FRANCHISE DISCLOSURE DOCUMENT

Valvoline Instant Oil Change Franchising, Inc.
A Delaware Corporation
3499 Blazer Parkway
Lexington, Kentucky 40509
(859) 357-7000
www.vioc.com

The franchisee will operate a Valvoline Instant Oil Change service center, a quick-service engine oil change facility which offers chassis lubrication, certain routine maintenance checks and other automotive services.

The estimated total investment necessary to begin operation of one Valvoline Instant Oil Change service center ranges from $132,425 to $1,946,000 per service center. This includes a license fee (for an individual service center) which varies from $-0- to $30,000 that must be paid to us.

If you are offered the opportunity to develop multiple service centers in a new market under a development agreement, you will pay us a development fee of $2,500 to $5,000 for each existing oil change facility that is to be converted into a service center and $10,000 to $15,000 for each newly constructed service center to be developed by you. The estimated total investment ranges from $134,925 to $1,961,000 for the area development rights and the first service center licensed in connection with the development agreement. This range includes the applicable development fee of $2,500 to $15,000 (for an individual center) and a license fee (for an individual center) which varies from $0 to $30,000 that must be paid to us.

The 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 government agency has verified the information contained in this document.**

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 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, DC 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.

Issued: December 5, 2013

FRANCHISE DISCLOSURE DOCUMENT
STATE COVER PAGE

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3499 Blazer Parkway
Lexington, Kentucky 40509
(859) 357-7000
www.vioc.com

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 OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit B 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 MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN LEXINGTON, KENTUCKY. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN KENTUCKY THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT REQUIRES THAT KENTUCKY 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates.

California	Exempt
Hawaii	Pending
Illinois	Exempt
Indiana	Exempt
Maryland	Pending
Michigan	Notice State – March 4, 2013
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Exempt – Pending
South Dakota	Pending
Virginia	Exempt – Pending
Washington	Pending
Wisconsin	Pending

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Licensor

To simplify the language in this disclosure document, "VIOCF" means Valvoline Instant Oil Change Franchising, Inc., the licensor. "You" means the person who is awarded the franchise. VIOCF was incorporated in Delaware on August 1, 1988. Its principal place of business is 3499 Blazer Parkway, Lexington, Kentucky 40509. VIOCF does not conduct business under any other name. VIOCF offers license and development agreements for the establishment and operation of a business that provides quick-service engine oil changes, chassis lubrication, preventive maintenance and other automotive services. VIOCF has not previously offered license or development agreements in any other type of business, nor does VIOCF engage in any other line of business.

VIOCF's agent for service of process in your state is disclosed in Exhibit C.

Our Predecessor And Affiliates

VIOCF is a direct, wholly-owned subsidiary of Ashland Inc., formerly known as Ashland Oil, Inc. ("Ashland"). Ashland's principal place of business is 50 E. RiverCenter Boulevard, Covington, Kentucky 41012-0391. Ashland is engaged in the business of manufacturing and selling specialty lubricants and chemicals. Ashland does not currently offer, nor has it previously offered, license or development agreements of the type offered by VIOCF or any other type of business. Ashland currently offers, through Ashland Canada Corp., a franchise agreement for Valvoline Express Care. This same program is offered in the United States, but is not considered a franchise.

From October 1, 1989, to September 30, 1993, Valvoline Instant Oil Change, Inc., and now through Valvoline Instant Oil Change ("VIOC"), an operating unit of Ashland Consumer Markets, which is a commercial unit of Ashland Inc., operates company-owned service centers (261 service centers as of September 30, 2013) that offer similar services to those being offered by VIOCF. VIOC's principal place of business is 3499 Blazer Parkway, Lexington, Kentucky 40509.

Ashland Branded Finance, Inc. ("ABF") is an affiliate of VIOCF. ABF's principal place of business is 50 E. RiverCenter Boulevard, Covington, Kentucky 41012-0391. ABF is engaged in a range of financing activities. ABF does not offer license or development agreements of the type offered by VIOCF or any other type of business.

The Licensed Business

In its license agreement (the "License Agreement"), VIOCF grants you the right to establish and operate a Valvoline Instant Oil Change service center (the "Center") at a specific location approved by VIOCF (the "Approved Location"). The License Agreement you sign for any additional Center will be in the current form of the License Agreement offered to new licensees at that time.

In its development agreement (the "Development Agreement"), VIOCF grants you the right to establish, whether by converting existing oil change facilities and/or new construction, a specific number of Centers in a defined area (the "Development Area"). An individual License Agreement must be signed for each new Center within the time-frame specified in the Development Agreement. The

License Agreement you sign for each new Center will be in the current form of the License Agreement offered to new licensees at that time.

Each Center offers its customers a variety of motor vehicle maintenance services, including quick-service engine oil change, chassis lubrication, oil filter and air filter change, and a maintenance check that includes top-off of differential, transmission, radiator and windshield-washer fluid levels, power steering, battery and safety checks of tire pressure and windshield wipers. Other services include front and rear differential service, transfer case service, manual and automatic transmission services, coolant system flushes, serpentine belt replacement, cabin air filters and complete fuel system treatment service. Other services may include air conditioning recharge, windshield repair, battery replacement, bulb replacement, power steering flush, tire rotation and balancing, and fuel filter replacement. Any other products and services to be offered by a Center, including car washes, brakes and mobile quick lubes, must be pre-approved by VIOCF.

Centers are identified by means of, or use of, certain trade names, service marks, trademarks, logos, and emblems (the "Proprietary Marks"), including the marks "V VALVOLINE INSTANT OIL CHANGE® and design", "VALVOLINE®", "V®", "INSTANT OIL®", "VALVOLINE INSTANT OIL CHANGE®", as well as any other Proprietary Marks as now or later may be designated by VIOCF in writing for use in the Center.

Centers provide services to the public using the methods, standards, specifications, procedures for operations, consistency of products, services offered, quality and inventory control, and promotional activities as VIOCF requires and may change from time to time (the "System"). VIOCF estimates that a Center's primary market will be individuals and businesses that own or lease vehicles and do not wish to perform their own routine, on-going maintenance on their vehicles. Centers are usually free-standing buildings and may be established in a variety of locations, for example, in suburban shopping center "pads" or strip shopping center locations.

Centers compete with other quick-lube operations, service stations, automotive repair businesses, automotive service departments at national chain stores, brake and other "specialty" automotive repair stores, tire stores, automobile dealerships and other businesses that offer oil change and lubrication services and other routine automotive maintenance.

Some of the above named competing businesses may use the Valvoline name for promoting the Valvoline® product and may be supplied with VALVOLINE® oil and other products by Ashland Consumer Markets, a commercial unit of Ashland ("Valvoline"). Valvoline offers two different types of programs to independent quick lube businesses and other automotive service and product sales operations. Valvoline's Express Care® and "We Feature" programs both provide certain merchandising and promotional programs, including building specifications, demographics, image enhancement and related signage, and operational, marketing, merchandising and advertising assistance based on product purchases and a contract commitment. In addition, the American Oil Change Association (AOCA) Manager and Technician Training Manuals are provided at a discounted fee. Financial assistance is also available. The Express Care® program identifies its locations as Express Care® centers and have use of the marks "Valvoline®" and "V®" and are provided some limited operational and administrative consultation. Valvoline's "We Feature" program also allows its customers the use of the marks "Valvoline®" and "V®". Valvoline does not charge a franchise fee or royalty for the use of these trademarks. In addition to these programs, VIOC operates Valvoline Oil & Tire centers located

at a limited number of Walmart stores. Valvoline Oil & Tire centers offer preventive maintenance, oil changes and tire services.

VIOCF also offers its License and Development Agreements to eligible employees of Ashland ("Employee Program"). To be considered for the Employee Program, you must be listed as an "Active, Full-Time" employee with Ashland or one of its affiliates for a minimum of five years. For each of those five years, you must have a performance rating of "effective" and, if you qualify, and if VIOCF agrees to grant you a franchise, you must resign your position with Ashland or its affiliate when you sign the License Agreement.

Industry-Specific Regulations

The quick lube and automotive maintenance business involves many areas of the law. For example, federal, state and local governmental agencies regulate the storage, management and/or disposal of used oil, used (spent) antifreeze and other automotive products or substances.

Your specific state or local authorities may have their own environmental laws and ordinances that apply to an automotive maintenance business, including hazardous and solid waste laws, air emissions laws, occupational safety laws, right to know requirements, and used oil and oil filter regulations. These laws and ordinances may include certain fees which relate to the operation of a quick lube service center. You should consult your attorney to determine which laws apply. Some of the federal laws which may apply to your licensed business include the Resource Conservation Recovery Act, 42 U.S.C. §6901 et. seq.; Clean Water Act, 33 U.S.C. §1251 et. seq.; Clean Air Act, 42 U.S.C. §7401 et. seq.; Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et. seq.; Occupational Safety and Health Act, 29 U.S.C. §651 et. seq.; and Toxic Substance Control Act 7 U.S.C. §136 et. seq.

A few states require licenses for the operation of quick lube businesses under the Motor Vehicle Repair Shop Act or similar law. A few of the states' laws provide exemptions for quick lubes, but still require certain documents to be filed. Some of the states that have requirements under this law include California, Connecticut, Florida, Michigan, New York, Rhode Island, Utah, Washington and Wisconsin.

ITEM 2
BUSINESS EXPERIENCE

Corporate Director and President: Anthony R. Puckett

Tony Puckett is a member of the Board of Directors and President of VIOCF and President of VIOC. He has served in the capacity of President and Corporate Director of VIOCF and President of VIOC since August 2007. Mr. Puckett has been an employee of Ashland, its subsidiaries or divisions since September 1986 and is located in Lexington, Kentucky.

Corporate Director and Secretary: Julie M. O'Daniel

Julie M. O'Daniel is a member of the Board of Directors and Secretary of VIOCF, and has served in that capacity since September 2013. She currently serves as senior lead counsel to Valvoline and VIOCF and prior to that served as litigation counsel for Valvoline, VIOCF, and Ashland beginning in July of 2007. Ms. O'Daniel is located in Lexington, Kentucky. Prior to her employment with Ashland, Ms. O'Daniel was a partner at Alston & Bird LLP based in Atlanta, Georgia.

Vice President and Assistant Secretary: David A. Rines

David A. Rines is Vice President and Assistant Secretary of VIOCF and he has served in that capacity since October 2010. Since June 2010, Mr. Rines has also served as Senior Counsel for Ashland Inc. Prior to joining Ashland Inc., Mr. Rines was in private practice for approximately 15 years in the areas of corporate law, securities, finance, mergers and acquisitions, and private equity. Mr. Rines is located in Covington, Kentucky.

Vice President of Finance: Eric Boni

Eric Boni has served as Vice President of Finance of VIOCF since November 21, 2011 and Vice President and Treasurer of Ashland since December 1, 2011. From 2006 to 2007, he served as Manager, Planning & Analysis for Ashland Inc. From 2007 to 2010, he served as Director of Investor Relations for Ashland Inc. Mr. Boni has been an employee of Ashland, its subsidiaries or divisions since 1994. Mr. Boni is located in Covington, Kentucky.

Director and Vice President of Franchising: Matthew P. McKeown

Matt McKeown is Vice President of Franchising and has served in that capacity since February 2011. Mr. McKeown has served as Director since September 2013. From July 2005 until February 2011, he served as Director of Franchise Operations. Mr. McKeown has been an employee of Ashland, its subsidiaries or divisions since June 1994. Mr. McKeown is located in Lexington, Kentucky.

Director of Franchise Operations: Justin P. Lacey

Justin Lacey is Director of Franchise Operations and has served in that capacity since February 2013. From August 2010 until February 2013, he served as a Market Manager for Valvoline Instant Oil Change. Prior to that role, Mr. Lacey served as an Area Manager for Valvoline Instant Oil Change from September 2005 to August 2010. Mr. Lacey has been an employee of Ashland, its subsidiaries or divisions since June 1999. Mr. Lacey is located in Nashville, TN.

Director of Franchising: Ronald F. Huffman

Ronald F. (Chip) Huffman is Director of Franchising and has served in that capacity since April 2013. From May 2008 until March 2013, he served as Director Strategic Accounts on the Walmart and Club Channel business for Valvoline's DIY business unit. Prior to joining Valvoline, Mr. Huffman was a National Account Manager for The Clorox Company and Coty Beauty, respectively. Mr. Huffman has been an employee of Ashland, its subsidiaries or divisions since September 2005. Mr. Huffman is located in Lexington, Kentucky.

Treasurer: Lynn P. Freeman

Lynn P. Freeman is Treasurer of VIOCF and has served in that capacity since January 2006. She currently serves as Assistant Treasurer for Ashland Inc. and has worked in the finance area for Ashland since 1991. Ms. Freeman has been an employee of Ashland Inc. since June 1984. Ms. Freeman is located in Covington, Kentucky.

Director of Franchise Sales: Bernard Deck

Bernard Deck is Manager of Franchise Sales and has served in that capacity since July 2011. From July 2008 until July 2011 he served as Business Development Specialist for the Carroll County Virginia Government located in Hillsville, Virginia. Mr. Deck has been an employee of Ashland, its subsidiaries or divisions since July 2011. Mr. Deck is located in Lexington, Kentucky.

Director of Real Estate: Greg Armbruster

Greg Armbruster is Director of Real Estate for VIOC as has served in that capacity since October 2009. From October 2006 through September 2009, he was Director of Business Optimization for VIOC. Within Valvoline he has served roles of increasing responsibility in engineering, purchasing, business process management and supply chain planning leadership prior to his role with VIOC. Mr. Armbruster has been an employee of Ashland, its affiliates or divisions since October 1990. Mr. Armbruster is located in Lexington, Kentucky.

ITEM 3
LITIGATION

PENDING ACTIONS

Gary Stepp, et al. v. West Virginia Oil & Lube LLC; Ashland Inc. D/B/A The Valvoline Company and D/B/A Valvoline Instant Oil Change; Valvoline Instant Oil Change Franchising, Inc.; and Valvoline International, Inc., Civil Action No. 02-C-296, filed September 29, 2002, in the Circuit Court of Mingo County West Virginia.

This civil case has been certified as a class action. The representative class plaintiffs, who were customers of West Virginia Oil & Lube LLC ("WVOL"), a VIOCF franchisee, allege claims for breach of contract, deceptive advertising in violation of West Virginia Code §32A-1-2 *et seq.*, common law fraud, violation of West Virginia's Consumer Credit and Protection Act (specifically, West Virginia Code §46A-6-102(f)(13)), and punitive damages. The Plaintiffs claims all revolve around an environmental service fee ("ESF") charged by WVOL at its West Virginia locations. Ashland Inc. and its subsidiaries, VIOCF and Valvoline International, Inc. (together the "Ashland Defendants") were named as defendants under theories of direct liability, joint venture and vicarious liability. Plaintiffs allege that they were misled because the advertised price of oil change excluded the ESF, which was added to the sales price at the point of sale. Plaintiffs further claim that the ESF was disclosed in advertisements and at the point of sale in fine print, and in a way that led them to believe the fee was mandatory, when in fact it was not.

The Ashland Defendants and WVOL have raised a number of defenses to these claims, and deny that there was anything deceptive about the way the ESF was charged. The Ashland Defendants further assert that they are not joint venturers with WVOL, and that they were not involved in the decisions surrounding whether to charge the ESF and how the ESF would be disclosed. Because the Ashland Defendants did not have control over WVOL's decisions with respect to charge the ESF or how it disclosed the ESF, the Ashland Defendants argue that they cannot be liable for WVOL's actions.

Plaintiffs are seeking significant damages (multiple millions of dollars), although the precise amount of damages being sought is still at issue. Discovery is complete in the case and a number of critical motions filed by the Ashland Defendants are pending before the court.

Valvoline Instant Oil Change Franchising, Inc.; Ashland Consumer Markets, a commercial unit of Ashland, Inc.; Ashland Licensing and Intellectual Property LLC; Henley Enterprises, Inc.; Henley Pacific LLC: and Henley Pacific SD LLC v. RFG Oil, Inc., Case No: 3:12-cv-2079-GPC-KSC, in the United States District Court for the Southern District of California.

In this case VIOCF, Ashland Inc., Ashland Licensing and Intellectual Property, and a VIOCF franchisee have sued VIOCF's former franchisee, RFG Oil, Inc., raising claims of trademark infringement, unfair competition, violations of the California Business and Professions Code, declaratory judgment, breach of contract and tortuous interference. RFG Oil filed a counterclaim against VIOCF, Ashland and related entities alleging breach of contract, intentional interference, breach of confidence, fraudulent misrepresentation, breach of implied covenant of good faith and fair dealing, misappropriation of trade secrets and asking for declaratory relief. This case was initially filed on February 8, 2012 in the Federal District Court for the Eastern District of Kentucky, and was transferred to the current venue on August 22, 2012. The claims all stem from VIOCF's termination of the franchise relationship with RFG in November of 2011. The case is currently in discovery.

Other Pending Actions. In addition to the matters discussed above, there are various lawsuits and administrative proceedings pending or threatened against VIOCF and/or its parent company, Ashland Inc., which were deemed not material or not falling within the disclosure requirements for this disclosure document. These actions are being contested, but their outcome is not predictable with assurance. For a listing of actions considered to be material to VIOCF's parent company, Ashland Inc., which may not have been deemed necessary for this disclosure, please refer to Ashland Inc.'s annual filing on Form 10-K with the Securities and Exchange Commission.

PRIOR ACTIONS

C&E Services, Inc., et al. v. Ashland Inc., Case #03-1857 (EGS), Filed 08/13/2003 in US District Court, District of Columbia.

In 1998, Ashland entered into a contract with C&E Services ("C&E") that gave C&E the opportunity to sell Ashland products to the federal government via C&E's Multiple Awards Schedule. According to the terms of the contract, C&E was required to promptly and properly qualify Ashland's products with the GSA prior to making any sales of Ashland's products to the government through its GSA schedule. Although the Ashland products were never approved for inclusion on C&E's GSA schedule, sales of Ashland products were made to the government through C&E, which prompted a government investigation into those sales and the relationship between C&E and Ashland.

C&E and its founder sued Ashland for fraud and misrepresentation, claiming that Ashland misled C&E into signing the contract and attempting to amend its GSA schedule to include Ashland products. This case went to trial in April 2008. On May 7, 2008, the jury found that Ashland did not commit fraud, but was liable on other counts. Ashland paid $650,000 in connection with the other counts.

In Re Foundry Resins Antitrust Litigation, Case #2:04-md-1638, Master Docket No. 2:04-cv-415, filed 6/30/06 (Motion for Class Certification filed), in US District Court for Southern District of Ohio, Eastern Division.

Plaintiffs in this class action lawsuit alleged that Ashland and HAI conspired to fix prices, allocate markets and engage in other antitrust violations. Plaintiffs further alleged that Ashland and HAI artificially inflated prices for foundry resins as a result of this conspiracy. The U.S. District Court, Southern District of Ohio, granted the plaintiffs' Motion to Certify a Class on May 2, 2007. A class settlement of this matter was approved on March 28, 2008, and Ashland agreed to pay $7,900,000. The class settlement did not include Caterpillar Inc., but Ashland settled separately with Caterpillar in connection with this matter in the amount of $500,000.

INJUNCTIVE ORDERS AND DECREES

<u>In the Matter of Ashland Inc. and William C. Olasin, Securities and Exchange Commission, Administrative Proceeding, File No. 3-12487, November 29, 2006, Cease and Desist Order.</u>

On November 29, 2006 the SEC filed an Administrative Proceeding against Ashland alleging that during the years 1999--2001 Ashland did not have adequate internal guidelines to ensure that adjustments made to its cost estimates for environmental remediation were compliant with GAAP and SEC rules. Ashland agreed to settle this matter by implementing a set of policies and procedures that include: a) documenting adjustments to environmental remediation reserve estimates; b) retaining records relating to environmental remediation reserve estimates, c) requiring Ashland's Environmental Remediation Group manager to consult with the remedial engineer on adjustments; and d) other measures relating to annual business practice questionnaires, best practice bench marking, and reports to the board of directors. In addition, Bill Olasin, Ashland's former Director of Environmental Remediation, who is now retired, is not permitted to participate in determining Ashland's environmental reserves. Ashland must also cease and desist from committing or causing any violations and any future violations of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and rules 12b-20, 13a-1 and 13a-13. Olasin must cease and desist from committing or causing any violations and any future violations of Exchange Act Rule 13b2-1 and from causing any violations and any future violations of Section 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13.

<u>Securities and Exchange Commission v. Ashland Oil, Inc. (now Ashland Inc.), SEC Consent Decree, dated May 16, 1975.</u>

The U.S. Securities and Exchange Commission brought an action against Ashland Oil, Inc. (now known as Ashland Inc.) regarding the use of corporate funds to make political contributions to the Committee to Re-elect the President for a period of eight years beginning in 1967 and ending in 1975. A permanent injunction was issued against Ashland Oil, Inc. from using corporate funds for unlawful political purposes; violation by filing or aiding in the filing of materially false or misleading reports; violation by using interstate commerce to file or aid in filing materially false or misleading proxy statements or to solicit proxies from shareholders; and making or aiding in the making of any materially false entries in the books and records of Ashland Oil, Inc., or any of its affiliates or subsidiaries. There is a continuing obligation for review of the Final Judgment, the Consent and Order of Permanent Injunction, and the Undertaking to assure that the company is in full compliance.

<u>Securities and Exchange Commission v. Ashland Oil, Inc. (now Ashland Inc.), SEC Consent Decree, dated June 26, 1986 and Final Order dated July 8, 1986.</u>

The U.S. Securities and Exchange Commission brought an action against Ashland Oil, Inc. (now known as Ashland Inc.) regarding the an alleged violation of Section 30A of the Exchange Act relating to Ashland's payment of money to an official of the Omani government through Ashland's purchase of Midlands Chrome and certain other business relating to crude oil in Oman. The SEC sought and obtained a permanent injunction enjoining Ashland, and its officers directors, employees and attorneys from offering, promising or authorizing a transfer of money or value to any foreign official for the purpose of influencing the act or decision of any foreign official or government in order to assist Ashland or any successor in obtaining or retaining business or directing business to another.

Other than these actions, no litigation is required to be disclosed in this item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this item.

ITEM 5
INITIAL FEES

License Agreement

You must pay a license fee for the first Center of $30,000, with half of the fee to be paid upon execution of the license and half of the fee to be paid on the date the first royalty payment is due after the Center is opened. Fees for each additional Center are $5,000 for an existing oil change facility that is converted to a Center and $20,000 for a newly constructed Center payable upon signing of a License Agreement. VIOCF considers the license fees fully earned when paid, and they are not refundable. During our last fiscal year, the initial license fee ranged from $5,000 and $30,000.

Development Agreement

If you are provided with the opportunity to develop multiple Centers within a given geographic market and you choose to sign a Development Agreement (a sample is attached as Exhibit A-12), you must pay VIOCF a development fee of $2,500 to $5,000 for each oil change facility that you acquire and convert into a Center and $10,000 to $15,000 for each newly constructed Center.

If you are a new franchisee signing a Development Agreement, the license fee under the first License Agreement will be $30,000. Each license fee under subsequent License Agreements executed in connection with the Development Agreement will range from at least $5,000 in the case of the conversion of an existing oil change facility to a Center to at least $20,000 in the case of newly constructed Center.

If you are an existing franchisee signing a Development Agreement, the license fee under each License Agreement executed in connection with the Development Agreement will range from at least $5,000 in the case of the conversion of an existing oil change facility to a Center to least $20,000 in the case of a newly constructed Center.

VIOCF considers development fees fully earned when paid, and the fees are not refundable. During our last fiscal year, no development fees were received by VIOCF.

Conversions

VIOCF's conversion fee is $30,000 if it is your first Center regardless of whether you are acquiring a service center from a third party or from one of VIOCF's existing franchisees. If the conversion is for other than your first Center and is a qualifying, independent, existing and currently operating quick lube facility that provides similar services in a similar business format as required by VIOCF's standards, then the conversion fee is $5,000. VIOCF has in the past reduced or waived this fee and may do so in the future. You will be required to sign VIOCF's then-current form of License Agreement.

Employee Program

VIOCF's current policy is to waive the license fees for the first Center granted to a person who qualifies under the Employee Program. The license fees will not be waived for any additional Centers and you will be required to sign VIOCF's then current form of License Agreement.

Incentive Programs

VIOCF offers incentive programs to certain licensees and area developers. Repayment in full of the incentive payments is required if there is a default under the License Agreement or Development Agreement during the first five years after you sign a License Agreement or Development Agreement. See ITEM 10 for additional information.

ITEM 6
OTHER FEES [1]

Type of Fee	Amount	Date Due	Remarks
Royalties 1/	6% of Adjusted Gross Revenue ("AGR") or a graduated royalty rate between 4% and 6% of AGR 2/	Payable monthly by electronic funds transfer on the 20th day 3/	A Graduated Royalty Conversion Incentive Program is available for conversion of competitor centers. A graduated royalty rate is available to franchisees that are not currently on a graduated royalty schedule that add at least one non-VIOC store. The graduated royalty rate is also available to franchisees who buy existing franchise Centers that are on the graduated royalty schedule even if they sign new agreements. See Exhibit A-9 for the graduated royalty amendment.
General System Fund 4/	2% of AGR until the cap amount has been reached	General System Fund contributions are payable monthly on the 20th day of the next month by electronic funds transfer.	Percentage indicates required contributions. The 2014 cap amount for new franchise Centers opened in 2014 is $4,350 per Center and $5,730 per Center for existing franchise Centers. See Item 11 for more information regarding the cap amount.
Advertising 4/	Minimum of 3% of AGR	Upon Demand	Percentage indicates minimum monthly spending by you in your market. This money is not paid to VIOCF.

1 Except where otherwise specified, we or our affiliates impose all the fees in this table, you pay them to us or our affiliate, and we (or our affiliate) do not refund them.

Type of Fee	Amount	Date Due	Remarks
Transfer	$30,000 for your first Center if transferred to a new franchisee; $5,000 for your first Center if transferred to an existing franchisee; and $2,500 for any additional Centers transferred in the same transaction.	Upon Signing	Transfer fee is waived for certain transfers, including transfers within an existing ownership group or to family members who are qualified to operate the Licensed business.
Renewal	$2,500 - $5,000	Upon Signing	$2,500 for a 5 year renewal $5,000 for a 10 year renewal $5,000 for a 15 year renewal
Specialized Computer Services	$150.00 per hour as needed	Upon Demand	
Computer Software Upgrade/ Maintenance 5/	Varies, depending upon scope of software upgrade and /or supplier's maintenance fees	Upon Demand	Our vendor supplies periodic computer software upgrades. In order to run VIOCF's current POS and other programs, you must purchase the updated software.
Computer Hardware Upgrade 6/	Varies, costs may range from $150 - $15,000	Upon Demand	Technological advances may make some computer equipment obsolete. In order to run POS and other programs, additional equipment may be necessary.
Testing	Cost of Testing	When Billed	This covers the costs of testing new products or inspecting new suppliers you propose.
Audit	Cost of inspection or audit	15 days after billing	Due if you do not give us reports, supporting records or other required information, or if you understate required continuing support and Royalty payments or GSF contributions by more than 2%.
Interest	Lesser of 1.5% per month or highest commercial contract interest rate law allows	15 days after billing	Due on all overdue amounts.
Insurance	Reimburse our costs	15 days after billing	If you fail to obtain insurance, we may obtain insurance for you and you must reimburse us.
Insufficient Funds Processing Fee	$100	As incurred	Due if you have insufficient funds in your EFTA to cover a payment, or, if you pay by check, a check is returned for insufficient funds.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Due when you do not comply with the License Agreement.
Center Upgrading Costs 7/	The greater of 2% of AGR during the previous five year period or $50,000 per Center	Upon Demand	Amount varies depending on the amount and costs of needed work. These costs are paid directly to VIOCF or to unrelated 3rd party contractors.
Fleet Program	Up to 3% of Gross Revenue related to fleet	Upon Demand	Fee represents recapture of program administrative expenses and may be

Type of Fee	Amount	Date Due	Remarks
	customers		adjusted from time to time. Participation in the fleet program is mandatory, including participation in national fleet pricing programs for certain services. Payments due you may be offset in the event of failure to make timely payments to us or one of our affiliates.
Warranty & Guarantee Costs 8/	Varies, depending on amount of customer claim	Within 30 days of customer complaint	Varies depending upon level of customer service & quality provided by you. Licensee may be required to participate in a social monitoring and customer relations program at a fee of $20 per store per month in addition to cost of settlement of claims which will vary.
Additional Training Costs	Up to $250 per trainer /per day	Upon Demand	You must reimburse VIOCF for all costs associated with the training.
Additional Site Selection Assistance Costs	Actual Costs Incurred	Upon Demand	You must reimburse VIOCF for all costs associated with additional on-site assistance.
Fee related to Development Agreement 9/	Varies depending on location of new market and anticipated performance of Centers in new market	Upon the expiration or termination of the Development Agreement due to franchisee's default	This fee is negotiable between you and VIOCF.

VIOCF imposes all fees. VIOCF or its affiliates receive direct payment for all fees except maintenance fees, guarantee costs, center upgrading costs (in some cases) and advertising costs. You pay outside third parties directly for maintenance fees; either VIOCF, its affiliates, or your customer may receive payment for guarantee costs; and either VIOCF or a third party may receive payment for advertising costs. All fees are non-refundable.

1/ Royalties are funds collected by you from customers on our behalf. You must pay VIOCF a continuing, monthly royalty fee of 6% of Adjusted Gross Revenue (See Footnote 2 of this section for definition of Adjusted Gross Revenue). The 6% royalty applies to all licensees with the exception of Licensees eligible for the Graduated Royalty Conversion Incentive Program and some Licensees and license agreements entered into previously which may have a lower royalty fee. In those cases new License Agreements are amended to include a graduated royalty schedule. VIOCF may, from time to time, reduce royalty rates during the first two years of the License Agreement term for new stores. A sample Amendment is included as Exhibit A-9. Royalty fees are non-negotiable. VIOCF charges a late payment fee of 1½% per month (18% per year) or the maximum rate allowed by law. VIOCF may charge a higher royalty percentage in any renewal term. VIOCF may, at its discretion, lower the royalty percentage from the standard rate or reallocate a portion of royalties for marketing, based on the unique circumstances of a particular Center.

2/ "Adjusted Gross Revenue" means Gross Revenue excluding the following: (a) sales of trade fixtures, machinery and equipment that you own and use in your business; (b) amounts you separately collect and pay to any governmental authority for any sales, excise or similar tax; and (c) the amount of any discount (including promotions) you give to customers or employees through a coupon or other promotional item, to the extent the amounts were actually included in your Gross Revenue. In some franchise relationships entered into previously, amounts you pay to credit card companies as processing fees on credit card sales (up to 2% of Gross Revenue from credit card sales for that payment period) are also excluded from Gross Revenue.

"Gross Revenue" means the actual sales prices of all goods, wares and merchandise sold, leased, licensed or delivered and the actual charges for all services you performed from the use of the Center, whether for wholesale or retail, and whether for cash or credit, collected, uncollected or uncollectible, including the value of all consideration other than money received. Gross Revenue includes (a) sales and services performed either at the Center or an offsite location marketed under the Proprietary Marks; (b) any sales or services made by mail, telephone, or similar type orders; and (c) any sales or services you or any subtenant, licensee, concessionaire (to the extent of revenues paid to you) or other person in the normal course of its business, would credit to its operations at the Center or any part of the Center or has been invoiced through the VIOC POS System.

3/ You must enter into an electronic funds transfer authorization agreement ("EFTA") (see Exhibit A-7) allowing Ashland to draft payments from your account. The payments will be taken on the 20th of each month unless alternate arrangements are agreed to in writing. If the 20th falls on Saturday, Sunday or a legal holiday, the payment will be taken on the next business day. Ashland will send to you itemized invoices showing the amount of the payment to be drafted from your account 20 days prior to the draft. You will pay the cost of any fees imposed by your banking institution for the cost of the draft. VIOCF reserves the right to require all payments by electronic funds transfer.

4/ *General System Fund* - VIOCF administers a General System Fund and 2% of your Adjusted Gross Revenue will be contributed to this fund until a maximum or cap has been contributed by each Center.

Advertising - Your advertising contributions for any partial first calendar month and for the remainder of the term of your License Agreement will be a minimum of 3% of your Adjusted Gross Revenue to be spent on your media advertising. Your media advertising is used to pay costs associated with the placement of all media in your individual territory. Additional information about advertising programs appears in ITEM 11 of this disclosure document under the heading "Advertising." VIOCF may establish a national advertising fund and/or a regional cooperative fund for the area in which the Center is located, contributions of which would be in addition to the minimum 3% above.

5/ VIOCF periodically receives computer software upgrades from its suppliers. This upgrade incorporates the standard data as well as the new data required to run VIOCF's POS and other programs. In the past, these costs have been approximately $50-$700. Some suppliers charge an annual maintenance and/or license fee for use of their software. In the past, these costs have been approximately $50-$1400 per Center. Proprietary software upgrades occur throughout the year at no cost to you.

6/ Computer hardware upgrade costs have occurred one time during the past 5 year period; however, they may occur more frequently in the future. These costs are extraordinary costs which result from technological advances; for example, faster processing speeds and increased memory capacity. As technological advances occur, you may be required to purchase additional or replacement computer hardware. These costs range from $150-$15,000 per Center (assumes 3 bay configuration). Costs may be higher depending on the particular configuration of a particular Center (for example, a four bay configuration may have higher costs due to additional equipment required in the 4th bay)

7/ At VIOCF's request, you must, at your expense, promptly modify your Center to match to the signage and equipment specifications, building design, trade dress, color schemes, and use of the

Proprietary Marks similar to the image for new Centers under the System, including structural changes, remodeling, redecoration, lube equipment upgrades, and maintenance, adoption of new products and services or new methods to market them. You will not have to spend more than the greater of $50,000 or 2% of Adjusted Gross Revenue for each Center during the previous five-year period, unless changes are required by law or required for the adoption of new products, services or methods or upon renewal of the License term.

8/ VIOCF has a 100% satisfaction guarantee program for your customers that you must participate in at your cost. As part of the 100% satisfaction guarantee program, you must notify VIOCF of any customer complaints which you have not satisfied within 30 days of the complaint. VIOCF may at its option take any action needed to satisfy the customer's complaint and invoice you for the costs. In addition, VIOCF may require additional system-wide warranty programs. You must participate in and pay the costs of any program(s).

9/ This fee is negotiable. The amount varies depending on the location of the new market to be developed and the anticipated performance of the Centers in that new market. This fee is waived by us in circumstances where the area developer satisfies the terms and conditions of the Development Agreement, including its obligation to develop a set number of Centers within a specified time period.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment is to be Made
License Fee 1a	$0 to $30,000	Lump Sum	At Signing	VIOCF
Development Fee 1b/	$2,500 to $5,000 (if you convert an existing oil change facility to a Center) $10,000 to $15,000 (if you construct a new Center)	Lump Sum	At Signing of Development Agreement	VIOCF
Land and Improvements Purchased 2a/ or Land and Improvements Leased for <u>Three Months</u> 2b/	$930,000 to $1,575,000 $20,925 to $31,387	As Arranged Monthly	Note 2a Note 2b	Note 2a Note 2b
Grand Opening Expenses 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 Lube Equipment and Signage Purchased 9b/	$1,500 to $5,250 $30,000 to $100,000	As Arranged As Arranged	Monthly As Incurred	VIOCF or its affiliates Vendors
Additional Funds for Three Months 10/	$50,000 to $65,000	As Arranged	As Incurred	Various

TOTAL 11/	<u>Single License</u>	<u>Development Agreement</u>
<u>If Real Property Leased (3 Mos), Lube Equipment and Signage Leased</u>	<u>$132,425 - $307,637</u>	<u>$134,925 – $322,637</u>
<u>If Real Property Purchased, Lube Equipment and Signage Leased</u>	<u>$1,041,500 - $1,851,250</u>	<u>$1,044,000 - $1,866,250</u>
<u>If Real Property Purchased, Lube Equipment and Signage Purchased</u>	<u>$1,070,000 - $1,946,000</u>	<u>$1,072,500 - $1,961,000</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 to $5,000 per Center) or newly constructed Centers ($10,000 to $15,000 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, should range between $300,000 and $600,000 for the land and the construction of the building site and soft costs should 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, should 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.

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 $50,000, 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 $50,000, 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.

11/ VIOCF relied upon its experience of over 20 years in the industry when preparing these figures.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

At least 95% of the Center's requirements of each of the following product categories to be sold or used: bulk motor oils and packaged motor oils (including conventional, semi-synthetic, and full synthetic motor oils), greases, other lubricants (including automatic transmission fluids and gear oil), oil filters, air filters, automotive performance chemicals (including fuel system cleaners and fuel additives) and automotive appearance products (for example, tire shine, leather cleaner and waxes) marketed by Valvoline or one of its affiliates (collectively, "VALVOLINE® Products") and must be purchased from VIOCF or its designees. If you purchase VALVOLINE Products from VIOCF or Valvoline, then the pricing for the VALVOLINE Products will have the same base price as is then being offered to VIOC company-operated Centers. These prices may vary periodically. Note that while VIOCF, in most cases, purchases and subsequently leases lube equipment to the franchisees, prior to August 4, 2008, the program was different for company operated centers. In lieu of a purchase/lease of lube equipment Valvoline instead provided a monthly $0.10 per gallon credit to company operated centers. Franchisees were given an opportunity to receive a $0.10 per gallon credit in lieu of an equipment lease. The opportunity to elect this credit was eliminated on August 4, 2008, when company operated stores no longer received the $0.10 per gallon credit. Franchisees that elected this option prior to August 4, 2008, will be permitted to continue participating in this program.

Valvoline may from time to time offer incentive or promotional programs for Product purchases. These programs may take into account the relative efficiencies of servicing large franchise systems. As a result of participating in such programs, different franchisees may have different net prices for products depending on a franchisee's size, level of participation, and compliance with such incentive or promotional programs. Incentive and promotional programs may be implemented or discontinued at any time. You will have the right to buy or sell other VIOCF approved products. As a material part of the consideration for the License Agreement, you must use only the VALVOLINE Products if a customer does not specify use of a different brand for any service requiring the addition or replacement of bulk motor oils and packaged motor oils (including but not limited to, conventional, semi-synthetic, and full synthetic motor oils), greases, other lubricants (including automatic transmission fluids and gear oil), oil filters, air filters, air filters, cabin air filters, automatic performance chemicals (including fuel system cleaners and fuel additives) automotive appearance products (for example, tire shine, leather cleaner and waxes) marketed by Valvoline or one of its affiliates. Among the purposes of these requirements are (1) to ensure that the Valvoline name and the national recognition and goodwill associated with it are maximized for the benefit of everyone, (2) to ensure that the goodwill associated with the Proprietary Marks is not harmed by inconsistent or inferior product offerings, (3) to eliminate public confusion which would result if non-VALVOLINE Products were supplied at a Valvoline Instant Oil Change Service Center to a customer who did not request other brands, and (4) to provide consistent and reliable sources of supply of VALVOLINE Products for you. To further eliminate public confusion, you are not allowed to openly advertise non-Valvoline Products by displaying competitor signage, competitor products or by any other means. VIOCF, Valvoline, or other affiliates selling VALVOLINE Products to you, will derive income from direct purchases by you. VIOCF, Valvoline, its affiliates and Valvoline authorized distributors are approved suppliers for the selling of VALVOLINE Products.

During our last fiscal year, VIOCF had total revenues of $17,804,681. VIOCF is an approved supplier of sign equipment. In the last fiscal year, VIOCF received revenue from required purchases of products or services from licensees of $318,000 which represents 1.8% of its total revenues; however, because VIOCF is merely recovering its costs, VIOCF does not make a profit on these sales. Valvoline is an approved supplier of VALVOLINE Products. In the last fiscal year, Valvoline received revenues of $98,125,036 from required purchases by licensees, which represents approximately 7.7% of its total revenue of $1,275,017,744. Per internal financial statements, our affiliate ABF received $125,613 in revenues from the financing program for licensees described in ITEM 10.

Funding Corp. I is an affiliate of VIOCF and received $48,253 in rental income during fiscal 2013 from licensees.

Your required leases and purchases from VIOCF, Valvoline and other affiliates represent an estimated 5% to 7% of the cost to establish a Center. The required product purchases from VIOCF or its affiliates regardless of the volume of annual Gross Revenue at a Center represents approximately 27% to 33% of the Center's total operating costs.

You must purchase or lease all other products, fixtures, furnishings, signs, and equipment (including, operating oil change and lubrication equipment and data processing equipment) solely from suppliers, including manufacturers, distributors and other sources, who meet VIOCF's then-current standards and specifications; who possess adequate quality controls and capacity to supply your needs promptly and reliably; and have been approved in writing by VIOCF, in its sole discretion, and not later disapproved. If you desire to purchase or lease any of the above, to be used in or sold at the Center, from an unapproved supplier, you must submit to VIOCF a written request for this approval (including specifications, drawings, photographs, samples and any other information which VIOCF may request) or request the supplier itself to do so. VIOCF may require that VIOCF's representatives be permitted to inspect the supplier's facility and that samples from the supplier be delivered for testing, either to VIOCF or to an independent laboratory designated by VIOCF. VIOCF may impose a charge on you for the reasonable cost of the inspection and the actual cost of any test. VIOCF reserves the right, at its option, to re-inspect the facility and products of any approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of VIOCF's then-current standards.

VIOCF establishes and modifies its specifications and standards for products based upon VIOC's experience in operating company-owned service centers that offer products and services that are the same or similar to those offered by the Center. The specifications and standards for inventory items are issued to you or to approved suppliers.

Among the items of equipment that you must lease or purchase in order to operate the Center is lubrication equipment and point of sale equipment. No specifications or standards have been formulated for lubrication equipment, and VIOCF and its affiliates use solely subjective criteria to approve or disapprove these products and their suppliers.

VIOCF and its affiliates who are approved suppliers, will receive reimbursement from you for certain equipment you lease or purchase. VIOCF is an approved supplier for signs and will receive reimbursement from you for your purchase or lease, in an amount equal to the total purchase price of the signs, not to exceed $45,000 for new or converted centers or $40,000 for renewals.

The operation of your point of sale system requires data processing equipment and a high speed internet connection. VIOC is the approved supplier for data processing equipment and will receive reimbursement from you for the purchase of the equipment, in an amount equal to the purchase price of the data processing equipment. You are also required to use the credit/debit card processing company designated by VIOCF.

VIOCF is an approved supplier of lubrication equipment, which is leased to you over a period of 180 months for an amount equal to the total purchase price of the equipment, not to exceed $34,000 for a 2 bay, $36,500 for a 3 bay or $40,000 for a 4 bay, without interest. VIOCF waives this fee when you sign and comply with VIOCF's Licensee Supply Agreement for the purchase of bulk motor oil, other lubricants and automotive filters, automotive performance products, and automotive appearance products. You will have other expenses with the lease of lubrication equipment, for maintenance, repair and normal wear and tear.

VIOCF and its affiliates do not receive any other income from purchases or leases you make from other approved suppliers.

Before you sign any real estate lease or purchase contract, you must obtain VIOCF's written approval under VIOCF's site selection methods as detailed in ITEM 11 of this disclosure document. VIOCF's prior written approval of the real estate lease or purchase may be conditioned upon VIOCF's rights to cure any default or similar provisions as VIOCF considers necessary (see Exhibit A-9).

VIOCF currently imposes no additional restrictions or conditions on specifications or supplies concerning the purchase or lease of goods or services.

VIOCF does not have any purchasing or distribution cooperatives.

VIOCF and its affiliates may negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. We do not provide material benefits to you (for example, renewal of granting additional licenses) based on your purchase of particular products or services or use of particular suppliers.

VIOCF requires franchisees to purchase insurance policies, including general liability coverage, garage keepers' insurance and umbrella excess liability coverage, in the amounts detailed in the License Agreement.

VIOCF considers a variety of factors when determining whether to renew or grant additional licenses. Among the factors we consider is compliance with the requirements of the License Agreement. The right to grant any license agreements is in VIOCF's sole discretion.

ITEM 9
FRANCHISEE'S ("LICENSEE'S") OBLIGATIONS

This table lists your principal obligations under the license and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in Agreement	Disclosure Document Item
a) Site Selection and acquisition/lease	Section 5 of License Agreement; Section 3 of Development	Items 7 & 11
b) Pre-opening purchases/leases	Section 8 of License Agreement; Section 3 of Development Agreement?	Item 6
c) Site development and other pre-opening requirements	Sections 5 & 6 of License Agreement; Section 3 of Development Agreement:	Items 6, 7 & 11
d) Initial and ongoing training	Section 7 of License Agreement	Item 11
e) Opening	Section 6 of License Agreement	Item 11
f) Fees	Section 4 of License Agreement; Section 2 of Development Agreement; Sections 3 & 4 of Sign Lease; Section 3 of Supply Agreement; Sections 3 & 4 of Equipment Lease;	Items 5,6 & 7
g) Compliance with standards & policies/Operating manual	Section 8 & 10 of License Agreement	Items 11 & 14
h) Trademarks & proprietary information	Section 9 of License Agreement; Section 5 of Supply Agreement	Items 13 & 14

i) Restrictions on products/services offered	Section 8 of License Agreement	Item 16
j) Warranty & customer service requirements	Section 8 of License Agreement	Item 6
k) Territorial development & sales quotas	Section 1 of License Agreement; Sections 1 & 3 of Development Agreement?	Item 12
l) Ongoing product/service purchases	Section 8 of License Agreement; Section 2 of Supply Agreement	Item 8
m) Maintenance, appearance, & remodeling requirements	Section 8 of License Agreement; Sections 8 & 14 of Sign Lease; Section 8 of Equipment Lease;	Item 6
n) Insurance	Section 14 of License Agreement; Section 10 of Development Agreement; Section 7 of Sign Lease; Section 7 of Equipment Lease;	Item 7, 11 & 19
o) Advertising	Section 13 of License Agreement	Items 6 & 11
p) Indemnification	Section 21 of License Agreement; Section 9 of Development Agreement; Section 7 of Sign Lease; Section 10 of Supply Agreement; Section 7 of Equipment Lease	None
q) Owner's participation/ management/staffing	Section 18 of License Agreement	Items 11 & 15
r) Records/reports	Section 12 of License Agreement; Section 5 of Development Agreement	Item 11
s) Inspections/audits	Sections 8 & 12 of License Agreement; Section 9 of Supply Agreement	Item 11
t) Transfer	Section 15 of License Agreement; Section 7 of Development Agreement	Item 17
u) Renewal	Section 2 of License Agreement	Item 17
v) Post-termination obligations	Section 17 of License Agreement; Section 6 of Development Agreement	Item 17
w) Non-competition covenants	Section 18 of License Agreement	Item 17
x) Dispute Resolution	Section 26 of License Agreement; Section 11 of Development Agreement	Item 17
y) Guarantee of franchise obligations	Section 29 of License Agreement	Item 15

ITEM 10
FINANCING

Except as described below, neither VIOCF nor any affiliate of VIOCF will offer, directly or indirectly, any arrangements for financing your initial investment or the operation of the Center. VIOCF is unable to estimate whether you will be able to obtain financing for all or any part of your investment and, if you are able to obtain financing, VIOCF cannot predict the terms of this financing.

Ashland Branded Finance, Inc.

Ashland Branded Finance, Inc. ("ABF") is a wholly-owned subsidiary of Ashland, as is VIOCF. ABF has offered financing to franchisees in the past but does not currently offer any new financing to licensees or area developers.

VIOCF and/or its affiliates have offered indirect financing on a case-by-case basis in the past in the form of guarantees and may do so in the future.

Direct Financing

VIOCF may offer to lease to you signs and equipment required to be displayed at the Center. This lease will be a "Licensee Sign and Equipment Lease," attached as Exhibit A-2. The lease term will be 15 years running concurrent with the term of the License Agreement. The lease will terminate if the License Agreement terminates or expires. Lease payments will be based on the total value of the signs and equipment being leased and are negotiated by the parties. No interest is charged. A default under the Licensee Sign and Equipment Lease constitutes a default of your License Agreement and all ancillary agreements with us and our affiliates. The licensee's business owners must personally guarantee the obligations under the Licensee Sign and Equipment Lease. If you default, we may remove the signs and equipment from your premises. You must pay our expenses if we have to enforce the terms of the Licensee Sign and Equipment Lease.

VIOCF may offer to lease lubrication equipment to you required to be used at the Center. This lease will be a "Master Equipment Lease", attached as Exhibit A-4. See ITEM 7, Footnote 9a of this disclosure document for additional information. The lease term will be 15 years running concurrent with the License Agreement. The lease will terminate if the License Agreement terminates or expires. Lease payments will be based on the total value of the signs and equipment being leased and is negotiated by the parties. No interest is charged. No payments are due under the Master Equipment Lease if you remain in compliance with its terms and the terms of the Licensee Supply Agreement. A default under the Master Equipment Lease constitutes a default of your License Agreement and all ancillary agreements with us and our affiliates. The licensee's business owners must personally guarantee the obligations under the Master Equipment Lease. If you default, we may remove the signs and equipment from your premises. You must pay our expenses if we have to enforce the terms of the Master Equipment Lease.

Small Business Administration

VIOCF is an approved franchisor concept with the Small Business Administration Registry. VIOCF's preferred vendor for Small Business Administration ("SBA") financing is Stearns Bank based out of St. Cloud, Minnesota ("SBA Lender"). The terms of the program may vary from time to time and is at the sole discretion of the SBA Lender. Typically, the SBA Lender will finance up to 80%-85% of the total costs to construct a new VIOC center, or for the acquisition of an existing quick lube facility. Costs that may be included in the loan are: land, building & improvements, franchise fee, equipment, working capital, and initial investment costs relating to advertising, payroll, and training. Loans can also be obtained for remodeling or upgrading of existing centers, as well as debt consolidation. The loans are variable rate loans based upon a spread over the Prime Rate. The maximum interest rate is the current Wall Street Journal Prime Rate plus 2.75%. Loan maturity is generally longer than available through conventional financing, with the amortization schedule equal to the term of the loan. Real estate acquisition or construction loans are available up to a maximum of 25 years. More information about this program can be provided to you at your request.

Franchisees of the VIOCF system are eligible for expedited and streamlined SBA loan processing through the SBA's Franchise Registry Program, www.franchise registry.com.

SunTrust Bank

VIOCF has developed a franchisee financing program with SunTrust Bank ("SunTrust"). Pursuant to this arrangement, you may enter into a loan agreement with SunTrust. VIOCF has agreed to guarantee up to $15 million of funding through this program and it is expected to be available until May 27, 2014. This program may be extended or expanded at the sole discretion of SunTrust and VIOCF.

SunTrust makes loans to qualified borrowers ("Borrower") to finance new and existing quick lube facilities ("Centers"), including equipment, business value, real estate, and real estate construction. In exchange for the loan, the Borrower gives SunTrust a security interest in the real property, Center assets, and fixtures by signing: a mortgage or deed of trust, assignment of leases and rents, security agreement, loan agreement, promissory note, corporate guaranty, personal guaranty of each of the principal owners, and related financing documents, establishing the Borrower's obligation to repay the loan. Examples of these documents are included in this disclosure document as Exhibit J. SunTrust holds a first priority lien on and security interest in the Borrower's right, title and interest in and to the Center. The Borrower may not allow any other security interests or liens to encumber the property while the loan is outstanding except as permitted under the License Agreement and/or loan documents. (Loan Agreement, Section 6)

SunTrust financing is available to qualified Borrowers who meet certain financial tests in order to qualify and the Center used as collateral must meet certain revenue requirements in order to qualify. In addition, the Center must continue to meet certain financial tests throughout the term of the loan.

A Borrower, if qualified, may borrow a total principal amount of not less than $100,000 ($250,000 if related to real estate financing). The amount that may be borrowed for each Center financed varies depending upon whether the Center is existing or is to be developed. If the Center is an existing Center, the Borrower may finance up to 75% of the business value for the existing Center plus 80% of the appraised value of the real property; however, any borrowed funds must be used for one of the valid business purposes listed above. The "business value" is four (4) times a Center's adjusted cash flow. If the Center is to be developed, the Borrower may borrow up to 80% of the cost of the Center. Financing is generally not available under the SunTrust program for other initial or on-going expenses, including the initial license fee or any development fee, the purchase of supplies, operating inventories, initial working capital or on-going working capital.

The term for all loans in the SunTrust program, regardless of type, will be for a period not to exceed five (5) years. Loans for real estate will be amortized for a period of up to fifteen (15) years.

Loans for equipment and improvements on leased property or business value loans will be amortized for a period of up to ten (10) years. Construction financing for Centers to be developed will be provided for a period of up to twelve (12) months, and upon completion of construction will convert to the appropriate amortizing term loan. You will have the option to decide between a fixed-rate term loan or a variable-rate term loan. The interest rate on a variable-rate term loan will be equal to the sum of a base rate plus a margin of 4.25%. The base rate will be tied to the LIBOR market index rate and will be reset monthly as the interest rate for the market index changes. The LIBOR market rate as of November 12, 2013 is .17%. The total interest rate as of November 2013 is 4.42% which is the sum of the LIBOR market rate of .17% plus 4.25%. The interest rate for a fixed-rate term loan will be equal to the sum of a base rate plus a percent margin of 4.25%. The base rate for a fixed-rate term loan will be tied to SunTrust's fixed cost of funds as determined by SunTrust. SunTrust's cost of funds rate as of November 2013 is 2.32%. The total interest rate for a fixed rate loan as of November 2013 is 6.57% which is the sum of SunTrust's cost of funds rate of 2.32% plus 4.25%. The interest rate on a fixed rate loan will remain the same throughout the term of the loan. An additional one half of one percent (.50%) will be added to the percent margin for construction financing during the construction period.

Loan payments consisting of principal and interest will be due and payable monthly on a scheduled date. The monthly principal payments will be established once the loan is fully funded. Payments are made by electronic funds transfer through the Automated Clearing House (ACH) System.

All term loans may be prepaid in full or in part at any time, on a scheduled monthly payment date, without prepayment penalties. You must give SunTrust three (3) Business Days' prior notice of your intention to prepay, including the amount and the date of the prepayment. The prepayments must be at least $5,000 and will be applied to the loan installments due in the inverse order of maturity.

If you should fail to make your loan payments, make a false representation to SunTrust, or fail to meet your obligations under the loan documents, License Agreement, or other documents material to the transaction, you will be in default. (Section 7.1 Loan Agreement) If you are in default for failure to make your loan payments or for any other reason, SunTrust may terminate any commitment to make any further advances or additional loans to you, require you to pay the entire balance of the loan (principal and interest) immediately, or enforce its rights to the collateral under applicable law. These rights include the right to demand payment from any guarantor, to take possession of the collateral, or to sell the collateral. If SunTrust must take action against you, you must pay all costs and expenses of the action. (Loan Agreement Article XII) A default under the loan documents constitutes a default of your License Agreement and all ancillary agreements with VIOCF and its affiliates.

Incentive Programs

VIOCF offers incentive programs to certain licensees and area developers on an individual Center basis. All incentive payments are evidenced by a promissory note with a term of at least 5 years and up to 15 years that does not require re-payment unless there is a default under the promissory note or the License Agreement (and related documents) for the Center that relates to the incentive payment (See Exhibit A-11). If licensee or area developer is in default of any of these agreements, VIOCF may accelerate all amounts due under the promissory note. The promissory note does not require the payment of interest, however, in the event of a default, interest will begin accruing on the balance due at the time of default. A default under the loan documents would constitute a default of your License Agreement and all ancillary agreements with VIOCF and its affiliates. Upon a default, we may collect reasonable attorneys' fees and our expenses of collection, including court costs. You waive a jury trial and presentment of the promissory note.

The two current incentive programs for licensees and area developers are described in more detail below.

New/Renewal Store Incentive Program:

VIOCF is currently offering incentives to new or existing franchisees that construct new Centers, acquire existing oil change facilities or renew existing Centers. If you construct a new Center (ground up) and that Center is projected by VIOCF to perform more than 10,000 oil changes in the 12 months following the store opening, the Center may qualify for an incentive payment from VIOCF ranging from $100,000 to $150,000. If you acquire an existing oil change facility that has performed more than 7,500 oil changes in the 12 months preceding purchase, the Center may qualify for an incentive payment from VIOCF ranging from $75,000 to $150,000.

VIOCF also currently offers incentives for franchisees that renew an existing Center for a term of no less than 15 years. If you renew and sign a new License Agreement for an existing Center for a term of not less than 15 years, and that Center performs more than 7,500 oil changes in the 12 months preceding renewal, the Center may qualify for an incentive payment from VIOCF ranging from $75,000 to $150,000.

Development Agreement Incentive Program:

VIOCF may offer incentives to those franchisees that sign a Development Agreement and construct a new Center or acquire an existing oil change facility in a new market. If you construct a new Center (ground up) under a Development Agreement and that Center is projected by VIOCF to perform more than 10,000 oil changes in the 12 months following the store opening, the Center may qualify for an incentive payment ranging from $100,000 to $150,000. If you acquire an existing oil change facility that has performed more than 7,500 oil changes in the 12 months preceding purchase, the Center may qualify for an incentive payment ranging from $75,000 to $150,000.

ITEM 11
FRANCHISOR'S ("LICENSOR'S) ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, VIOCF is not obligated to provide any assistance to you.

Pre-Opening Obligations

Before you open your business, VIOCF must provide the following assistance and services to you:

1. If you do not have an Approved Location for the Center at the time the License Agreement is signed, VIOCF will give to you the following assistance based on the License Agreement:

a. Site Selection Methods

If you do not have an approved location for the Center when you sign the License Agreement, you must lease or acquire a location, as provided in the License Agreement. (License Agreement Section 1.2)

The site selection procedure is as follows:

Within one year after the date of the License Agreement, you must submit for VIOCF's approval, the Site Approval Application for the Center. This site must be located within a territory designated in the License Agreement (the "Site Selection Area"). VIOCF will have 45 days after receipt of this information to approve the Site Approval Application. (License Agreement, Section 5.4.1.)

The site has not been approved until you have received VIOCF's written approval. If you do not submit an acceptable site to us for our approval within the time limits described above, VIOCF may terminate the License Agreement.

Some of the factors considered in approving a site include the general location, neighborhood, traffic patterns, access to property, parking facilities, size of the lot, income of community, population, surrounding retailers, competing businesses, lease or purchase terms and the proximity to existing franchise and company center locations.

After a site for the Center has been approved in writing by VIOCF and acquired by you, the site is the Approved Location referred to in the License Agreement.

After the construction of the Center, you must obtain VIOCF's written approval before opening the Center. You must open the Center within 2 years from the date of the License Agreement. (License Agreement, Sections 6.4, 6.5, & 6.6)

VIOCF usually does not own or lease the Premises to you. For a description of certain restrictions relating to the lease of the Premises, please see ITEM 8 of this disclosure document. VIOCF's prior written approval of the lease or purchase may be conditioned upon VIOCF's rights to cure any default or similar provisions as VIOCF considers necessary.

b. The on-site evaluation(s) of proposed Center locations as VIOCF considers necessary after you request site approval (License Agreement, Section 5.3.2);

2. VIOCF will provide one set of its current building plans to you at no charge for your first Center. These building plans are "Not For Construction". You must hire an architect and/or an engineer to draw plans based on the design and provide to you stamped blueprints for use in construction, and since these building plans are not site-specific and may not meet your local codes, you must modify the building plans for your specific site (License Agreement, Section 3.1.).

3. VIOCF will lend you one copy of VIOCF's confidential operating Manual(s) for use during the term of the License Agreement (License Agreement, Section 3.4).

4. VIOCF will provide initial training programs for you and your managers, as detailed below under the heading "Training" (License Agreement, Section 3.2).

VIOCF is not obligated by the License Agreement or any other agreement, to provide you with any other supervision, assistance, or services before the Center opens.

Center Opening

VIOCF estimates that the typical length of time between the signing of the License Agreement and the opening of the Center to be 180 days to 650 days. Some factors which may affect this time period include acts of God, the time required to select a site, negotiate a lease or purchase agreement, obtain permits and satisfy other contingencies, arrange financing, construct the improvements, install necessary fixtures and decorations, obtain required equipment and inventory, and successfully complete all initial training.

Continuing Obligations

The License Agreement requires VIOCF to provide the following assistance to you while the Center is operating:

1. Advice and materials to help you in the operation, advertising, and promotion of the Center as VIOCF considers appropriate (License Agreement, Section 3.3).

2. The loan of any additions or updates to VIOCF's Manual (License Agreement, Sections 3.4 and 10.4).

3. A General System Fund was designed to promote general public recognition, acceptance and use of the Proprietary Marks for the System. The fund is described below under the heading "Advertising." (License Agreement, Section 13.1).

VIOCF is not obligated under the Development Agreement to provide you with any assistance. We are obligated to provide you with some assistance with respect to an individual Center as described above.

Advertising

General System Fund

VIOCF and VIOC have a General System Fund ("System Fund"), for the research, production, manufacture and/or installation of programs and advertising materials that are intended to promote public recognition and acceptance of the Proprietary Marks and market the System. Programs and advertising materials may include (but are not limited to) on-line search and display campaigns, in-store materials, point of purchase displays, trade dress design, consumer relationship tools, pricing consultancy, direct response advertising and consultancy, loyalty programs and data analysis related to any one or more of the programs. You must contribute 2% of your Center's Adjusted Gross Revenue on a monthly basis to the System Fund until a maximum or cap amount has been contributed by each Center. The VIOC company-owned Centers also contribute to the System Fund on the same basis. The maximum or cap amount will be established by VIOCF and VIOC at the beginning of each fiscal year. We reserve the right to waive or prorate the fee during the first partial year of operation.

During the last fiscal year, VIOCF and VIOC spent the System Fund contributions as follows: 60% on expenses and fees, 17% on software licenses and hardware maintenance costs for the POS system and 23% on interactive advertising. No portion of the System Fund is devoted directly to the solicitation of new franchisees. At the request of franchisees, the annual cost of software licenses and maintenance costs for the Point of Sale System was added as an additional contribution to the System Fund and the fees are then paid out of the System Fund.

In administering the System Fund, VIOCF and VIOC are not required to make expenditures for you that are equal or proportionate to your contribution, or to make sure that any particular licensee or VIOC company owned center benefits directly or proportionately from expenditures by the System Fund. VIOCF, VIOC or their designee administers the System Fund as follows:

1. VIOCF and VIOC direct all promotional programs, with sole discretion over the use and placement of concepts, materials, and media.

2. You will contribute to the System Fund by electronic funds transfer as described in Item 6.

3. The System Fund, including all contributions and earnings, if any, pays for the costs of maintaining, administering, directing, and preparing advertising or promotional activities, including the cost of creating brand-generic television, radio, interactive, magazine, and newspaper advertising campaigns; direct mail and outdoor billboard advertising; marketing surveys and other public relations activities; use of advertising agencies' assistance; and promotional brochures and other marketing materials for all of the Centers operating under the System. The System Fund may also, for the convenience of the System, collect money for and pay certain technology charges related to software licenses and service plans related to the point of sale system. The System Fund and its earnings do not otherwise benefit VIOCF, VIOC or its affiliates. VIOCF, VIOC or its designee keep separate bookkeeping accounts for the System Fund.

4. VIOCF and VIOC expect that all contributions and earnings of the System Fund will be spent, as stated in Paragraph 3 above, during the same fiscal year they are received. If any amounts remain in the System Fund at the end of the fiscal year, initial expenditures in the following fiscal year(s) will be made from the previous year's contributions.

5. VIOCF and VIOC prepare an annual statement of System Fund activity as shown on the books and copies are available to you upon written request. The fund is not audited on a regular basis.

6. Although VIOCF and VIOC currently intend to use the System Fund, VIOCF and VIOC may terminate it in the future. The System Fund will not be terminated, however, until all monies have been spent as stated in Paragraph 3 or returned to contributors on the basis of their contributions. (License Agreement Section 13.5).

<u>Media Advertising</u>

Under the License Agreement, you are required to spend a minimum of 3% of your Adjusted Gross Revenue to pay costs associated with the following media categories: print, direct mail, interactive, outdoor billboards, radio, and television for the benefit of your Center.

1. VIOCF has sole discretion over all of the advertising concepts, materials and media.

2. VIOCF may audit your media advertising expenditures at any time.

3. VIOCF has the right to establish and require contributions to any regional advertising cooperatives which would be in addition to the required 3% contribution for local advertising.

4. VIOCF may require contributions from you for national advertising which would be in addition to the 3% contribution for local advertising.

Media Cooperatives

At its sole discretion, VIOCF may designate any geographic area as a Cooperative, and determine if a Cooperative applies to the Center. VIOCF can also require a Cooperative to be changed, dissolved, or merged. If a Cooperative applies to the Center at the time you begin operations under the License Agreement, you must immediately become a member of the Cooperative. If a Cooperative applies to the Center and is established at any later time during the term of the License Agreement, you must become a member of the Cooperative within 30 days after the Cooperative begins operation. If the Center is within the territory of more than one Cooperative, that Center will be required to be a member of only one Cooperative. If you have more than one Center you may be required to be a member of more than one Cooperative. VIOC company-owned Centers within the geographic area of the Cooperative must become members of the Cooperative and contribute to the Cooperative on the same basis as other members. The following provisions will apply to each Cooperative:

1. VIOCF must approve, in advance, the government and operation of each cooperative. The Cooperative's governing documents must be in written form available for review.

2. Each Cooperative must be organized only for administering regional advertising programs and developing standardized advertising materials, subject to VIOCF's approval, for use by the members in local advertising.

3. VIOCF must approve all promotional materials used by a Cooperative or given to its members before these materials are used or distributed to members. All materials must be submitted to VIOCF as outlined in the License Agreement.

4. Each Cooperative may vote unanimously to contribute reasonable amounts determined by the Cooperative which would be in addition to the required 3% contribution for local advertising.

5. Each member must submit to the Cooperative, by the 20th day of each month, for the preceding calendar month, its contribution and other reports required by VIOCF or the Cooperative. The Cooperative prepares annual financial statements which are available for your review.

6. VIOCF, in its sole discretion, may grant to any licensee an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of the licensee stating reasons supporting the exemption. VIOCF's decision concerning the request for exemption will be final. (License Agreement Section 13.3)

Advertising conducted by the System Fund and the Cooperatives may be used in print, radio, or television. VIOCF in-house and VIOCF's agency of record prepare advertising for the System Fund.

Agencies selected by the Cooperatives prepare advertising for the cooperatives. For both the System Fund and the Cooperatives, contributions not spent in the fiscal year are spent in the next fiscal year. Neither the System Fund nor the Cooperatives use any funds for advertising to solicit for the sale of franchises. VIOCF may audit the advertising fund.

VIOCF is not obligated to spend any amount on advertising in the area where you are located, except as described above. VIOCF has an advisory council made up of licensees who discuss with VIOCF various operational and marketing topics. The council consists of four licensees selected by their peers and approved by VIOCF. The council acts in an advisory capacity only, and VIOCF may change or dissolve the council.

Data Processing System

VIOCF's Point Of Sale Computer System includes one computer system for each Center ("POS System"), additional remote terminals are optional. You must purchase the POS System from VIOC and maintain the POS System in good working order and condition including all necessary adjustments, repairs and replacements. VIOCF's central system ("Host System") is the back-end management piece to the POS System and is accessed through the internet.

VIOCF will require that you have a high speed internet connection for the POS System. VIOC also offers optional remote terminals that consist of a thin client, monitor, credit-card swipe, and keyboard. The software used with the current system is Windows Server 2008 R2 operating system, Chek-Chart software, and SprDr credit-card software. In addition, VIOCF will provide to you the POS System software which is owned by its parent, Ashland. Since this software is considered confidential and proprietary information, you cannot alter it in any way and you must return it to VIOCF at the termination of your License Agreement. (See ITEM 6 for more information.)

The Host System gives you the ability to manage the POS System. Some of the functions of the Host System are running reports, changing prices and adding new employees to the system. You must operate your own Host System. VIOCF may operate your Host System for your first Center for up to 6 months. The Host System and the internet browser must meet the requirements that VIOC establishes, and you will be responsible for your own maintenance of the hardware. The Host System operates on Windows Internet Explorer 5.5 or higher. In addition, VIOCF will grant you access to the Host System which is owned by its parent, Ashland. Since this software is considered confidential and proprietary information, you cannot alter it in any way and your access will be terminated at the termination of your License Agreement. (See ITEM 6 for more information.)

The Host System stores and maintains information and communicates data to the POS System. There is no contractual limitation on our right to receive information through the POS System. All data received from the POS System is stored at our office in Lexington, Kentucky. The system located at the Center helps you process customer invoice transactions and store operating information. It also helps you retain customer vehicle information, control cash, checks and charges as well as administrative items.

VIOCF requires that you have electronic mail capabilities, including internet access, to operate the Host System, communicate with your centers, communicate with VIOCF's office, and to transfer and receive reports and other data.

Manual

We will loan you one copy of VIOCF's confidential operating manual (the "Manual"), during the term of your license. The Manual may be modified and updated to reflect changes in the System. See Exhibit H for the table of contents of the Manual as of the end of our last fiscal year. See ITEM 14 for more information.)

VIOCF is not obligated by the License Agreement or any other agreement, to provide any other supervision, assistance or service in connection with the on-going operation of the Center.

Training

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Real Estate & Development	8	20-30	Franchisee Market Area
Administration	24	24	Lexington, KY
Operations Training	40	160	Company-owned Region Market
Center Opening Assistance	0	80	Franchised Location
Follow-Up Training	0	24-40	Franchised Location

VIOCF conducts training programs for both you and some of your employees. The training program will include four segments, which are conducted as needed.

VIOCF's Real Estate & Development Training introduces you to the site selection, real estate, and construction and acquisition strategy portions of the business. It will begin promptly after you sign the License Agreement and will include 1 day of orientation and 2-3 days of site visits once a site is identified. You (or if your business is a corporation or partnership, a principal of the business) must attend and complete, to VIOCF's satisfaction, VIOCF's Real Estate & Development Training.

VIOCF's Administration Training provides you with business training and Center management training. This program introduces you to the human resources, compensation, fleets, marketing, legal, EH&S, credit, security, training, point of sale, and pricing aspects of the business. The Administration Training will begin approximately 45-60 days before the opening of the initial Center and will include approximately 3 days of classroom instruction and approximately 3 days of on-the-job training at Centers operated by VIOCF's affiliate or licensee. You (or if your business is a corporation or partnership, a principal of your business) must complete, to VIOCF's satisfaction, VIOCF's Administration Training.

VIOCF's Operations Training for your initial manager focuses entirely on Center management and is intended to train qualified individuals to manage Centers. The Operations Training will begin approximately 45-60 days before the opening of the initial Center and will include approximately 5 days of classroom instruction and approximately 20 days of on-the-job training at a Center operated by VIOCF's affiliate or licensee. Your initial manager must complete, to VIOCF's satisfaction, VIOCF's Center management training program portion of Operations Training before your Center opens.

VIOCF's Center Opening Training is designed to assist you in the opening of a new Center. Center Opening Training will be held at your Center, approximately 1 week before the opening of the Center, and will include operational training and assistance. The exact duration and timing of Center Opening Training, however, will depend on your preparation.

Approximately 3-6 months after your first Center opens, an operations representative will return to your Center and provide VIOCF's Follow-Up Training.

It is your responsibility to insure that all subsequent managers and employees are trained in the SuperPro 10® System and that the SuperPro 10® System is utilized at the Center. VIOCF may audit your Center at any time to ensure compliance with the SuperPro 10®System.

Instructional materials for all training will utilize manuals, lectures, intranet site demonstrations, classroom discussion and hands-on training as indicated above.

While there is no charge for the training program, you are required to pay for your travel, lodging, meals and any other expense (including wages) you incur.

Real Estate & Development Training:

Instructor	Length of Experience	Experience
Development	Field – 31+ years Company – 31+ years	Real estate, site selection, construction

Administration Training:

Instructor	Length of Experience	Experience
Franchise Analyst	Company –12+ years	Reporting procedures and general franchise information
Fleet	Company –7+ years	Fleet accounts
Marketing	Company – 4+ years Field – 15+ years	Marketing and advertising
Legal	Company – 5+ years Field – 10+ years	Franchise and commercial law
Environmental	Company – 12+ years	Environmental Issues
Credit	Company – 15+ year	Credit
Security	Company – 6+ years	Security
IT	Company – 25+ years	Point of Sale
Training	Company – 5+ years Field – 10+ years	VIOC University, management, operations and franchise
Human Resources	Company – 16+ years	General Human Resources
Recruiting	Company –10+ years	Recruiting
Business Optimization	Company – 20+ years	Purchasing
Technical Advisor - Automotive	Company – 23+ years	Technical Issues / Claims

Center Opening Assistance:

Instructor	Length of Experience	Experience
Franchise Business Consultant/Franchise Trainers	Company – 25+ years	Store management, operations and POS

The corporate officer in charge of training is Jamie Hinely. He is the Learning Solutions Manager for VIOC and his background consists of more than 10 years of experience in training and employee development.

On-going Training

In addition to the required training programs outlined above, VIOCF will provide additional training or assistance to you at your request. The additional training or assistance can be provided at your location at a cost of $250 per day per trainer required. Other scheduled optional VIOC training classes will be offered at no cost other than your own expenses for travel, lodging, meals, and any other expenses (including wages) you incur.

There is no specific training required under the Area Development Agreement.

ITEM 12
TERRITORY

License Agreement

The License Agreement designates an Approved Location, if the site is known, or a Site Selection Area for the Center, if the site is unknown, when you sign the License Agreement. It also designates a two-mile radius from the most central point of the Approved Location. Once you have established the Center, the Approved Location and the two-mile radius surrounding it will be considered the Territory (the "Territory"). Your rights to your Territory do not depend on certain sales volumes, market penetration or other contingencies. However, your Territory may be altered if the Center is relocated or if Centers are acquired through an acquisition, as described below. You may not relocate the Center without VIOCF's prior written consent. If VIOCF consents to the Center's relocation, VIOCF may eliminate, reduce, or alter the Territory.

You will not receive an exclusive territory. You may face competition from other VIOCF Centers that we or our affiliates franchise or own and that operate at traditional sites outside your territory. Also, you may face competition from other outlets that we franchise or own, or from other channels of distribution or competitive brands we control.

During the term of the License Agreement, VIOCF will not operate, or license other persons to operate, any Center, within the Territory, which is under the System and uses the Proprietary Marks. However, VIOCF, or any of its affiliates, have the right to buy an existing business within your Territory, which business VIOCF, or any of its affiliates, may operate or license others to operate, even though the business offers similar products and services of the System, so long as the business uses different Proprietary Marks. With respect to your rights within the Territory, the mark "Valvoline®" and the mark "V®" will not be considered to be a "Proprietary Mark" licensed to the Center if either mark is used apart from the mark "Instant Oil Change". VIOCF is not required to pay you if we exercise any of the rights specified above inside your territory.

As mentioned in Item 1, Valvoline allows and plans to continue to allow operators of automotive service facilities to use its "Express Care" trademark and/or its "We Feature" program and those automotive service facilities may be located within your Territory.

The License Agreement does not grant you any options, rights of first refusal, or similar rights to acquire additional licenses within the Site Selection Area or Territory after VIOCF has approved a site.

Valvoline, an affiliate of VIOCF, sells VALVOLINE® products, which are similar to the products that you will be selling in your Center, to other quick-lube operations, service stations, automotive service departments at national chain stores, brake shops and other "specialty" automotive repair stores, tire stores, automotive dealerships, and other businesses that offer oil change and lubrication services and other routine automotive maintenance. VALVOLINE® products are also sold at gasoline/convenience stores, grocery stores, discount stores, retail stores, and mass merchandisers.

VIOCF does not restrict you from soliciting business from outside your Territory, but you do not have the right to use other channels of distribution.

Development Agreement

If you are offered the opportunity to develop multiple Centers within a designated geographic territory (the "Development Area"), you will execute a Development Agreement. The Development Agreement specifies the number of Centers that you are expected to develop within the Development Area and the time frame for that development.

The Development Area may range from areas within a city to several counties within a state, depending upon population and the number of proposed centers to be developed. Each License Agreement designates the Territory for each individual Center and includes the area within a two-mile radius of the most central point of the Center.

During the term of the Development Agreement, VIOCF will not operate, or license other persons to operate, any Center within the Development Area which is under the VIOC System and uses the Proprietary Marks. However, VIOCF has the right to buy an existing business within your territory, which business VIOCF may operate or license others to operate, even though the business offers similar products and services of the System, so long as the business uses different Proprietary Marks. With respect to the Developer's rights under the Development Area, the mark "Valvoline" and the Mark "V" will not be considered to be a "Proprietary Mark" if either mark is used apart from the Mark "Instant Oil Change."

Your rights within the Development Area are not based on any specific sales volume.

VIOCF may not change the Development Area except by mutual consent or termination of the Development Agreement.

ITEM 13
TRADEMARKS

The License Agreement grants you a limited right and non-exclusive license to use VIOCF's System, as defined in Item 1, which includes the non-exclusive license to use the Proprietary Marks, as they may be changed (including additions and deletions) at VIOCF's sole discretion. Your license to use the Proprietary Marks is limited solely to the operation of the Center, advertising for the business, and can be used only with VIOCF's System.

You must obtain from VIOCF prior approval to use the Proprietary Marks on any website or any other interactive venue you may use.

VIOCF's affiliate, Ashland Licensing and Intellectual Property LLC ("Ashland Licensing"), holds the following United States trademarks and service marks, both registered and pending which may be licensed to you or which you may otherwise use in conjunction with the limited circumstances specified above:

Mark	Registration No.	Registration Date
V VALVOLINE INSTANT OIL CHANGE and design	2118621	December 9, 1997
V VALVOLINE INSTANT OIL CHANGE and design	2913216	December 21, 2004
VALVOLINE INSTANT OIL CHANGE	1531277	March 21, 1989
INSTANT OIL	1687316	May 12, 1992
VALVOLINE (Stylized)	1601798	June 19, 1990
Symbol "V" (special color of red and blue)	867342	April 1, 1969
Symbol "V" (black and white)	2015438	November 12, 1996
Cylindrical Sign Configuration	1575539	January 2, 1990
SUPERPRO 10	3441732	June 3, 2008
SUPERPRO 10 (Design)	3367955	January 15, 2008
Driven By Your Satisfaction	3389964	February 26, 2008
We Work On Satisfaction, Not Commission	3176760	November 28, 2006
Cars, We Know'em. We Love'em	2286621	October 12, 1999
V Valvoline Instant Oil Change (Logo)	3642386	June 23, 2009
V Valvoline Instant Oil Change (Design)	3642387	January 23, 2009
V (Design)	3564645	January 20, 2009

Preventive Care for My Car. Peace of Mind for Me	2935116	March 22, 2005
Changing Expectations	3162717	October 24, 2006
Valvoline	3512482	October 7, 2008
Rapid Oil Change Design	1542903	June 6, 1989

All trademarks are registered on the Principal Register. Common law rights are also claimed for the above listed trademarks and service marks, which have been used in interstate commerce.

There are no currently effective determinations of the United States Patent or Trademark Office, the trademark trial and appeal board, the trademark administrator of this state, or any court, nor is there any pending infringement or opposition of cancellation proceeding, nor any pending material litigation involving the trademarks which may be relevant to their use in this state or in any other state.

Ashland and Ashland Licensing are parties to a trademark license agreement in which Ashland Licensing, as the owner of the above registered marks, has licensed Ashland to use the marks. VIOCF and Ashland are parties to a trademark sub-license agreement in which Ashland has sub-licensed VIOCF to use the marks and to grant a sub-license to you to use the marks. Other than these trademark license agreements, there are no agreements that limit the rights of VIOCF to use or license the use of any Proprietary Mark. VIOCF reserves the right to substitute different Proprietary Marks for use in identifying the System and the businesses operated under the System. If the Proprietary Marks are discontinued or if VIOCF, in its sole discretion, determines that substitution of different Proprietary Marks will be beneficial to the System, VIOCF's liability to you will be limited to the costs of modifying your signs and advertising materials to conform to the newly-required Proprietary Marks, except that VIOCF may require you to pay for the cost of these modifications out of your funds, as described under the heading "Center Upgrading Costs" in ITEM 6 of this Disclosure Document.

You must promptly notify VIOCF of any infringement of the Proprietary Marks of which you may become aware, but take no other action(s). Any action taken to protect the Proprietary Marks from any infringing use will be in the sole discretion of VIOCF and at VIOCF's expense.

You must promptly notify VIOCF if litigation involving the Proprietary Marks is filed or threatened against you. If the Proprietary Marks have been used properly, VIOCF, or its designee, will defend or settle the litigation at its own expense, including payment of any judgment or settlement. If the Proprietary Marks have not been properly used by you, VIOCF will have the right, to defend or settle the litigation at your expense, including the payment by you of any judgment or settlement. You will cooperate fully in any investigation, defense, litigation, or settlement.

Neither the License Agreement nor any other agreement obligates VIOCF to defend or indemnify you for damages or expenses that you may have if you are a party to an administrative or judicial proceeding involving a Proprietary Mark.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents and Copyrights

On March 3, 1995, VIOCF obtained a copyright registration for its Operations Manual under Registration Number VA 597-420. VIOCF has obtained copyright registration on its Super-Pro IO® Training Manuals, and it claims copyright protection on these manuals under Registration Numbers VA-856-151, VA-856-153, VA-856-148, VA-856-145, VA-856-150, VA-856-147, VA-856-146, VA-856-149, VA-856-154, VA856154, VA-856-152. The information within these materials is considered confidential and proprietary. Item 11 of the Disclosure Document describes the Manual in the manner in which you are permitted to use it.

You must tell VIOCF immediately if you learn about an infringement or challenge of these patents or copyrights. VIOCF, in its sole discretion, will take the action it considers appropriate. You must promptly notify VIOCF if litigation involving these patents or copyrights is filed or threatened against you. VIOCF will defend or settle the litigation at its expense, unless you have not used the patents or copyrights properly. Then, VIOCF has the right to defend or settle the litigation at your expense.

Confidential Information

License Agreement

VIOCF will lend you a copy of its Manual before your Center opens. You must treat the Manual and any other manuals, instructional materials, techniques, processes, policies, procedures, systems, data and know how regarding the development, designs, specifications and information about products and services, operation and franchising of a center, all information regarding customers, potential customer leads, and suppliers, including any statistical and/or financial information (including but not limited to historical gross revenue and adjusted gross revenue and future projections, if any), all lists and customer information or other information that Licensee enters into Licensor's POS System database, all contracts, marketing and promotional materials, publications, videos or other related materials created or approved for use in relation to the operation of the Center, and any licensed computer software programs, and all information contained within these materials as secret and confidential. The Manual remains VIOCF's sole property and must be kept in a secure place at the Center. The Manual and all other manuals or information given to you may not be reproduced in any form or distributed to any unauthorized person. Your only interest in any of the propriety or confidential information is the right to use it pursuant to the License Agreement.

If VIOCF revises the Manual you must comply with any new requirement. If any discrepancies occur regarding the Manual, the Master copy of the Manual at VIOCF headquarters will control.

Under the terms of the License Agreement, VIOCF is the sole and exclusive owner and controls all information, lists and data related to past, present and future customers of the Center, and you are subject to use restrictions by VIOCF. VIOCF owns and controls all domain names and URLs ("Uniform Resource Locator") relating to any VIOCF Center. In addition, you may not reveal or use for the benefit of any other person any confidential information concerning the operation methods of the Center (including information that you enter into VIOCF's POS System database). Reveal this confidential information only to the employees who must know it in order to operate the Center. Therefore, your only interest in any of the proprietary and/or confidential information is the right to use it pursuant to the License Agreement.

You must keep all information disclosed to you by VIOCF confidential. You may give this information only to the employees who must have access to it. You may not reproduce this information or distribute it to any unauthorized person.

ITEM 15
OBLIGATION TO PARTICIPATE
IN THE ACTUAL OPERATION OF THE LICENSED BUSINESS

The License Agreement requires you or your designee to devote full time, energy, and best efforts to the management of the Center(s). A manager who has successfully completed the SuperPro 10® training program must directly supervise the Center. The manager is not required to have an ownership interest in the licensed business.

Any principal with a 5% or greater ownership interest in your business and certain people related to you may be required to sign a consent to the License Agreement transaction and/or covenants of confidentiality and non-competition and to personally guarantee the performance of the business.

ITEM 16
RESTRICTIONS ON WHAT THE LICENSEE MAY SELL

You are required to restrict your activities to the operation of the Center and you may not use the premises for any purpose other than a Center, unless you have first obtained VIOCF's written consent. You must keep the Center open and in operation for a minimum of Monday through Saturday, 9:00 a.m. through 5:00 p.m., excluding up to 10 nationally or regionally recognized holidays. The Center must operate strictly within the guidelines set by VIOCF.

For a description of some purchase restrictions, see ITEM 8 of this Disclosure Document.

VIOCF provides a list of all products and services you must offer for sale. You may offer only approved items and may not sell any products which VIOCF has not approved in writing.

VIOCF has the unlimited right to change the types of authorized products and services.

VIOCF places no restrictions on your ability to serve customers, except as described above.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the license and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section in Development Agreement ("DA") License Agreement ("LA")	Summary
a. Length of the franchise term	DA – Section 4 LA – Section 2	DA - Open LA -15 years
b. Renewal or extension of the term	DA – Not Applicable LA - Section 2	LA - Option of two consecutive terms of 5 years each, one 10 year term, or one 15 year term.
c. Requirements for you to renew or extend	DA – Not Applicable LA - Section 2	LA - VIOCF and you will conduct a site review at least 18 months before expiration to determine site maintenance and upgrade requirements. You must provide VIOCF 12-18 months written notice advising of your election to renew or not renew with VIOCF. Renewal requires: a) compliance with monetary, training, site upgrade, and other obligations (i.e., not in default), b) signed release of claims, c) sign then current license agreement (and related agreements); and d) renewal fee. The then-current franchise agreement may contain terms and conditions materially different from those in your previous License Agreement.
d. Termination by you	Not Applicable	
e. Termination by VIOCF without cause	Not Applicable	
f. Termination by VIOCF with cause	DA – Section 6 LA - Section 16	DA & LA - VIOCF can terminate only if you default
g. "Cause" defined-defaults which can be cured	DA – Section 6.3 LA - Section 16.4 & 16.5	DA – 15 days after written notice for all defaults LA - 5 days after written notice for defaults of payments of fees; 30 day remedy for all other defaults

h. "Cause" defined-defaults which cannot be cured	DA – Section 6.1-6.2 LA - Section 16.1 - 16.4	DA – Bankruptcy, appointment of receiver, insolvency, your company dissolves, execution levied on property, sale of personal property after levy, appointment of custodian by court, failure to comply with development schedule, default by you under any License or other agreements, felony conviction, repeated defaults, unapproved transfer, maintaining false books or submitting false reports. Failure to maintain insurance. LA - Bankruptcy, appointment of receiver, insolvency, your company dissolves, execution levied on property, felony conviction, repeated defaults, failure to submit site approval within one year, failure to open within two years, unapproved transfer abandonment, loss of premises, submit false reports, understates payments, failure to maintain insurance, reveal confidential information.
i. Your obligations on termination/non renewal	DA – Section 6.5 LA - Section 17	Cease business and use of marks and procedures, pay all sums due, turn in manual and other confidential materials and remove signage (also see r. below)
j. Assignment of contract by us	DA – Not Applicable LA - Section 15.1	No restriction on VIOCF's right to assign
k. "Transfer" by you-definition	DA – Not Applicable LA - Section 15.2	Includes sell, assign, transfer, convey, give away or encumber all or substantially all of the assets comprising the Center or interest in the licensed business
l. Our approval of transfer by you	DA – Section 7.2 LA - Section 15.2-15.7	VIOCF has the right to approve all transfers but will not unreasonably withhold approval
m. Conditions for our approval of transfer	DA – Section 7.2 LA - Section 15.2-15.7	Money obligations satisfied, not in default, release signed, assignment to discharge prior obligations, new franchisee qualifies, execution of current form documents, training
n. Our right of first refusal to acquire your business	DA – Not Applicable LA - Section 15.4	VIOCF can match any offer

o. Our option to purchase your business	DA – Section 6.5.7 LA - Section 17.9	DA – Upon termination or default VIOCF can buiy cetain assets for fair market value as defined in Section 6.5.7 LA - Upon termination or expiration VIOCF can buy certain assets for fair market value as defined in Section 15.4
p. Your death or disability	DA – Not Applicable LA - Section 15.5	Franchise must be transferred to an approved transferee within 1 year
q. Non-competition covenants during the term of the license	DA – Not Applicable LA - Section 18	Shall not divert business, employ person employed by VIOCF, operate a similar business
r. Non-competition covenants after the license is terminated or expires	DA – Not Applicable LA - Section 18	Cannott be involved in similar business for 2 years within 25 mile radius of any Center
s. Modification of the agreement	DA – Section 11.5 LA - Section 24	Made only in writing with prior approval by VIOCF
t. Integration / merger clause	DA – Not Applicable LA - Section 24	Only terms of License Agreement are binding (subject to state law). Any statements or promises not in the License Agreement or this disclosure document should not be relied upon and may not be enforceable.
u. Dispute resolution by arbitration or mediation	DA - Not Applicable LA – Not Applicable	
v. Choice of forum	DA – Section 11.7 LA - Section 26	Litigation must be in Kentucky*
w. Choice of law	DA – Section 11.7 LA - Section 26	Kentucky law applies*

* State specific laws may amend these provisions.

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "[a] provision in a franchise agreement restricting jurisdiction of venue to a forum outside this state or requiring the application of laws of another state is void with respect to a claim otherwise enforceable under this Act".

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subds. 3, 4, and 5, which require (except in certain specified cases) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

These states have statutes which may supersede the license agreement in your relationship with the Licensor including the areas of termination and renewal of your license: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code, Sections 2551-2556], HAWAII [Rev. Stat. Section 482E-6], ILLINOIS [815ILCS 705/1 - 44], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1-523H.17 and 537A.10], MICHIGAN [Stat. Section 19.854(27)], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-11], SOUTH DAKOTA [SDCL 37-5B], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions which may supersede the license agreement and related agreements in your relationship with VIOCF including the areas of termination and renewal of your license.

The provisions in the License Agreement which provide for termination upon bankruptcy of a licensee may not be enforceable under federal bankruptcy law [11 U.S.C. Section 101 et seq.].

Restrictions on our Post-Termination Rights

These and other states have laws that may limit our ability to restrict your activity after the franchise expires, is not renewed, or has been terminated: California Business and Professions Code Section 16600, Florida Statutes Section 542.33, Michigan Compiled Laws Section 445.772 *et seq.*, Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, and Washington Code Section 19.86.030.

In addition to the provisions noted in the chart above, the License Agreement and Development Agreement contain a number of provisions that may affect your legal rights, including a waiver of a right to a jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. (Development Agreement – Section 11.7, License Agreement – Section 26). We recommend that you carefully review all of these provisions, and each of the agreements attached to this disclosure document in their entirety, with a lawyer. Applicable state law might require additional disclosures related to the information contained in this Item 17.

ITEM 18
PUBLIC FIGURES

VIOCF does not use any public figures to promote the sale of its licenses.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Some stores have sold this amount. There is no assurance you will do as well. If you rely on our figures, you must accept the risk of not doing as well.

All fiscal years referenced below are from October 1 through September 30 of the respective year.

Section A – VIOC Company Operated Stores

Fiscal 2010	All Stores		Based on Average Net Sales					
			High		Mid		Low	
Average Unit Data:								
Number of Stores	255		63		128		64	
% of Total Number of Stores	100%		25%		50%		25%	
% of Aggregate Store Sales	100%		35%		48%		17%	
Average Unit Net Sales (AUNS)	690,216		968,659		665,617		465,322	
Number of Units Above AUNS	109		25		63		40	
Number of Units Below AUNS	146		38		65		24	
Net Sales - Highest Unit	1,473,728		1,473,728		811,661		540,599	
Net Sales - Lowest Unit	309,925		813,335		540,734		309,925	
Contribution - Highest Unit	567,064		567,064		310,839		177,719	
Contribution - Lowest Unit	14,353		239,042		121,614		14,353	
Average Oil Changes	11,456		15,853		11,107		7,827	
Average Oil Change Per Day	37.2		51.5		36.1		25.4	
Average Ticket	$60.25		$61.10		$59.93		$59.45	
% Premium Oil Changes	51.4%		51.6%		51.1%		51.6%	
Average Financial Performance:	$	%	$	%	$	%	$	%
Gross Sales	802,484		1,123,467		774,507		542,471	
Sales Tax	(44,258)	5.5%	(62,140)	5.5%	(42,842)	5.5%	(29,488)	5.4%
Adjusted Gross Sales	758,226	94.5%	1,061,327	94.5%	731,665	94.5%	512,984	94.6%
Sales Deductions	(68,010)	8.5%	(92,668)	8.2%	(66,048)	8.5%	(47,662)	8.8%
Net Sales	690,216	91.0%	968,659	91.3%	665,617	91.0%	465,322	90.7%
Product	(193,936)	28.1%	(269,543)	27.8%	(187,390)	28.2%	(132,602)	28.5%
Labor	(188,134)	27.3%	(242,280)	25.0%	(181,509)	27.3%	(148,083)	31.8%
Gross Profit	308,146	44.6%	456,836	47.2%	296,718	44.6%	184,637	39.7%
Store Expenses[2]	(50,798)	7.4%	(60,387)	6.2%	(49,971)	7.5%	(43,013)	9.2%
Advertising[3]	(31,215)	4.5%	(31,215)	3.2%	(31,215)	4.7%	(31,215)	6.7%
Contribution	226,134	32.8%	365,234	37.7%	215,532	32.4%	110,409	23.7%

Fiscal 2011	All Stores		Based on Average Net Sales					
			High		Mid		Low	
Average Unit Data:								
Number of Stores	256		64		128		64	
% of Total Number of Stores	100%		25%		50%		25%	
% of Aggregate Store Sales	100%		35%		48%		17%	
Average Unit Net Sales (AUNS)	722,175		1,001,593		697,513		492,081	
Number of Units Above AUNS	95		25		57		34	
Number of Units Below AUNS	125		39		71		30	
Net Sales - Highest Unit	1,583,889		1,583,889		851,340		561,062	
Net Sales - Lowest Unit	349,098		853,856		566,089		349,098	
Adjusted Oper Income - Highest Unit	570,984		570,984		377,072		205,595	
Adjusted Oper Income - Lowest Unit	18,962		242,918		124,408		18,962	
Average Oil Changes	11,407		15,688		11,040		7,862	
Average Oil Change Per Day	37.2		51.1		36.0		25.6	
Average Ticket	$63.31		$63.84		$63.18		$62.59	
% Premium Oil Changes	52.4%		52.2%		53.0%		51.9%	
Average Financial Performance:	$	%	$	%	$	%	$	%
Gross Sales	838,836		1,160,923		810,855		572,713	
Sales Tax	(45,750)	5.5%	(63,385)	5.5%	(44,535)	5.5%	(30,544)	5.3%
Adjusted Gross Sales	793,087	94.5%	1,097,538	94.5%	766,320	94.5%	542,169	94.7%
Sales Deductions	(70,912)	8.5%	(95,945)	8.3%	(68,807)	8.5%	(50,088)	8.7%
Net Sales	722,175	91.1%	1,001,593	91.3%	697,513	91.0%	492,081	90.8%
Product	(209,550)	29.0%	(289,048)	28.9%	(202,615)	29.0%	(143,924)	29.2%
Labor	(196,238)	27.2%	(248,276)	24.8%	(188,887)	27.1%	(158,899)	32.3%
Gross Profit	316,387	43.8%	464,269	46.4%	306,011	43.9%	189,258	38.5%
Store Expenses[2]	(64,623)	8.9%	(79,217)	7.9%	(62,936)	9.0%	(64,623)	13.1%
Advertising[3]	(31,437)	4.4%	(31,437)	3.1%	(31,437)	4.5%	(31,437)	6.4%
Adjusted Operating Income	220,327	30.5%	353,615	35.3%	211,638	30.3%	93,197	18.9%

Fiscal 2012	All Stores		High		Mid		Low	
			Based on Average Net Sales[1]					
Average Unit Data:								
Number of Stores	257		64		129		64	
% of Total Number of Stores	100%		25%		50%		25%	
% of Aggregate Store Sales	100%		35%		48%		17%	
Average Unit Net Sales (AUNS)	756,481		1,050,005		727,765		520,837	
Number of Units Above AUNS	111		23		62		36	
Number of Units Below AUNS	146		41		67		28	
Net Sales - Highest Unit	1,850,951		1,850,951		875,043		591,537	
Net Sales - Lowest Unit	368,482		875,371		593,327		368,482	
Contribution - Highest Unit	710,676		710,676		310,856		155,130	
Contribution - Lowest Unit	14,031		238,829		106,062		14,031	
Average Oil Changes	11,456		15,794		11,064		7,909	
Average Oil Change Per Day	37.1		51.4		35.8		25.6	
Average Ticket	$66.03		$66.48		$65.78		$65.85	
% Premium Oil Changes	53.7%		53.6%		53.7%		53.8%	
Average Financial Performance:	$	%	$	%	$	%	$	%
Gross Sales	880,555		1,222,330		846,744		606,928	
Sales Tax	(48,497)	5.5%	(68,162)	5.6%	(46,775)	5.5%	(32,304)	5.3%
Adjusted Gross Sales	832,057	94.5%	1,154,168	94.4%	799,969	94.5%	574,624	94.7%
Sales Deductions	(75,576)	8.6%	(104,162)	8.5%	(72,204)	8.5%	(53,787)	8.9%
Net Sales	756,481	90.9%	1,050,005	91.0%	727,765	91.0%	520,837	90.6%
Product	(230,706)	30.5%	(317,512)	30.2%	(222,516)	30.6%	(160,409)	30.8%
Labor	(216,412)	28.6%	(268,749)	25.6%	(210,193)	28.9%	(176,611)	33.9%
Gross Profit	309,362	40.9%	463,745	44.2%	295,056	40.5%	183,817	35.3%
Store Expenses[2]	(61,364)	8.1%	(73,239)	7.0%	(60,826)	8.4%	(50,575)	9.7%
Advertising[3]	(33,621)	4.4%	(33,621)	3.2%	(33,621)	4.6%	(33,621)	6.5%
Contribution	214,377	28.3%	356,885	34.0%	200,609	27.6%	99,621	19.1%

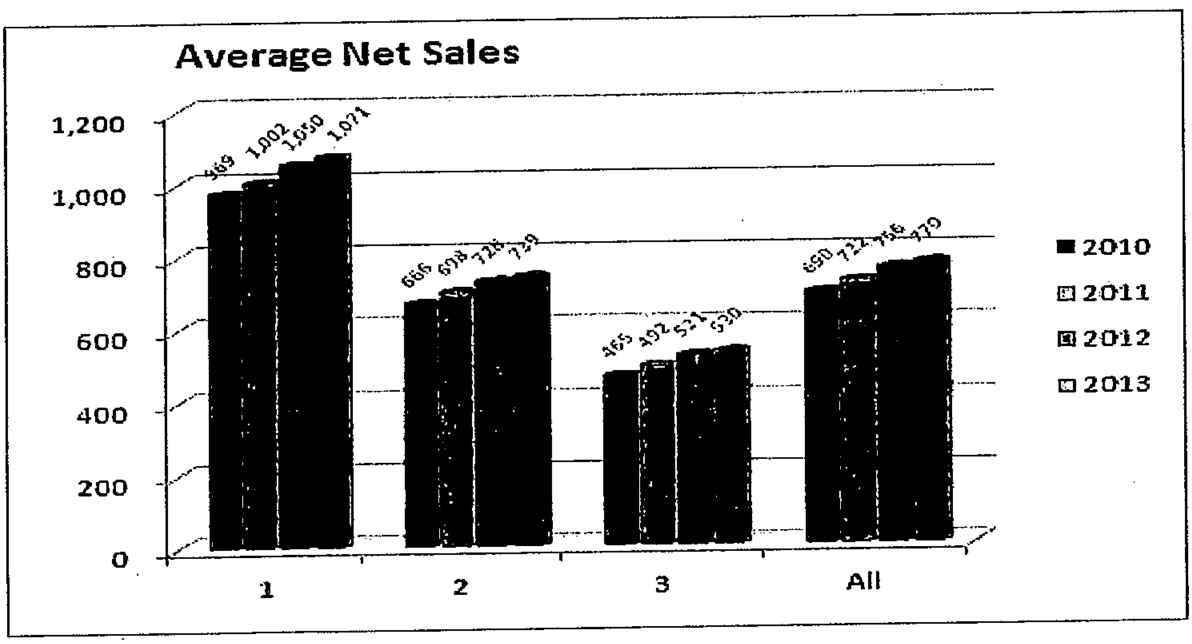
Fiscal 2013	All Stores		High		Mid		Low	
			Based on Average Net Sales[1]					
Average Unit Data:								
Number of Stores	260		65		130		65	
% of Total Number of Stores	100%		25%		50%		25%	
% of Aggregate Store Sales	100%		35%		48%		17%	
Average Unit Net Sales (AUNS)	769,923		1,070,954		739,372		529,995	
Number of Units Above AUNS	109		25		61		36	
Number of Units Below AUNS	151		40		69		29	
Net Sales - Highest Unit	1,855,711		1,855,711		887,660		606,230	
Net Sales - Lowest Unit	400,851		888,066		614,122		400,851	
Contribution - Highest Unit	775,669		775,669		319,258		166,039	
Contribution - Lowest Unit	20,310		235,875		117,054		20,310	
Average Oil Changes	11,392		15,722		10,952		7,943	
Average Oil Change Per Day[4]	37.1		51.2		35.7		25.9	
Average Ticket	$67.58		$68.12		$67.51		$66.72	
% Premium Oil Changes	55.2%		55.7%		55.1%		54.5%	
Average Financial Performance:	$	%	$	%	$	%	$	%
Gross Sales	905,766		1,259,096		869,998		623,972	
Sales Tax	(50,065)	5.5%	(71,753)	5.7%	(47,708)	5.5%	(33,092)	5.3%
Adjusted Gross Sales	855,701	94.5%	1,187,343	94.3%	822,290	94.5%	590,880	94.7%
Sales Deductions	(85,778)	9.5%	(116,389)	9.2%	(82,918)	9.5%	(60,885)	9.8%
Net Sales	769,923	90.0%	1,070,954	90.2%	739,372	89.9%	529,995	89.7%
Product	(225,435)	29.3%	(309,254)	28.9%	(217,307)	29.4%	(157,871)	29.8%
Labor	(216,657)	28.1%	(265,329)	24.8%	(210,066)	28.4%	(181,167)	34.2%
Gross Profit	327,831	42.6%	496,371	46.3%	311,999	42.2%	190,957	36.0%
Store Expenses[2]	(63,657)	8.3%	(77,528)	7.2%	(62,478)	8.5%	(52,145)	9.8%
Advertising[3]	(35,117)	4.6%	(35,117)	3.3%	(35,117)	4.7%	(35,117)	6.6%
Contribution	229,058	29.8%	383,727	35.8%	214,404	29.0%	103,695	19.6%

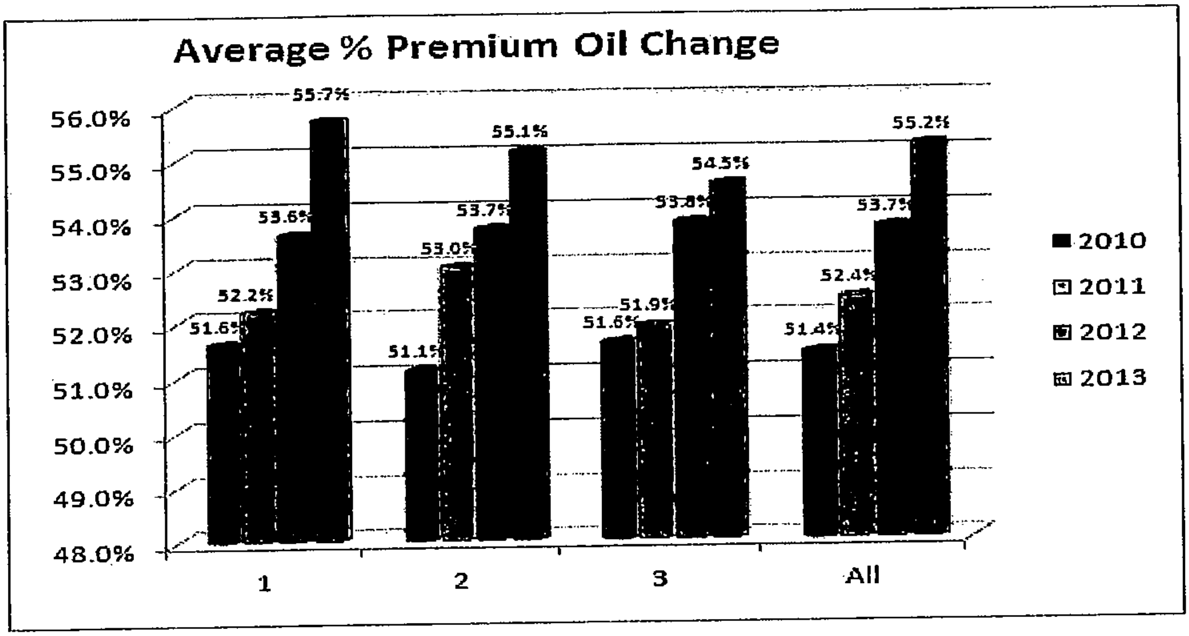
[1] Sales bands were determined by ranking all stores with a full year of operations from highest to lowest net sales. The list was then divided into tiers based on number of stores making up 25%, 50% and 25% of total number of stores.
[2] Store expenses exclude operating leases, market overhead, corporate overhead, and depreciation. Company stores do not pay royalties.
[3] Total Advertising budget is equally allocated across the stores and is not necessarily the actual amount spent by store.
[4] 90% - 92% of car counts include an oil change.

AVERAGE OIL CHANGE PER DAY

Average oil change per day ("OCPD"), average ticket and gross sales improvements presented above continue a trend that began in FY2006. Average OCPD was 32.09 in FY 2006, 33.23 in FY 2007, 33.94 in FY 2008 and 35.8 in FY 2009. Average ticket was $47.92 in FY 2006, $53.22 in FY 2007, $56.76 in FY 2008 and $58.33 in FY 2009. Gross sales were $165,748 in FY 2006, $169,665 in FY 2007, and $177,023 in FY 2008.

For the fiscal years 2006 – 2012, VIOC company owned stores experienced an aggregate increase of 5 OCPD per store, an increase in average ticket of $18.22 per oil change and an aggregate increase of gross revenue per stores of $303,696.





Section B – VIOC Franchisee Operated Stores

The following financial performance representation consists of historical data for franchised Valvoline Instant Oil Change Centers. We compiled this information from the internal, unaudited financial statements of VIOCF and point of sale data for the 12 month fiscal years ended September 30, 2010, 2011, 2012, and 2013. These financial statements were not prepared in accordance with Generally Accepted Accounting Principles (GAAP), but are believed to be reliable. Any store not open the full 12 months of the relevant fiscal year has been excluded from the data. We will provide you with written substantiation of the data used in preparing the financial performance representations in this Item 19 upon reasonable request.

Some stores have sold this amount. There is no assurance you will do as well. If you rely on our figures, you must accept the risk of not doing as well.

	FY 2010			
	Total # of Stores	Range	Average Store	# of Stores at or Above Average
Net Sales	579	$143,992 to $2,006,268	$627,826	237
Oil Changes Per Day	579	8.5 to 105.1	32.5	243
Average Ticket	579	$39.94 to $104.30	$61.51	242
Premium Oils	579	13.0% to 74.0%	39.0%	305
	FY 2011			
	Total # of Stores	Range	Average Store	# of Stores at or Above Average
Net Sales	559	$137,581 to $2,127,466	$652,358	233
Oil Changes Per Day	559	8.8 to 98.3	31.7	247
Average Ticket	559	$39.43 to $101.75	$65.28	244
Premium Oils	559	15.2% to 75.2%	44.2%	290
	FY 2012			
	Total # of Stores	Range	Average Store	# of Stores at or Above Average
Net Sales	522	$134,532 to $2,093,309	$691,190	215
Oil Changes Per Day	522	7.9 to 95.9	33.5	222
Average Ticket	522	$42.20 to $105.60	$66.68	216
Premium Oils	522	16.8% to 74.3%	45.8%	273
	FY 2013			
	Total # of Stores	Range	Average Store	# of Stores at or Above Average
Net Sales	582	$138,416 to $2,090,801	$717,172	245
Oil Changes Per Day	582	8.1 to 94.0	33.5	244
Average Ticket	582	$43.76 to $109.40	$69.36	236
Premium Oils	582	11.3% to 74.5%	47.2%	288

Financial Projections

If requested by a prospective franchisee with an existing quick lube store, we can provide a store conversion model that shows financial projections of an existing quick lube store if it meets the average service penetration levels as seen in our franchisee-owned stores.[2] In order to build a customized model, the prospective franchisee must provide current performance data and cost data to allow comparison to our system performance. The conversion model makes projected representations as to how much an individual prospective franchisee could earn in the future if it meets the average service penetration levels as seen in existing franchise stores. The figures represented in the conversion model are only estimates of potential earnings. There is no assurance you will do as well or achieve the average service

[2] Company stores are not included in the conversion model calculations. They generally have higher penetration rates.

penetration rate we assume in the model. If you rely upon our figures, you must accept the risk of not performing as well.

In addition to the assumptions related to service penetration rates, the conversion model makes an assumption of improved oil changes per day based on marketing program effectiveness relative to standard reminder mail programs. Conversion candidates should note that there will be a transition period within which they should expect lower service penetration levels before they might achieve parity with existing franchise store averages. In addition, some non-oil change services require special equipment. If prospective franchisees do not have this equipment, they have to purchase it to perform the service.

Following is a table showing the range of service penetration rates as well as an aggregate average in the categories of "Visual Services," "OEM Services," and "VAL Recommended Services" in FY 2013 that are used in store conversion model financial projections for prospective franchisees that have existing quick lube stores. Service Penetration rates include calculations from franchise stores that have been open for the entire 12 month reporting period. Stores that were not open for the entire 12 month period have been excluded. The service offering categories are described in detail in the definitions at the beginning of Item 19.

	FY 2013 – Conversion Model			
	Total # Of Stores	% Penetration Range	Service Penetration Rate (aggregate)	# Of Stores at or Above Average
Visual Services[3]	582	12.04% to 60.91%	34.97%	299
OEM Services	582	0.42% to 22.01%	9.94%	267
VAL Recommended Services	582	0.0% to 12.7%	2.23%	209

Penetration Rates are based on identified services performed as a percentage of total oil changes. In the example below, if your store performed at the average penetration rate of 3.9% for Val Recommended Services, you would expect to perform 39 Val Recommended Services for every 1000 oil changes you perform. The range for "Visual Services," "OEM Services," and "VAL Recommended Services" is calculated utilizing store-specific methodology. The minimum rate is the sum of the minimum penetration rates for all services within a category. For example, within the category of "VAL Recommended Services", if the penetration rates for each of the services (air conditioning recharge, fuel injection cleaners, and tire rotation) are 1%, 0.6%, and 2.3% respectively, then the aggregate minimum rate for the category will be 3.9%. In this example, the rate of 3.9% indicates the percentage of total oil changes that will have at least one of the services within the category of "VAL Recommended Services." The same methodology is used for the maximum rate in the range of each category. The rate disclosed for each category is an aggregate and no individual service has a rate that high.

Assumptions of the conversion model

The conversion model makes assumptions on impact to the business of our fleet program, search engine marketing, and direct mail program. We assume that you use a simple reminder mail program.

[3] Excludes oil change

The model assumes that the service penetration rates of the existing stores are influenced by the stores' utilization of the fleet and direct mail programs as well as our proprietary sales presentation and point of sale system. We will use data you provide on your entity's fleet business. An assumption of improved performance is only made if your fleet business percentage is lower than our average.

The conversion model uses standard pricing assumptions. Except for the premium oil change incentive program, the pricing model does not include the positive impact of the other incentives because participation in those programs is voluntary. Franchisees receive a scaled discount on conventional motor oil purchases depending on the percentage of premium oil changes. The conversion model uses the applicable discount that would apply if you achieved the franchisee average premium oil change percentage. Your incentive discount may be higher or lower depending on the premium oil change percentage that you actually achieve. We also offer a 1% discount for early payment for all product purchases (within 14 days of the date of the invoice and payment must be made by ACH draft). We also offer a discount on MaxLife ATF for franchisees that purchase and use MaxLife ATF as their exclusive ATF fluid (except where other fluids are necessary – i.e., CVT applications). Finally, we offer a discount on conventional oil purchases for franchisees that participate in our direct mail advertising program at a predetermined level. This discount is only offered if the franchisee meets the required participation level.

Other than as outlined above, VIOCF does not furnish, or authorize our salespersons (or anyone else) to furnish, and you should not rely on, any oral or written information concerning the actual or potential sales, income or profits of a Valvoline Instant Oil Change center. We have not suggested, and certainly cannot guarantee, that you will succeed in the operation of your store, because the most important factors in the success of any Valvoline Instant Oil Change center, including the one to be operated by you, are your personal business, marketing, management, judgment and other skills and your willingness to work hard and follow the System. Actual results vary from store to store, area to area, and market to market. Except for projections made with the conversion model for prospective franchisees with existing quick lube stores, we cannot estimate or project the results for any particular Valvoline Instant Oil Change Center.

You are likely to achieve results that are different, possibly significantly and adversely, from the results shown above. Many factors, including location, management capabilities, local market conditions, and other factors, are unique to each store and may significantly impact the financial performance of your store. Consider that a newly opened business should not be expected to achieve sales volumes or maintain expenses similar to those of an established business.

Neither VIOCF nor any of its affiliates, make any promises or representations of any kind that you will achieve any particular results or level of sales or profitability or even achieve break-even results in any particular year of operation.

You are responsible for developing your own business plan for your store, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances. The expenses identified in this statement are not the only expenses that you will incur in connection with the operation of your store. Additional expenses that you may incur include royalty and marketing fees (see Item 6 of this disclosure document), interest on debt service, insurance, legal and accounting charges, and depreciation/amortization. We encourage you to consult with your own accounting, business, and legal advisors to assist you to identify the expenses you likely will incur in connection with your store, to prepare your budgets, and to assess the likely or potential financial performance of your store. We also encourage you to contact existing store operators to discuss the quick oil change business.

In developing the business plan for your store, you are cautioned to make necessary allowance for change in financial results to income, expenses, or both, that may result from operation of your store during periods of, or in geographic areas suffering from, economic downturns, inflation, unemployment, or other negative economic influences.

Historical costs and revenues do not necessarily correspond to future costs and revenues because of factors such as inflation, deflation, changes in minimum wage laws, location, financing, construction costs, lease-related costs and other variables. For example, costs such as rent, CAM charges, taxes, interest, insurance and utilities vary from store to store. All information should be evaluated in light of current market conditions, including such costs and price information as may then be available.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2011 - 2013

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2011	606	604	(2)
	2012	604	605	1
	2013	605	638	33
Company-Owned	2011	256	260	4
	2012	260	260	0
	2013	260	261	1
Total Outlets	2011	862	864	2
	2012	864	865	1
	2013	865	899	34

Table No. 2
Transfers of Outlets From Franchisees to New Owners
(Other than the Franchisor)
For Years 2011 to 2013

State	Year	Number of Transfers
Arizona	2011	0
	2012	0
	2013	0
Arkansas	2011	0
	2012	0
	2013	0
California	2011	0
	2012	0
	2013	0
Colorado	2011	0
	2012	0
	2013	0
Connecticut	2011	0
	2012	0
	2013	0
Delaware	2011	0
	2012	0
	2013	0
Florida	2011	0
	2012	0
	2013	0
Georgia	2011	0
	2012	2
	2013	0
Illinois	2011	0
	2012	0
	2013	0
Indiana	2011	0
	2012	0
	2013	1
Iowa	2011	0
	2012	0
	2013	5
Kansas	2011	0
	2012	0
	2013	0
Kentucky	2011	0
	2012	0
	2013	4
Maryland	2011	0
	2012	0
	2013	0
Massachusetts	2011	0
	2012	0
	2013	0

State	Year	Number of Transfers
Michigan	2011	0
	2012	0
	2013	0
Mississippi	2011	0
	2012	0
	2013	0
Missouri	2011	0
	2012	0
	2013	0
Minnesota	2011	0
	2012	0
	2013	0
Montana	2011	0
	2012	0
	2013	0
Nebraska	2011	0
	2012	0
	2013	0
Nevada	2011	0
	2012	0
	2013	0
New Hampshire	2011	0
	2012	0
	2013	0
New Jersey	2011	0
	2012	0
	2013	0
New Mexico	2011	0
	2012	0
	2013	0
New York	2011	0
	2012	0
	2013	0
North Carolina	2011	3
	2012	3
	2013	0
North Dakota	2011	0
	2012	0
	2013	0
Ohio	2011	0
	2012	0
	2013	0
Oklahoma	2011	0
	2012	0
	2013	0
Oregon	2011	0
	2012	0
	2013	0
Pennsylvania	2011	0
	2012	0
	2013	0

State	Year	Number of Transfers
Rhode Island	2011	0
	2012	0
	2013	0
South Carolina	2011	0
	2012	1
	2013	0
South Dakota	2011	0
	2012	0
	2013	0
Tennessee	2011	0
	2012	0
	2013	0
Texas	2011	2
	2012	0
	2013	1
Utah	2011	0
	2012	0
	2013	0
Virginia	2011	0
	2012	0
	2013	0
Washington	2011	0
	2012	0
	2013	0
Wisconsin	2011	0
	2012	0
	2013	0
Wyoming	2011	0
	2012	0
	2013	0
TOTAL	2011	5
	2012	6
	2013	11

Table No. 3
Status of Franchised Outlets
For Years 2011 to 2013

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Arizona	2011	5	0	0	0	0	0	5
	2012	5	2	2	0	0	0	5
	2013	5	0	0	0	0	0	5
Arkansas	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
California	2011	42	0	0	0	0	3	39
	2012	39	73	35	0	0	0	77
	2013	77	0	0	0	0	1	76
Colorado	2011	4	0	0	1	0	0	3
	2012	3	0	0	0	0	0	3
	2013	3	7	0	0	0	0	10
Connecticut	2011	29	0	0	0	0	0	29
	2012	29	0	0	0	0	0	29
	2013	29	2	0	0	0	1	30
Delaware	2011	3	0	0	0	0	0	3
	2012	3	0	0	0	0	0	3
	2013	3	0	0	0	0	0	3
Florida	2011	17	2	0	0	0	1	18
	2012	18	3	0	0	0	0	21
	2013	21	39	0	0	0	2	58
Georgia	2011	12	0	0	0	0	2	10
	2012	10	0	0	0	0	0	10
	2013	10	0	0	1	0	0	9
Illinois	2011	27	1	0	0	0	3	25
	2012	25	0	0	0	0	18	7
	2013	7	1	0	0	0	1	7
Indiana	2011	13	0	0	0	0	0	13
	2012	13	0	0	0	0	3	10
	2013	10	0	0	0	0	8	2
Iowa	2011	18	0	0	0	0	5	13
	2012	13	0	0	0	0	5	8
	2013	8	0	0	0	0	3	5
Kansas	2011	7	0	0	0	0	0	7
	2012	7	0	0	0	0	0	7
	2013	7	0	0	0	0	0	7
Kentucky	2011	14	0	0	0	0	0	14
	2012	14	0	0	0	0	0	14
	2013	14	4	0	0	0	0	18
Maryland	2011	9	2	0	0	0	0	11
	2012	11	0	0	0	0	0	11
	2013	11	0	0	0	0	0	11

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Massachusetts	2011	35	1	0	0	0	0	36
	2012	36	0	0	0	0	0	36
	2013	36	0	0	0	0	0	36
Michigan	2011	50	1	0	0	0	2	49
	2012	49	0	0	0	0	1	48
	2013	48	0	0	0	0	0	48
Mississippi	2011	6	0	0	0	0	0	6
	2012	6	0	0	0	0	0	6
	2013	6	0	0	0	0	0	6
Missouri	2011	21	0	0	0	0	0	21
	2012	21	0	0	0	0	1	20
	2013	20	0	0	0	0	7	13
Minnesota	2011	14	0	0	0	0	0	14
	2012	14	1	0	0	0	0	15
	2013	15	0	0	0	0	0	15
Montana	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
Nebraska	2011	5	0	0	0	0	0	5
	2012	5	0	0	0	0	0	5
	2013	5	0	0	0	0	0	5
New Hampshire	2011	11	0	0	0	0	0	11
	2012	11	0	0	0	0	0	11
	2013	11	0	0	0	0	0	11
New Jersey	2011	14	0	0	0	0	0	14
	2012	14	2	0	0	0	0	16
	2013	16	0	0	0	0	0	16
New Mexico	2011	9	0	0	0	0	0	9
	2012	9	0	0	0	0	0	9
	2013	9	0	0	0	0	0	9
New York	2011	54	2	0	0	0	1	55
	2012	55	0	0	0	0	3	52
	2013	52	0	0	0	0	0	52
North Carolina	2011	21	2	0	0	0	0	23
	2012	23	0	0	0	0	0	23
	2013	23	0	0	0	0	0	23
North Dakota	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
Ohio	2011	14	1	0	0	0	0	15
	2012	15	1	0	0	0	1	15
	2013	15	0	0	0	0	0	15
Oklahoma	2011	11	0	0	0	0	0	11
	2012	11	0	0	0	0	1	10
	2013	10	0	0	0	0	0	10

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Oregon	2011	4	0	0	0	0	0	4
	2012	4	0	0	0	0	0	4
	2013	4	0	0	0	0	0	4
Pennsylvania	2011	15	2	0	0	0	0	17
	2012	17	0	0	0	0	0	17
	2013	17	0	0	0	0	0	17
Rhode Island	2011	6	0	0	0	0	0	6
	2012	6	0	0	0	0	0	6
	2013	6	0	0	0	0	0	6
South Carolina	2011	11	0	0	0	0	0	11
	2012	11	0	0	0	0	0	11
	2013	11	0	0	0	0	0	11
South Dakota	2011	4	0	0	0	0	0	4
	2012	4	0	0	0	0	0	4
	2013	4	0	0	0	0	0	4
Tennessee	2011	4	5	0	0	0	0	9
	2012	9	0	0	0	0	0	9
	2013	9	1	0	0	0	0	10
Texas	2011	36	0	0	0	0	0	36
	2012	36	0	0	0	0	0	36
	2013	36	2	0	0	0	0	38
Utah	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
Vermont	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
Virginia	2011	7	0	0	0	0	0	7
	2012	7	0	0	0	0	0	7
	2013	7	0	0	0	0	0	7
Washington	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
Wisconsin	2011	46	0	0	0	0	3	43
	2012	43	0	0	0	0	10	33
	2013	33	0	0	0	0	0	33
West Virginia	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
TOTAL	2011	606	19	0	1	0	20	604
	2012	604	82	37	0	0	43	606
	2013	606	56	0	1	0	23	638

Table 4
Status of Company-Owned Outlets
For Years–2011 to 2013

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Georgia	2011	1	0	0	0	0	1
	2012	1	0	0	0	0	1
	2013	1	0	0	0	0	1
Illinois	2011	13	0	0	0	0	13
	2012	13	0	0	0	0	13
	2013	13	0	0	0	0	13
Indiana	2011	2	0	0	0	0	2
	2012	2	0	0	0	0	2
	2013	2	0	0	0	0	2
Kentucky	2011	41	0	0	0	0	41
	2012	41	0	0	0	0	41
	2013	41	0	0	0	0	41
Minnesota	2011	42	1	0	0	0	43
	2012	43	0	0	1	0	42
	2013	42	0	0	0	0	42
Mississippi	2011	3	0	0	0	0	3
	2012	3	0	0	0	0	3
	2013	3	0	0	0	0	3
Missouri	2011	23	0	0	0	0	23
	2012	23	0	0	0	0	23
	2013	23	1	0	0	0	24
New York	2011	23	0	0	0	0	23
	2012	23	2	0	1	0	24
	2013	24	0	0	1	0	23
Ohio	2011	64	0	0	0	0	64
	2012	64	0	0	0	0	64
	2013	64	0	0	0	0	64
Pennsylvania	2011	6	0	0	0	0	6
	2012	6	0	0	0	0	6
	2013	6	0	0	0	0	6
Tennessee	2011	37	3	0	0	0	40
	2012	40	1	0	0	0	41
	2013	41	0	0	0	0	41
Wisconsin	2011	1	0	0	0	0	1
	2012	1	0	0	0	0	1
	2013	1	0	0	0	0	1
TOTAL	2011	256	4	0	0	0	260
	2012	260	3	0	2	0	261
	2013	261	1	0	1	0	261

Table 5
Projected Openings as of September 30, 2013

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchise Outlets in Next Fiscal Year	Projected New Area Developers In Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alaska	0	0	0	0
Arizona	0	0	0	0
Arkansas	0	0	0	0
California	0	4	0	0
Colorado	0	1	0	0
Connecticut	0	2	0	0
Florida	0	4	0	0
Georgia	0	0	0	0
Illinois	0	0	0	0
Indiana	0	1	0	4
Iowa	0	0	0	0
Kansas	0	0	0	0
Kentucky	0	0	0	3
Louisiana	0	0	0	0
Maryland	0	2	0	0
Massachusetts	0	1	0	0
Michigan	0	0	0	0
Minnesota	0	0	0	0
Mississippi	0	0	0	0
Missouri	0	0	0	0
Montana	0	0	0	0
Nebraska	0	0	0	0
Nevada	0	0	0	0
New Hampshire	0	0	0	0
New Jersey	0	0	0	0
New Mexico	0	0	0	0
New York	0	0	0	0
North Carolina	0	4	1	0
North Dakota	0	0	0	0
Ohio	0	0	0	3
Oklahoma	0	0	0	0
Oregon	0	1	0	0
Pennsylvania	0	0	0	0
Rhode Island	0	0	0	0
South Carolina	0	0	0	0
South Dakota	0	0	0	0
Tennessee	0	0	0	0
Texas	1	2	0	0
Utah	0	0	0	0
Virginia	0	2	0	0
Washington	0	0	0	0
West Virginia	0	0	0	0
Wisconsin	1	1	0	0
Wyoming	0	0	0	0
TOTAL	2	25	1	10

We only started offering area development rights on a limited basis as of the date of this disclosure document and so we have not included tables 1 through 4 for area developers.

Exhibit F lists the names of all current franchisees and the addresses and telephone numbers of their outlets as of September 30, 2013.

Exhibit G lists the name, city and state, and the current business telephone number (or if unknown the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with VIOCF. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

The VIOCF Franchise Advisory Council is sponsored by us, but its members are elected by franchisees. You can reach the organization by contacting Chris Malone, High Desert Oil, Inc., 5901-J Wyoming Blvd NE, #186, Albuquerque, NM 87109, cmalone@highdesertoil.com.

ITEM 21
FINANCIAL STATEMENTS

The consolidated financial statements and the related financial statement schedule of Ashland Inc. (our parent company) and consolidated subsidiaries as of September 30, 2013 and for each of the three years in the period ended September 30, 2013, are included in Exhibit D.

Ashland Inc. guarantees our performance. See Exhibit E for a copy of the guarantee.

ITEM 22
CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included in Exhibit A. These include our License Agreement and all ancillary agreements (Licensee Sign and Equipment Lease, Licensee Supply Agreement, Master Equipment Lease, Covenant Not To Compete, Spousal Consent, Electronic Funds Transfer Authorization Agreement, Addendum to Lease, Release, Amendment to License, Conversion Incentive Promissory Note, and Development Agreement).

ITEM 23
RECEIPTS

The last pages of this disclosure document at Exhibit K are two copies of a detachable Receipt page acknowledging your receipt of this disclosure document. Please detach from this disclosure document and sign one of the two copies of this Receipt and return it directly to us at our offices at the address listed below. If these pages or any other pages or exhibits are missing from your copy, please contact Valvoline Instant Oil Change Franchising, Inc. at this address or phone number:

Valvoline Instant Oil Change Franchising, Inc.
3499 Blazer Parkway
Lexington, Kentucky 40509
Attention: Clementine Robinson
(859) 357-7188
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