

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

<u>Type of Expenditure</u>	<u>Amount</u>	<u>Method Of Payment</u>	<u>When Due</u>	<u>To Whom Payment is to be Made</u>
License Fee 1a/	\$0 to \$30,000	Lump Sum	At Signing	VIOCF
Development Fee 1b/	\$2,500 per Center (if you convert an existing oil change facility to a Center) \$2,500 to \$10,000 per Center (if you construct a new Center)	Lump Sum	At Signing of Development Agreement	VIOCF
Land and Improvements Purchased 2a/ or	\$930,000 to \$1,575,000	As Arranged	Note 2a	Note 2a
Land and Improvements Leased for <u>Three Months</u> 2b/	\$20,925 to \$31,387	Monthly	Note 2b	Note 2b
Grand Opening Expenses and Advertising 3/	\$7,500 to \$10,000	Lump Sum	Opening	VIOCF or designee
Training 4/	\$3,000 to \$7,500	As Arranged	Before Opening	Suppliers of transportation, food, lodging and wages
Security Deposits 5/	\$500 to \$11,500	As Arranged	Before Opening	Utilities, Landlord
Insurance 6/	\$12,000 to \$17,000	As Arranged	As Arranged	Insurers
Start up Supplies 7/	\$22,000 to \$30,000	As Arranged	As Incurred	VIOCF, VIOCF's affiliates or other suppliers
Operating Equipment 8/ (excludes inspection and/or dyno machines)	\$15,000 to \$100,000	As Arranged	As Incurred	Vendors, Lessors, VIOCF's affiliates
Lube Equipment and Signage Leased for three months 9a/ Or	\$1,500 to \$5,250 \$30,000	As Arranged	Monthly As Incurred	VIOCF or its affiliates Vendors

Lube Equipment and Signage Purchased 9b/	to \$110,000	As Arranged		
Additional Funds for Three Months 10/	\$50,000 to \$65,000	As Arranged	As Incurred	Various
<u>TOTAL 11/</u>		<u>Single License</u>		<u>Development Agreement</u>
<u>If Real Property Leased (3 Mos), Lube Equipment and Signage Leased</u>		<u>\$162,425 - \$307,637</u>		<u>\$27,425 - \$322,637</u>
<u>If Real Property Purchased, Lube Equipment and Signage Leased</u>		<u>\$1,071,500 - \$1,861,250</u>		<u>\$1,036,500 - \$1,868,750</u>
<u>If Real Property Purchased, Lube Equipment and Signage Purchased</u>		<u>\$1,100,000 - \$1,956,000</u>		<u>\$1,065,000 - \$1,963,500</u>

1/ a) The license fee is discussed in ITEM 5. VIOCF requires personal guarantees of you, your spouse, and other principals, stockholders and partners of your corporation or partnership. VIOCF does not finance the license fee.

b) The development fee is discussed in ITEM 5. The range of the total development fee will depend on the number of Centers you purchase the right to develop and whether those Centers are converted oil change facilities (\$2,500 per Center) or newly constructed Centers (\$2,500 to \$10,000 per Center). VIOCF does not finance the development fee.

2/ a) At minimum, you will need approximately 15,000 square feet of land for your Center, and improvements constructed or remodeled to meet VIOCF's specifications. (See ITEM 8 for specifications.) If you purchase the land and construct the improvements, the cost, based on 15,000 square feet of land, will generally range between \$300,000 and \$600,000 for the land and the construction of the building site and soft costs will generally range between \$630,000 and \$975,000. Both estimates are subject to wide variation and depend on a variety of factors, including the location and the market conditions. You do not pay these costs to VIOCF and VIOCF will not refund these costs to you.

b) At minimum, you will need approximately 15,000 square feet of land for your Center, and improvements constructed or remodeled to meet VIOCF's specifications. (See ITEM 8 for specifications.) The cost for leasing this land and improvements, based on 15,000 square feet of land area, will generally range between \$5.58 and \$8.37 per square foot per year. The amounts on the chart cover the three month period following the opening of the licensed business. You do not pay these costs to VIOCF and VIOCF will not refund these costs to you.

The costs of acquiring an existing service center can vary substantially and we cannot estimate those costs.

3/ The amount of initial advertising and promotional costs vary by market. VIOCF does not finance these costs and these costs are not paid to VIOCF or its affiliates. The grand opening expenses do not include the required minimum 3% of AGR advertising.

4/ VIOCF provides, at no cost to you, one copy of the training materials and instructors for all required training programs, training manuals for all attendees and one copy of our SuperPro 10® training materials for each Center. Additional copies are available to you for a fee. You must pay

the costs of additional optional training seminars. The chart lists all the costs required for initial start-up and the three month period following the opening of the licensed business.

- 5/ Security Deposits are usually required by utility companies, the landlord and equipment lessors. Amounts will vary depending on lease provisions, utilities' policies and your credit history.
- 6/ Although VIOCF does not refund these costs, some insurers will refund a portion of your premium if a policy is canceled before its expiration.
- 7/ The chart lists the costs of supplies including inventory required for initial start-up of the licensed business.
- 8/ Operating equipment includes small tools, office furniture, data processing equipment, service equipment, for example radiator flush, tire rotation/balance, fluid exchange systems, and other miscellaneous items. The estimated cost for purchasing data processing equipment ranges from \$6,500 to \$15,000, including installation. The chart lists the estimated costs to begin operations and the three month period following the opening of the licensed business.
- 9/
 - a) Upon approval from VIOCF you may be allowed to lease lube equipment from VIOCF for the actual cost of a standard equipment package without interest payable over a period of 180 months. The total cost is estimated to range from \$15,000 to \$60,000, including installation. However, with your full compliance with the Supply Agreement this fee is waived. Upon approval from VIOCF you may be allowed to lease signage from VIOCF for the actual cost of a standard sign package without interest (but including any applicable taxes) payable over a period of 120 months. The estimated total cost ranges from \$15,000 to \$50,000, including installation. Any signage costs above \$45,000 (\$40,000 for renewal) will be an out of pocket expense for you. The sign program is available for new Centers and existing franchise Centers in good standing. See ITEM 8 for more information.
 - b) If you purchase operating lubrication equipment, the cost is estimated to range from \$15,000 to \$60,000, including installation. If you purchase signage, the cost is estimated to range from \$15,000 to \$50,000, including installation. You must install, maintain, and replace the lubrication equipment and signage at the Center when VIOCF notifies you in writing. You are also responsible for any expenses, including maintenance, repair, associated taxes and normal wear and tear of the lubrication equipment and signage. Prices may vary for both lube equipment and signage depending on vendor.
- 10/ If Gross Revenue does not cover these expenses, you will need capital to support on-going expenses, such as payroll, restock of inventory and supplies, rent and utilities. Additional funds you may need will vary widely, depending on the particular costs of a Center. You should expect that new businesses usually will generate a negative cash flow. The chart lists the minimum capital recommended by VIOCF for the first three months of operation.
- 11/ VIOCF relied upon its experience of over 25 years in the industry when preparing these figures.

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