you have property or know of property, we can help you to evaluate the site.

### I DON'T HAVE LAND, WILL CIRCLE K HELP ME ACQUIRE LAND OR DO YOU HAVE ANY LAND FOR SALE?

TMC Franchise Corporation does not locate a particular location for the purpose of retailing fuel and convenience products. However, we do work closely with several land developers and would be happy to put you in contact with those developers.

Here are some general guidelines to assist you in locating a suitable site:

- located on a corner
- approximately 20,000 to 40,000 sq. ft.
- zoned for convenience store & gasoline retailing

### HOW MUCH DOES IT COST TO BECOME A CIRCLE K FRANCHISEE?

Please see our content entitled "Initial Investment."

### DO YOU HAVE FINANCING AVAILABLE?

We do not provide financing. However, there are several third party lenders who can assist qualified franchisees with financing.

### HOW MUCH ARE THE FEES?

Please see our downloadable "Brochure."

#### HOW LONG IS THE TERM OF THE CIRCLE K FRANCHISE AGREEMENT?

The initial term of the Circle K license agreement is 10 years with an option to relicense for one renewal term equal to the initial term of the then current License Agreement. Additionally, franchisees may also be required to have a premises lease along with the Circle K franchisee agreement.

#### WHAT IS THE QUALIFICATION PROCESS TO BECOME A CIRCLE K FRANCHISEE?

The qualification process takes approximately 60 days from the date we receive your completed application. We will complete a credit and background report. You will complete a Bigby-Havis evaluation, attend our Circle K Orientation if you are unfamiliar with the convenience store business, and attend a group interview with our management team.

#### WHAT ARE THE MINIMUM FINANCIAL QUALIFICATIONS FOR A POTENTIAL FRANCHISEE?

\$300,000 net worth which must include \$100,000 in liquid assets, but may vary based upon your ownership interest in the location and the type of project involved.  
(net worth = everything you own minus everything you owe)  
(Liquid assets = cash, plus anything that can be quickly turned into cash, i.e. stocks, bonds, certificates of deposit, cash in bank, etc.)

#### WHY DO I NEED TO HAVE \$300,000 NET WORTH & \$100,000 LIQUID ASSETS?

Net worth and liquid asset requirements are established to ensure that qualified applicants have the means to qualify for necessary funding for store construction as well as provide necessary working capital for the initial stages of operating their convenience store.

#### IF I AM APPLYING UNDER A CORPORATION, WHO HAS TO TURN IN AN APPLICATION?

The managing or principal shareholder(s) is required to be the primary lead on the project and therefore, required to submit an application. If there are equal shareholders, the managing shareholder would provide the application assuming the managing shareholder can meet the minimum financial qualifications on behalf of the corporation. Additionally, under the equal shareholders' scenario, personal financial statements, date of birth, addresses and driver's license numbers are required of all shareholders.

#### I HAVE A SITE AND NEED TO KNOW IF IT WILL QUALIFY TO BECOME A CIRCLE K?

Site evaluations are conducted in the field by qualified Franchise Development Specialists. Please contact (800) 813-7677 to arrange for site evaluations.

#### CAN I HAVE A FAST FOOD RESTAURANT ATTACHED TO THE CIRCLE K?

TMC Franchise Corporation does not encourage or discourage potential franchisees from considering co-branding with branded Quick Serve Restaurants. Each site is evaluated based on certain key success factors and the appropriateness of a fast food offering would have to be evaluated on a case by case basis.

## WHERE CAN I FRANCHISE CIRCLE K?

We are currently offering Circle K franchises in the states of California, Oregon, Washington, and Hawaii.

## WHAT IF MY STATE IS NOT LISTED? WILL YOU BE FRANCHISING HERE SOON?

We are only offering Circle K franchises in the designated states listed in our current UFOC. If you are in one of these states, please contact the Franchise Coordinator at (800) 813-7677 for more details.

## CAN I FRANCHISE A CIRCLE K OUTSIDE OF THE UNITED STATES?

TMC Franchise Corporation currently franchises Circle K stores internationally in seven countries totaling over 4,000 Circle K branded stores. Please see our content, "Our International Business."

## HOW MUCH MONEY WILL I MAKE?

Business Opportunity franchisors are regulated by law regarding the communication of earnings claims. We can provide this information to you in written form in our Uniform Franchise Offering Circular (UFOC) which will be disclosed to you at the first "face to face" meeting with our Franchise Development Manager.

## WHAT KIND OF EDUCATION WILL I RECEIVE?

TMC Franchise Corporation provides a modular Business Educational program which include all aspects of convenience store retailing including but not limited to:

- store operations
- human resources and recruiting techniques
- cost containment/management
- merchandising techniques
- promotional administration
- POS and Back Office Systems

## HOW DO I BENEFIT FROM BECOMING A CIRCLE K FRANCHISEE?

You will benefit from TMC Franchise Corporation's Circle K Franchise Business System in several ways. The experience of our affiliate in operating approximately 2,100 company-operated stores is the foundation for our system. We provide extensive operations manuals that support the day to day business. Franchisees derive benefits from our purchasing agreements for products and equipment negotiated with hundreds of manufacturers who provide goods and services to the entire Circle K convenience store system. Our marketing, merchandising and promotional programs are designed to drive traffic to Circle K stores.