FRANCHISE DISCLOSURE DOCUMENT

Costa Franchising, LLC
A Delaware limited liability company
316 Broadway
Hanover, PA 17331
717-698-3260
partner@costaoils.com
www.CostaOils.com

The franchise offered is to operate a quick lubrication, oil change, and light automotive repair business under the trade name, "Costa Oil". If you lease your kiosk and land, the total investment necessary to begin operation of a Costa Oil franchise is $198,750 to $338,400, of which $59,900 to $67,900 must be paid to us or our affiliate. If you convert an existing location that you lease, the total investment necessary to begin operation of a Costa Oil franchise is $155,750 to $414,900, of which $59,900 to $67,900 must be paid to us or our affiliate. If you construct a kiosk on land that you purchase, the total investment necessary to begin operation of a Costa Oil franchise is $657,250 to $1,874,900, of which $59,900 to $67,900 must be paid to us or our affiliate. The total investment necessary to begin operation under a two-unit to five-unit Multi-Unit Development Agreement (including the first unit) is $201,750 to $1,999,900, which includes $104,900 to $187,900 that must be paid to the franchisor or an affiliate. There is no minimum number of units that you are required to develop under the Multi-Unit Development Agreement.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Constantine Kapothanasis at 316 Broadway, Hanover, PA 17331 and 717-698-3260.

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

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

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

Issuance date: May 12, 2023, as amended January 3, 2024

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit F includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Costa Oil business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Costa Oil franchisee?	Item 20 or Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration or litigation only in Pennsylvania. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Pennsylvania than in your own state.

2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

4. **Unopened Franchises**. The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373 7117

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Item 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

In this disclosure document, "we", "us," or "our" refers to Costa Franchising, LLC. "You" means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement's provisions also will apply to your owners.

Us, Any Parents, and Certain Affiliates

Our name is Costa Franchising, LLC. We are a Delaware limited liability company. We were formed on February 23, 2023. Our principal business address is 316 Broadway, Hanover, PA 17331. We have offered franchises since May 2023. We do not offer, and have not offered, franchises in any other line of business. We are not currently engaged in any other business and do not operate a business of the type being franchised. We use the names "Costa Franchising, LLC"; "Costa Oil"; and "Costa Oil – 10 Minute Oil Change." We do not intend to use any other names to conduct business.

Our parent company is Costa Holdings, LLC, a Delaware limited liability company formed on April 19, 2023, with an address at 316 Broadway, Hanover, PA 17331.

We do not have any affiliates.

Our Predecessors

Our predecessor is Costa Oil International, Inc., a Delaware corporation formed on October 21, 2020. Its principal place of business is 316 Broadway, Hanover, PA 17331. Our predecessor offered Costa Oil franchises from February 2021 to April 2023. We acquired the Costa Oil system in April 2023.

Agent for Service of Process

Our agents for service of process are disclosed in Exhibit A.

The Franchises Offered

The franchise offered is for a quick lubrication, oil change, and light automotive repair business (each a "Business" or "Franchised Business") under the trade name, "Costa Oil". Costa Oil Businesses are built on the premise of efficiency and a focus to provide superior customer service with an oil change and fluids topped off in ten minutes. We offer franchises to persons or legal entities that meet our qualifications and are willing to undertake the investment and effort to own and operate a Business. The Business will be operated in accordance with our management system which may be changed from time to time (the "System") and under a Franchise Agreement, the form of which is attached as Exhibit B to this disclosure document.

We use, promote, and license certain trademarks, service marks, and other commercial symbols including the mark "COSTA OIL" in the operation and management of Businesses (the "Marks"). We may create, use, and license other trademarks, service marks, and commercial symbols for Businesses. If we do, these other marks and symbols will become part of the Marks and the System.

We permit franchisees to convert an existing structure from which to operate the franchise (referred to as a "Conversion") and to lease or purchase land on which they will operate out of a kiosk structure (referred to as a "Kiosk"). A typical Kiosk will range between 400 to 1,080 square feet and will offer 1 to 2 service bays to perform work on vehicles.

Multiple Unit Development

If you sign a Multi-Unit Development Agreement ("MUDA") (attached as Exhibit C to this disclosure document), you will develop multiple Costa Oil outlets within a specified geographical area, on an agreed-upon schedule. For each future unit franchise, we will require you to sign our then-current form of franchise agreement, which may be different from the form of franchise agreement included in this disclosure document.

Laws and Regulations

The automotive industry is heavily regulated. These laws may include federal, state and local regulations relating to the operation of your business.

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of your Business and the other licenses applicable to a Business and its employees. You must not employ any person in a position that requires a license unless that person is currently licensed by all applicable authorities and a copy of the license or permit is in the Business' files. You must comply with all state and local laws and regulations regarding the management of your Business.

You must comply with all local, state and federal laws, including various environmental laws such as those that regulate the disposal or recycling of used automotive fluids such as oil and anti-freeze.

You must comply with federal and state truth in labeling and advertising laws and regulations. Additionally, every state has enacted laws, rules, regulations and ordinances which may apply to the operation of a Costa Oil Business, including those which (a) establish general standards, specifications and requirements for the construction, design and maintenance of the premises, (b) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements, restrictions on smoking, and availability of and requirements for public accommodations, including restrooms, (c) set standards pertaining to employee health and safety, and (d) set standards and requirements for fire safety and general emergency preparedness. You must comply with laws regulating sexual harassment and discrimination, as well as, federal, state and local regulations concerning retail business practices You will also be required to comply with immigration and social security laws regarding the personnel you hire. You should investigate your local laws.

In addition, you must comply with local, state and federal laws regarding health, sanitation, smoking, Equal Employment Opportunity Commission ("EEOC") standards, Occupational Safety and Health Administration, Federal Trade Commission ("FTC"), consumer protection laws, pricing laws, and employment laws. Your business may be subject to various employment regulations concerning wage rates, mandated employee benefits, employment taxes, worker safety, unemployment compensation, workers' compensation, teenage labor Businesses, disabled employees, and discrimination in employment Businesses. You will be subject to the Americans with Disabilities Act, which prohibits Businesses that discriminate against physically and mentally challenged individuals regarding access to public accommodations and employment opportunities.

You ~~alone~~ are responsible for investigating and complying with all applicable laws and regulations~~, despite any information that we may give you~~. You should consult with a legal advisor about legal requirements that may apply to your Business.

General Market and Competition

The market for the automotive and oil change services provided by a franchised business is mature, highly developed, and highly competitive in most markets. As a franchisee, your business will compete with other automotive services businesses, including full-service repair facilities and other quick service locations. Some of these may be franchised. Generally, sales are not seasonal.

Item 2
BUSINESS EXPERIENCE

Constantine Kapothanasis –Chief Executive Officer

Mr. Kapothanasis has been our CEO since April 2023. He has served as Chairman, President, and CEO for our predecessor Costa Oils International, Inc. since October 2020, in Hanover and York, PA. He has also been CEO of Costa Oils, Inc. since August 2017, and the President of Pittsburgh Oil Group, Inc., in Harrisburg, Pennsylvania since 2016. Between October 2016 and March 2019, he was the President of Hellas Oil Group, Inc. in Niles, Illinois.

David Falzarano – Chief Operating Officer

Mr. Falzarano has been our Chief Operating Officer in Hanover, PA since April 2023. He served as Senior VP of Franchise Development for Lightbridge Franchise Company in Iselin, NJ from June 2020 to September 2022. He served as VP of Development for Lightbridge Franchise Company in Piscataway, NJ from October 2011 to June 2020.

Brandon Cornelius – Head of Franchise Support

Mr. Cornelius is our Head of Franchise Support in Hanover, PA since April 2023. He served as the Head of Franchise Development for our predecessor Costa Oils International, Inc. in Hanover and York, PA, from July 2020 to April 2023. Prior to that, he was an Executive Team Lead, Asset Protection for Target in Wilmington, North Carolina between February 2018 and July 2020.

Michael Abdy – Chairman

Mr. Abdy has been our Chairman since April 2023, in Boca Raton, FL. He also serves as Managing Director for ABACO in Little Falls, NJ since April 2013. He has served as a minority shareholder of FranDevCo in Huntersville, NC since 2022. He served as Chairman for BCC Services, LLC in New York, NY from March 2022 to May 2023. He served as Chairman for PM Franchising, LLC in New York, NY from May 2019 to December 2021. He served as Chairman for Master Home Services, LLC in New York, NY from May 2019 to July 2020. He served as Managing Director for Ilona Capital in New York, NY from April 2017 to April 2019.

Item 3
LITIGATION

There is no litigation 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

Franchise Fee

When you sign your franchise agreement, you must pay us the entire $54,900 lump sum as the initial franchise fee. This fee is uniform and is not refundable.

We offer a $5,000 discount off the Initial Franchise Fee to veterans and first responders who qualify for our discount program.

In 2022, we believe that all franchisees paid an initial franchise fee of $54,900, consistent with the fees published in our predecessor's then current franchise disclosure document.

Grand Opening Onsite Support Fee

You must pay us a Grand Opening Onsite Support Fee of $5,000 lump sum. The fee covers up to 5 days of on-site training that we provide in connection with the grand opening of your business. This fee is not refundable. It is due upon our request and is paid prior to the opening of your business.

We did not collect any of these fees during our last fiscal year.

Real Estate Broker Commission Fee

If we are responsible for paying a commission to a real estate broker in connection with your location, such as where the location is procured through our direct relationship with a national real estate brokerage or provider, you must reimburse us for the commission, up to $8,000. This fee is not refundable.

Multi-Unit Development

If you and we agree that you will develop multiple franchises, then you will sign our Multi-Unit Development Agreement ("MUDA") in the form of Exhibit C to this disclosure document. Your initial franchise fees will be reduced to the following amounts based on the number of units you purchase:

2 Unit Purchase: $99,900

3 Unit Purchase: $124,900

4 Unit Purchase: $149,900

5 Unit Purchase: $174,900

The development fees you pay to us under a MUDA include the franchise fees for each unit under the MUDA. You are not required to pay us any additional amounts as franchisee fees for the additional units that you develop under your MUDA. You will pay all franchise fees upon signing the MUDA. The franchise fees are uniform and not refundable.

Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	6.5% of Gross Revenue; $200 per week minimum royalty	Weekly, on Tuesday	You must pay your royalty fee directly to us from Gross Revenue generated through your business. See Notes 1, 2, and 3.
Brand Fund Contribution	Up to 2% of Gross Revenue, currently 1% of Gross Revenue	Weekly, on Tuesday	Every month, you shall contribute 2% of the monthly Gross Revenue to the corporate Brand Fund to be used to promote, market, and grow the brand.

Type of Fee	Amount	Due Date	Remarks
Website Design and Local Marketing Requirement	Greater of $99 per month and 2.5% of Gross Revenue	Monthly	You must use our designated vendor for website and design and management products and services. This vendor currently charges $99 per month for website design and hosting. This vendor also offers certain other optional marketing services, such as social media management, digital marketing, review management, etc. This amount counts toward the requirement that you expend at least 2.5% of your monthly Gross Revenue on local monthly marketing. If you fail to spend the local marketing requirement in any given period, you will be required to pay the difference to the Brand Fund or to us.
Payroll Fee	$40 to $300 per month plus $3.00 to $6.00 per month per employee, depending on the plan selected and whether you have franchises in more than one state.	Monthly	You must use our designated vendor for payroll services. This fee is paid directly to the vendor. The vendor may increase or adjust this fee in its own determination. We may remove or replace the vendor at any time in our discretion upon informing you.
Market Cooperative Contribution	As determined by the cooperative. Currently, none.	Weekly, on Tuesday	We have the right to establish local or regional advertising cooperatives. The maximum contribution that a co-op may require is 5% of gross sales. Any amounts you pay towards the market cooperative contribution are

Type of Fee	Amount	Due Date	Remarks
			credited towards your Local Marketing Requirement.
Technology Fee	Then-current fee, currently, $200 per month	Monthly, on the last day of the month	We reserve the right to charge a commercially reasonable fee for software and other technology products and services we provide; currently, the fee covers the operating software that you will use to manage your day-to-day business. The technology fee will not necessarily be a pass-through of our exact costs. We may add, remove, or alter the software or technology products or services that we provide and increase or decrease the amount of the Technology Fee with at least 30 days' written notice.
Convention Fee	Then-current registration fee; currently $0 (plus all travel, lodging and living expenses).	Before attending convention	Payable to us, if we hold a convention and charge a fee, even if you do not attend.
Renewal Fee	25% of the then-current franchise fee	Upon renewal	Payable if you enter into a successor franchise agreement at the end of your agreement term.
Relocation Fee	$5,000	When you receive approval from Costa Oil to relocate to a new location	Payable only if you request and receive approval from us to relocate the Franchised Location.
Transfer / New Principal Operator Fee	$10,000, plus any brokers fees or other fees we incur.	At the time of transfer or hire	Payable to us at time of transfer or hiring of a new Principal Operator.

Type of Fee	Amount	Due Date	Remarks
Third-party Vendors	Pass-through of costs, plus reasonable administrative charge. Currently, none.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together with a reasonable markup or charge for administering the payment program.
Supplier Review Fee	Our actual costs (estimated to be between $500 to $5,000)	Upon demand	Applies to the costs we expend in our evaluation of new suppliers you wish to purchase from or products you wish to purchase. Costs vary depending on the availability of product samples for testing, shipping costs or travel costs to review the product, the type of product under review, whether the product or supplier has been rated and other similar factors. You pay our actual costs only.
Replacement / Additional Training Fee	Currently, $500 per person	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee.

Type of Fee	Amount	Due Date	Remarks
Special Support Fee	Our then-current fee, plus our expenses. Currently, $600 per day.	On demand	If we provide in-person support to you in response to your request (including for additional site selection assistance), we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
Special Inspection Fee	Currently $600, plus our out-of-pocket costs	On demand	Payable only if we conduct an inspection of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.
Temporary Management	Our then-current fee (currently, $600 per day plus any expenses we incur)	On demand	We have the right to temporarily manage your business if: (i) you are unable to act as or hire a Principal Operator and we elect to operate your business due to your death or incapacity; (ii) you operate the business in a dangerous manner, or (iii) you receive a notice of termination and we decide to take over as temporary manager of your business.
"Under New Management" Advertising Fee	$1,000 to $5,000 depending on market size	Upon completion of transfer	We will design and implement a "under new management" Advertising & Marketing Campaign to promote your new management of the Franchise Business, if you purchase an existing Costa Oil business.

Type of Fee	Amount	Due Date	Remarks
Customer Complaint Resolution	Our expenses		Costa Oil has a 100% satisfaction guaranty program for your customers that you must participate in at your cost. As part of this program, you must notify us of any customer complaints which you have not satisfied according to our procedures. We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Late Fees	$100 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due.
Insufficient Funds Processing Fee	$100 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	Due if you have insufficient funds in your account to cover payment, or if payment by check is authorized, a check is returned for insufficient funds.

Type of Fee	Amount	Due Date	Remarks
Non-compliance Fee	$500	On demand	We may charge you $500 if your business is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you $250 per week until you correct such non-compliance.
Non-compliance Cure Costs and Fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.
Collection Costs	Our actual costs	On demand	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Audit Expenses	Our actual costs	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, (2) the audit shows that you have not met your local advertising requirement, or (3) the audit concludes that you under-reported gross sales by more than 3% for any 4-week period.
Indemnification	All of our costs and losses from any legal action related	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against

Type of Fee	Amount	Due Date	Remarks
	to the operation of your franchise		us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).
Liquidated Damages	An amount equal to royalty fees and brand fund contributions for the lesser of (i) 2 years or (ii) the remaining weeks of the franchise term.	On demand	Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.
Prevailing Party's Legal Costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney fees, court costs and other expenses.

All fees are payable only to us unless noted. All fees are imposed by us and collected by us unless noted. All fees are non-refundable. We do not represent that all fees are uniform for all franchisees; we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate. There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Notes

1. "Gross Revenue" is defined in our franchise agreement as all revenue you collect and receive from operating the Business which includes all revenue received from all services and products sold, all amounts that you charge, invoice, collect, or receive at or away from the location, and whether from cash, check, credit or debit card, barter exchange, trade credit, or other credit transactions, but excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to taxing authorities.

2. You must report your gross sales to us each week. If you fail to report your gross sales, we will withdraw estimated royalty fees and brand fund contributions based on 125% of the most recent gross sales you reported. We will true-up the actual fees after you report gross sales.

3. We currently require you to pay royalty fees and other amounts due to us by ACH or other pre-authorized bank draft. However, we can require an alternative payment method. If we permit you to pay by credit card or any other method which causes us to incur a processing fee, you will be responsible for the amount of the processing fee.

Item 7
ESTIMATED INITIAL INVESTMENT

TABLE 1: YOUR ESTIMATED INITIAL INVESTMENT
KIOSK WITH LAND AND IMPROVEMENTS LEASED

Type of expenditure[1]	Amount From	- To	Method of payment	When due	To whom payment is to be made
Franchise Fee[1]	$54,900	$54,900	Cashier's Check or wire	Signing of Franchise Agreement	Us
Grand Opening Onsite Support Fee[1]	$5,000	$5,000	Cashier's check or wire	Upon demand	Us
Real Estate Commission Fee[2]	$0	$8,000	Check, wire, or credit card	Upon demand	Us or our affiliates
Kiosk Lease[3,5]	$12,000	$16,500	Not Specified	Before Beginning Operations	Approved Supplier
Kiosk Engagement Fee[3]	$5,000	$7,000	Not Specified	Before Beginning Operations	Approved Supplier
Ground Lease[3,4,5]	$4,500	$15,000	Not Specified	Before Beginning Operations	Landlord
Training expenses for travel, food and lodging[6]	$1,500	$3,500	Not Specified	During Training	Airlines, Hotels, Restaurants
Computer Hardware and Software[7]	$1,000	$2,500	Not Specified	Before Beginning Operations	Supplier
Office Supplies[8]	$250	$500	Not Specified	Before Beginning Operations	Supplier

Type of expenditure[1]	Amount From - To		Method of payment	When due	To whom payment is to be made
Signage[9]	$3,500	$15,000	Not Specified	Before Beginning Operations	Supplier
Furniture and Equipment[10]	$7,500	$15,000	Not Specified	Before Beginning Operations	Supplier
Utilities[11]	$500	$2,000	Not Specified	Before Beginning Operations	Utility Provider
Tools[12]	$1,000	$2,000	Not Specified	Before Beginning Operations	Supplier
Inventory & Supplies[13]	$12,000	$16,000	Not Specified	Before Beginning Operations	Approved Supplier
Grand Opening Advertising[14]	$5,000	$10,000	Not Specified	Before Beginning Operations	Supplier
Insurance[15]	$1,000	$3,500	Not Specified	Before Beginning Operations	Insurance Agent
Licenses and Permits[16]	$100	$3,000	Not Specified	Before Beginning Operations	Relevant Organizations
Legal and Accounting[17]	$1,500	$4,000	Not Specified	Before Beginning Operations	Accountants, Lawyers
Site Plan Approval[18]	$12,500	$20,000	Not Specified	Before Beginning Operations	Suppliers
Building Permit Approval[18]	$20,000	$35,000	Not Specified	Before Beginning Operations	Suppliers
Additional Funds – ~~First 3 to~~ 6 Months[19, 20]	$50,000	$100,000	Not Specified	Upon Beginning Operations	Suppliers
Total	**$198,750**	**$338,400**			

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TABLE 2: YOUR ESTIMATED INITIAL INVESTMENT
CONVERSION OF EXISTING BUILDING LEASED

Type of expenditure[1]	Amount From - To		Method of payment	When due	To whom payment is to be made
Franchise Fee[1]	$54,900	$54,900	Cashier's Check or wire	Signing of Franchise Agreement	Us
Grand Opening Onsite Support Fee[1]	$5,000	$5,000	Cashier's check or wire	Upon demand	Us
Real Estate Commission Fee[2]	$0	$8,000	Check, wire, or credit card	Upon demand	Us or our affiliates
Lease[3,4]	$6,000	$30,000	Not Specified	Before Beginning Operations	Us or our affiliates
Leasehold Improvements[20]	$5,000	$50,000	Not Specified	Before Beginning Operations	Contractor
Training expenses for travel, food and lodging[6]	$1,500	$3,500	Not Specified	During Training	Airlines, Hotels, Restaurants
Computer Hardware and Software[7]	$1,000	$2,500	Not Specified	Before Beginning Operations	Supplier
Office Supplies[8]	$250	$500	Not Specified	Before Beginning Operations	Supplier
Signage[9]	$3,500	$15,000	Not Specified	Before Beginning Operations	Supplier
Furniture and Equipment[10]	$7,500	$40,000	Not Specified	Before Beginning Operations	Supplier
Utilities[11]	$500	$2,000	Not Specified	Before Beginning Operations	Utility Provider

Type of expenditure[1]	Amount From - To		Method of payment	When due	To whom payment is to be made
Tools[12]	$1,000	$2,000	Not Specified	Before Beginning Operations	Supplier
Inventory & Supplies[13]	$12,000	$16,000	Not Specified	Before Beginning Operations	Approved Supplier
Grand Opening Advertising[14]	$5,000	$10,000	Not Specified	Before Beginning Operations	Supplier
Insurance[15]	$1,000	$3,500	Not Specified	Before Beginning Operations	Insurance Agent
Licenses and Permits[16]	$100	$3,000	Not Specified	Before Beginning Operations	Relevant Organizations
Legal and Accounting[17]	$1,500	$4,000	Not Specified	Before Beginning Operations	Accountants, Lawyers
Real Estate Due Diligence[18]	$0	$15,000	Not Specified	Before Beginning Operations	Suppliers
Additional Funds ~~– First 3 to~~ 6 Months[19, 20]	$50,000	$150,000	Not Specified	Upon Beginning Operations	Suppliers
Total	**$155,750**	**$414,900**			

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TABLE 3: YOUR ESTIMATED INITIAL INVESTMENT
KIOSK WITH LAND AND IMPROVEMENTS PURCHASED

Type of expenditure[1]	Amount From - To		Method of payment	When due	To whom payment is to be made
Franchise Fee[1]	$54,900	$54,900	Cashier's Check or wire	Signing of Franchise Agreement	Us
Grand Opening Onsite Support Fee[1]	$5,000	$5,000	Cashier's check or wire	Upon demand	Us
Real Estate Commission Fee[2]	$0	$8,000	Check, wire, or credit card	Upon demand	Us or our affiliates
Land and Improvements Purchased[3,4]	$480,000	$1,575,000	As Arranged	As Arranged	Seller
Training expenses for travel, food and lodging[6]	$1,500	$3,500	Not Specified	During Training	Airlines, Hotels, Restaurants
Computer Hardware and Software[7]	$1,000	$2,500	Not Specified	Before Beginning Operations	Supplier
Office Supplies[8]	$250	$500	Not Specified	Before Beginning Operations	Supplier
Signage[9]	$3,500	$15,000	Not Specified	Before Beginning Operations	Supplier
Furniture and Equipment[10]	$7,500	$15,000	Not Specified	Before Beginning Operations	Supplier
Utilities[11]	$500	$2,000	Not Specified	Before Beginning Operations	Utility Provider
Tools[12]	$1,000	$2,000	Not Specified	Before Beginning Operations	Supplier
Inventory & Supplies[13]	$12,000	$16,000	Not Specified	Before Beginning Operations	Approved Supplier
Grand Opening Advertising[14]	$5,000	$10,000	Not Specified	Before Beginning Operations	Supplier

Type of expenditure[1]	Amount From - To		Method of payment	When due	To whom payment is to be made
Insurance[15]	$1,000	$3,500	Not Specified	Before Beginning Operations	Insurance Agent
Licenses and Permits[16]	$100	$3,000	Not Specified	Before Beginning Operations	Relevant Organizations
Legal and Accounting[17]	$1,500	$4,000	Not Specified	Before Beginning Operations	Accountants, Lawyers
Site Plan Approval[18]	$12,500	$20,000	Not Specified	Before Beginning Operations	Suppliers
Building Permit Approval[18]	$20,000	$35,000	Not Specified	Before Beginning Operations	Suppliers
Additional Funds ~~– First 3 to~~ 6 Months[19]	$50,000	$100,000	Not Specified	Upon Beginning Operations	Suppliers
Total	**$657,250**	**$1,874,900**			

TABLE 4: YOUR ESTIMATED INITIAL INVESTMENT
MULTI UNIT DEVELOPMENT AGREEMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
First franchise (see table above)	$155,750 - $1,874,900	Varies	Varies	Varies
Additional initial franchise fees for 1-4 additional Locations[21]	$45,000 - $120,000	Check or wire transfer	Upon signing the MUDA	Us
Business planning and miscellaneous expenses	$1,000 - $5,000	Check	As incurred	Vendors and suppliers
Total	**$201,750 - $1,999,900**			

Notes

[1] None of the expenditures in these tables will be refundable unless expressly stated. Neither we nor any affiliate finances any part of your initial investment. Details concerning your Initial Franchise Fee and Grand Opening Onsite Support Fee are set forth in Item 5. If you intend to finance your Franchised Business with loans backed by the Small Business Administration (SBA), you must sign the SBA Addendum to Franchise Agreement attached to this disclosure document as Exhibit K. We do not guarantee you will be approved for SBA financing.

[2] If we are responsible for paying a commission in connection with your location, you must reimburse us for the commission, up to $8,000.

[3] You may choose to lease your Kiosk and land, convert an existing location that you lease, or construct a Kiosk on land that you purchase. The average approved location will range from 800 to 1,600 square feet and a typical building (a Kiosk) will range from 400 to 1,080 square feet and should be located in a commercial area, depending on adjacent businesses; however, we may permit you to convert an existing structure. Franchisees should mimic the existing locations and offer 1 to 2 service bays to work on the cars.

[4] It is difficult to estimate land acquisition and/or lease acquisition costs and the estimated leasehold improvement costs because of the wide variation in these costs between various locations. These costs are dependent on local commercial real estate market conditions and also will vary based upon square footage and cost per square foot and on location.

[5] Depending on your location, you may need to have both a lease for the Kiosk and a separate Ground Lease to lease the space where the Kiosk will be developed, although if you have a converted structure, you typically would only have a lease for the structure. Estimated rental costs for 3 months are included in this row.

[6] The cost of initial training is included in the franchise fee, but you are responsible for transportation and expenses for meals and lodging while attending training. The total cost will vary depending on the number of people attending, how far you travel and the type of accommodations you choose. Before making airline ticket, hotel, rental car or other reservations, you should inquire about the refund policy in the event you need to cancel any reservation.

[7] This is for computers, monitors, battery backups and other IT work. This also accounts for the POS system for your Business. See Items 8 and 11 for more details.

[8] You must purchase general office supplies including stationery, business cards and typical office equipment.

[9] The range of costs represents the outright purchase of all signage on the franchised locations. It is subject to all local ordinances.

[10] Although some of these items may be leased, the range shown represents the actual purchase price, and we do anticipate that your location may need additional furniture and/or equipment if you convert an existing structure.

[11] The high side of this range includes payment of a utility deposit that will typically be required if the franchisee is a new customer of the utility company.

[12] This expense is for necessary tools used within the business, including wrenches, filter cap wrenches, socket and socket removal sets, screwdrivers, hammers, and pliers.

[13] You must purchase an initial inventory of products and other items needed for use in the operation of the franchised business. Based on our experience this amount of inventory should last you about three months.

[14] The Grand Opening Advertising or Market Introduction Plan may be managed and operated by us. You will pay the entire amount to a third-party vendor, and we may provide direction

to the marketing program. This is in addition to the Grand Opening Onsite Support Fee that you pay to us.

[15] All franchisee insurance policies must name the franchisor, Costa Franchising, LLC as additional insured. See Item 8 for more details on the insurance you must have.

[16] State and local government agencies typically charge fees for occupancy permits, operating licenses and permits to make improvements to your building and site.

[17] You might need to employ an attorney, an accountant and other consultants to assist you in establishing your Outlet. In addition, one of our recommended—but not required—financing vendors will charge a $1,000 fee if you do not use its standard ground lease, such as when the real estate owner requires a different form. The high end estimate assumes that you will incur this cost.

[18] You may have site plan and building permit approval costs associated with finding, locating, and developing the space you will use to operate the franchised business from.

[19] We recommend that you have a minimum amount of money available to cover operating expenses for up to the first ~~3 to~~ 6 months that the Outlet is open. This includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll and additional inventory, rent, and other operating expenses in excess of income generated by the business. The lower end represents estimated expenses to maintain minimal operations without any sales for three months. The high end is a more conservative working capital estimate. ~~We cannot guarantee that our recommendation will be sufficient. Additional working capital may be required if sales ore low or operating costs are high.~~ If your Gross Revenues do not cover these expenses, you will need additional capital to support on-going expenses. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of a Costa Oil business by our predecessor and its affiliate, more than 20 years' experience in the industry, and our general knowledge of the industry.

[20] If you convert an existing location we anticipate additional leasehold improvements. If you convert an existing location at which an existing business operates, you may have to purchase all of the assets of that existing business.

[21] This estimate assumes you sign a MUDA for two to five franchises. The franchise fee for your first unit is counted in the "Estimated Initial Investment – Franchise Agreement" table. Your initial franchise fees are reduced to $45,000 for the second and $25,000 for the third unit and each additional franchise. You will pay all franchise fees upon signing the MUDA.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers

approved by us, or (2) according to our specifications. You must comply with any changes we make in the future to these requirements.

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Real Estate. Your business location is subject to our approval and must meet our specifications. You must use reasonable efforts to have your landlord sign our form of Rider to Lease Agreement (attached to this disclosure document as Exhibit D).

B. Insurance. You must obtain insurance as described in the Franchise Agreement and in our Brand Standards Manual (the "Manual"), which includes (i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible); (ii) Commercial General Liability insurance, including products liability and completed operations coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit, (iii) $50,000 Garage Keepers Coverage per bay, Direct Primary option; (iv) $1,000,000 Commercial Umbrella insurance; (v) business automobile liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000; (vi) Workers Compensation coverage as required by state law with at least $500,000 limits; and (vii) business interruption insurance covering at least 12 months of income. We also recommend that you obtain Employment Practices Liability insurance with limits of at least $1,000,000 single limit per occurrence and $2,000,000 aggregate limit and cyber liability coverage of $500,000 per occurrence. Your policies (other than Workers Compensation) must list us as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation.

C. Point-of-sale software and hardware, and related software and hardware. You must purchase (or lease) the point-of-sale software and hardware, and related software and hardware, that we specify. See Item 11 for more details.

D. Equipment, Inventory and Supplies. Unless we approve your vendors, you must use our approved vendors for the equipment, inventory and supplies to be used in the operation of the Franchised Business, and in the Business to the extent permitted by law. We reserve the right to require you to purchase minimum volumes or amounts in the future.

E. Oil Change Stickers. You will be required to purchase the oil change stickers from us directly.

F. Costa Oil Kiosks. Unless you are converting an existing building to a Costa Oil business with our approval, you will be required to lease or purchase your oil kiosk from suppliers that meet our standards and specifications and are approved by us. We currently refer franchisees to Colvin Team Real Estate, LLC, which is not are an affiliate of ours. A copy of the current Engagement Agreement offered by Colvin Team Real Estate, LLC to our franchisees as of the date of this disclosure document is included in Exhibit L to this disclosure document.

G. Advertising and Marketing. You must use our designated vendor for website and design and management products and services. This vendor also offers certain other optional marketing services, such as social media management, digital marketing, review management, etc. Except as otherwise provided in the Brand Standards Manual and advertising or marketing materials that we furnish to you, you must submit all advertising and marketing materials to us for our written approval before use. You must ensure that all advertising or marketing materials that you use are clear, factual, ethical, and not misleading; comply with our brand standards; and comply with all laws. We have the right to establish and control all digital marketing.

Us or our Affiliates as Supplier

We are currently an approved supplier of some of the goods or services that you must purchase. Currently, we or our affiliates are approved suppliers for oil change reminder stickers, signage, branded apparel, and other assorted items. Neither we nor our affiliates are the only approved supplier for any product or service you must purchase, except for the oil change stickers (although we reserve the right to be the only approved supplier for any product or service in the future, and we anticipate offering other private-branded products in the future). You must purchase branded apparel through us, or you may establish a relationship with one of our approved suppliers.

Ownership of Suppliers

Our officers Michael Abdy and Costa Kapothanasis have an ownership interest in us. None of our officers owns an interest in any other supplier to our franchisees.

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We have the sole discretion to approve or reject an alternative supplier. We may condition our approval on criteria we deem appropriate, such as evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There may be fees for us to review or approve an alternate supplier. See Item 6. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

Revenue to Us and Our Affiliates

We will derive revenue from the required purchases and leases by franchisees as provided in this Item 8.

During 2022, neither we nor our predecessor received any revenue from any required purchases or leases by franchisees or from vendor rebates.

During 2022, our predecessor's affiliate Costa Oils, Inc., provided oil change stickers which were required to be purchased by our franchisees. This predecessor's affiliate's revenue from all required purchases and leases of products and services by franchisees in the prior fiscal year was $3,425, which equaled .07% of its total revenues of 4,990,847.

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 90% to 95% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases of goods and services to operate your business are 75% to 85% of your total purchases and leases of goods and services to operate your business.

Payments by Designated Suppliers to Us

We will receive a $300 payment for each Franchisee license purchase of Gusto software, which you will use for your payroll processing.

We will receive a rebate from our approved marketing services supplier equal to 20 to 30% of all marketing services purchased by franchisees.

We will receive a rebate from our approved oil distributor in the amount of 50 cents per gallon of oil purchased by franchisees.

We will receive a rebate from our approved vendors for automotive parts equal to 3-9% of the product purchases by franchisees, depending on the type and volume of products purchased.

We will receive rebates from the developer of our online company store for promotional items purchased by franchisees.

Outside of these, there are currently no payments from suppliers or approved vendors to us; however, we have the right to earn a profit from any product we supply or from designated suppliers, and we are not required to give you an accounting of any payments we receive from designated suppliers, nor are we required to share any benefits of supplier payments with you or with any other franchisee.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We do negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees.

Benefits Provided to You for Purchases

We do provide material benefits to you based on your purchase of particular goods or services and from your use of particular suppliers.

Item 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise 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	Franchise Agreement (Franchise Agreement): §§ 6.1, 6.2 Multi-Unit Development Agreement (MUDA): Not Applicable	Item 11
b. Pre-opening purchase/leases	FA: §§ 6.2, 6.3 MUDA: Not Applicable	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	FA: Article 6 MUDA: §§1(a), 3	Items 5, 7, 8 and 11
d. Initial and ongoing training	FA: §§ 5.2, 6.4, 7.6 MUDA: Not Applicable	Items 5, 6, 8 and 11
e. Opening	FA: §§ 6.5, 6.6 MUDA: §1(a)	Items 7, 8 and 11
f. Fees	FA: Article 4, §§ 2.5, 5.3, 6.7, 7.7, 7.8, 7.14, 8.4, 9.5, 10.5, 11.2, 11.3, 11.14, 14.2, 14.4, 15.2, 16.1, 17.6 MUDA: §§ 1(a), 4	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	FA: §§ 6.3, 7.1, 7.3, 7.5, 7.9 – 7.13, 7.15, 9.1, 9.2, 10.1, 10.4, 11.1 MUDA: Article 1	Items 8, 11 and 14

Obligation	Section in agreement	Disclosure document item
h. Trademarks and proprietary information	FA: Article 12, § 13.1 MUDA: Not Applicable	Items 13 and 14
i. Restrictions on products/services offered	FA: § 7.3 MUDA: Not Applicable	Items 8, 11 and 16
j. Warranty and customer service requirements	FA: §§ 7.3, 7.8, 7.9 MUDA: Not Applicable	Item 8
k. Territorial development and sales quotas	FA: § 2.2- 2.4 MUDA: §1(a), 4, 5	Item 12
l. Ongoing product/service purchases	FA: Article 8 MUDA: Not Applicable	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	FA: §§ 3.2, 7.11, 7.12, 15.2 MUDA: Not Applicable	Items 6, 7 and 8
n. Insurance	FA: § 7.15 MUDA: Not Applicable	Items 6, 7 and 8
o. Advertising	FA: Article 9 MUDA: Not Applicable	Items 6, 7, 8 and 11
p. Indemnification	FA: Article 16 MUDA: Not Applicable	Items 6 and 8
q. Owner's participation/management/staffing	FA: §§ 2.5, 7.5 MUDA: Not Applicable	Items 15
r. Records and reports	FA: Article 10 MUDA: Not Applicable	Item 11
s. Inspections and audits	FA: §§ 10.5, 11.2 MUDA: Not Applicable	Items 6 and 11
t. Transfer	FA: Article 15 MUDA: § 8	Items 6 and 17
u. Renewal	FA: § 3.2 MUDA: Not Applicable	Items 6 and 17
v. Post-termination obligations	FA: Article 13, 14 MUDA: Not Applicable	Item 17
w. Non-competition covenants	FA: § 13.2 MUDA: Not Applicable	Item 17
x. Dispute resolution	FA: Article 17	Items 6 and 17

Obligation	Section in agreement	Disclosure document item
	MUDA: § 7	

Item 10
FINANCING

We do not offer direct financing. We do not guarantee your note, lease or obligations.

Item 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Our Pre-Opening Obligations

Before you open your business:

A. *Your site.* We will review and advise you regarding potential locations that you submit to us. (Section 5.2). If you sign a MUDA, we will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. We are not obligated to further assist you in locating a site or negotiating the purchase or lease of the site.

(i) We generally do not own the land on which your kiosk will be located. You will lease the land from a third-party landlord.

(ii) If your site is not already known and approved by us when you sign your franchise agreement, then we and you will specify in your franchise agreement the area in which you must select a site (Franchise Agreement, Summary Page). We do not select your site. You must find a potential site and submit your site to us for approval, together with all information and documents about the site that we request. When we accept a site, we will issue a Location Acceptance Letter (in the form of Attachment 2 to the Franchise Agreement).

(iii) The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms.

(iv) The time limit for us to approve or disapprove your proposed site is 30 days after you submit all of our required documents and information. (Section 6.1). If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement. Unless we agree to extend the deadline, you will be in default, and we may terminate your franchise agreement and your initial fee will be forfeited.

(v) We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility.

B. *Constructing, remodeling, or decorating the premises*. An approved supplier will grant you access to approved building plans and specifications for your location. (Section 5.2)

C. *Hiring and training employees*. Our opening support (as described below) includes assisting you in training employees. All hiring decisions and conditions of employment are your sole responsibility.

D. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. (Section 5.2) We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items.

E. *Brand Standards Manual*. We will give you access to our Manual in such format as we deem appropriate. (Section 5.1).

F. *Initial Training Program.* We will conduct our initial training program. (Section 5.2). The current initial training program is described below.

G. *Business plan review*. If you request, we will review your pre-opening business plan and financial projections. (Section 5.2)

H. *Market introduction plan*. We will advise you regarding the planning and execution of your market introduction plan. (Section 5.2)

I. *On-site opening support.* We provide up to 5 days of on-site support in connection with your business opening for the Grand Opening Onsite Support Fee of $5,000. (Section 5.2)

Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your business is 12 to 36 months. Factors that may affect the time period include your ability to obtain a lease, obtain financing, develop your location, obtain business and building permits and licenses, and hire employees.

Our Post-Opening Obligations

After you open your business:

A. *Developing products or services you will offer to your customers*. Although it is our intent to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

B. *Hiring and training employees*. All hiring decisions and conditions of employment are your sole responsibility.

C. *Improving and developing your business; resolving operating problems you encounter*. If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request (including any additional site selection services), we may charge a fee (currently $600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.3)

D. *Establishing prices*. Upon your request, we will provide recommended prices for products and services. (Section 5.3).

E. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you our recommended procedures for administration, bookkeeping, accounting, and inventory control (Section 5.3). We may make any such procedures part of required (and not merely recommended) procedures for our system.

F. *Brand Fund*. We will administer the Brand Fund (Section 5.3). We will prepare an unaudited annual financial statement of the Brand Fund within 120 days of the close of our fiscal year and will provide the financial statement to you upon written request. (Section 9.3)

G. *Website*. We will maintain a website for the Costa Oil brand, which will include your business information and telephone number. (Section 5.3)

Advertising

Our obligation. We will use the Brand Fund only for marketing and related purposes and costs. Media coverage is primarily local. We use outside vendors and consultants to produce advertising. We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located. We will maintain the brand website (which may be paid for by the Brand Fund). We have no other obligation to conduct advertising.

Your own advertising material. You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you. We have the right to establish and control all social media accounts and other digital marketing. You must ensure that all advertising or marketing materials that you use are clear, factual, ethical, and not misleading; comply with our brand standards; and comply with all laws.

Advertising Council. We do not have an advertising council composed of franchisees. The franchise agreement does not give us the power to form an advertising council.

Local or Regional Advertising Cooperatives. We do not currently have any local or regional advertising cooperatives. We have the right to require you to participate in a local or

regional advertising cooperative in the future. If we do so, we will define the area of the cooperative based on media markets, or other geographic criteria that we deem appropriate. Each franchisee in the area would have one vote per outlet (unless the franchisee is in default under its franchise agreement). The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% and not more than 5% of gross sales. If our own outlets are members of a cooperative, they must contribute to the cooperative on the same basis as franchisees, and they will vote on the same basis as other members. We administer the cooperative, but we have the right to delegate responsibility for administration to an outside company such as an advertising agency or accounting firm, or to the franchisee members of the cooperative. We have the right to require the cooperative to operate from written bylaws or other governing documents that we determine. The documents are not currently available for you to review. Cooperatives will prepare annual financial statements which will be made available for review only by us and by the members of the cooperative. We have the power to require cooperatives to be formed, changed, dissolved, or merged.

Advertising Fund. You and all other franchisees must contribute to our Brand Fund. We currently require that you contribute 1% of Gross Revenues per week to the Brand Fund. We may require you to contribute up to 2% of Gross Revenues per week. We reserve the right to have other franchisees contribute a different amount or at a different rate. Outlets that we or our affiliates own are not obligated to contribute to the Brand Fund. We administer the fund. The fund is not audited. We will make unaudited annual financial statements available to you upon request.

We did not collect or spend any money from the Brand Fund in our most recently concluded fiscal year.

If less than all Brand Fund contributions are spent in the fiscal year in which they accrue, the money will remain in the Brand Fund to be spent in the next year.

No money from the Brand Fund is spent principally to solicit new franchise sales, but advertising we produce through the Brand Fund may include information about the availability of franchises for purchase. We may use the Brand Fund to pay the salary, benefits, and reasonable overhead costs for marketing and finance personnel to administer the Brand Fund.

Market Introduction Plan. You must develop a market introduction plan and obtain our approval of the plan at least 30 days before the projected opening date of your business.

Required spending. After you open, you must spend a minimum of at least 2.5% of gross Revenues each month on marketing your business. Any expenditures made to an approved advertising cooperative count towards this requirement. Purchases made through our company store for promotional items and apparel, and monthly payments made to our approved website supplier for website design count toward meeting this requirement. This amount is only a minimum requirement, and we do not represent that it is the optimal amount of money for you to spend on marketing.

Point of Sale and Computer Systems

We require you to buy (or lease) and use a point-of-sale system, merchant services provider, computer system, and related software (collectively, the "Required System") that will

provide the management tools and operating platform you will use to operate the franchised business.

Hardware	Software
POS Hardware	Gusto (Payroll platform)
iPad	
Backup Drive	Microsoft Office (2018 or higher) or OpenOffice
	Square (Merchant services aggregator)

* We are in the process of developing our own proprietary POS system/software. Once such POS system/software is developed, you would be required to purchase this proprietary system/software or to license it from us. The estimates for such POS system and software are not higher than the estimates given for the Technology Fee in Item 6.

The Required System provides the necessary management tools used to operate the franchised business and manage the day-to-day operations of the Business. These systems will generate or store data such as customer data, customer financial information, contact information and operational data for managing the Business.

We estimate that these systems will cost between $1,500 and $2,500 to purchase and install.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We do not require you enter into any such contract with a third party. Currently, we require that you have a subaccount (under ours) for your Square merchant services.

You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation.

We estimate that the cost of any optional or required maintenance, updating, upgrading, or support contracts will be $500 to $2,000 per year.

Through any current or future required software or hardware, we will have full independent access to your information that will be generated or stored in the system. The information that we may access may include sales, customer data, and reports. You must agree to allow us to access this information.

Brand Standards Manual

See Exhibit G for the table of contents of our Manual as of the date this disclosure document, with the number of pages devoted to each subject. The Manual has 159 pages.

Training Program

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Motor Oil 101 Completion	2	0	Online
Introduction to Costa Oil 10 Minute Oil Change	1	0	Hanover, PA
Software/POS Training	2	6	Hanover, PA
Management (Culture, Floor Control & More)	2	6	Hanover, PA
Marketing, Customer Satisfaction, and Monitoring	2	0	Hanover, PA
Bookkeeping, KPI, Hiring & Recruiting	2	0	Hanover, PA
Employee Scheduling, Labor Management	2	0	Hanover, PA
Risk Management & Compliance	2	0	Hanover, PA
Retail Management Training	2	0	Online
OilU.Org Training How-to, Best Practices	3	0	Online
Business Plan Overview	0	2	Virtual
Grand Opening Training	0	2	Virtual
Social Media Marketing	0	2	Virtual
Operational Business Coaching	0	2	Virtual
Total	20	20	40 hours

Training classes will be scheduled in accordance with the needs of new franchisees. Except as noted, we anticipate holding training classes for new franchisees once per month in our corporate headquarters in Hanover, PA. We may occasionally offer virtual training sessions online based on need and the availability of our office and business space in Hanover, Pennsylvania. We reserve the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the initial training program, and we reserve the right to not provide this training if you are converting an existing oil and lube business.

The instructional materials consist of the Manual and other materials, lectures, video, discussions, and on-the-job demonstration and practice.

Training classes will be led or supervised by Mr. Constantine Kapothanasis, Mr. Brandon Cornelius, and Mr. David Falzarano. Mr. Kapothanasis has been our Chief Executive Officer since

April 2023 and has experience in our industry since 2011, and experience with our predecessor and its affiliates since 2016. Mr. Cornelius has been our Head of Franchise Support since April 2023 and has experience in our industry since 2014 and experience with our predecessor and its affiliates since 2021. Mr. Falzarano has been our Chief Operating Officer since April 2023. He has experience in franchise operations since 2011.

For new franchisee training, up to 3 people per franchisee may attend the training provided by us. However, you must pay the travel and living expenses of people attending training.

You and your Principal Operator must attend our new franchisee training. You may send any additional employees or Owner that you want (up to the maximum described above). You must complete training to our satisfaction at least four weeks before opening your business.

Your business must at all times be under your on-site supervision or under the on-site supervision of your designated Principal Operator or general manager. If you need to send a new Principal Operator or other employee to our training program, we will charge a fee, which is currently $500 per person. Otherwise, we do not currently require additional training programs or refresher courses, but we have the right to do so.

Item 12
TERRITORY

Your Location

Your franchise is for a specific location. If the specific location is not known at the time you sign a franchise agreement, then your location is subject to our approval.

Grant of Territory

The franchise is granted for a specific location that must first be approved by us (the "Location"). The Location will be located in a "Marketing Area". Your Marketing Area will be the area that you must conduct your marketing in (unless we approve otherwise).

Your Marketing Area generally will have a population of approximately 50,000 people or a three-mile radius. We have no obligation whatsoever to provide you a Marketing Area with a certain minimum number of people. Your Marketing Area will usually be specified by boundaries (such as counties or other political boundaries, streets, geographical features, or trade area). Factors that influence our grant of Marketing Areas include the proximity of the Location to malls, shopping centers, business centers, industrial parks, airports, traffic count, speed of traffic, access to the Location, and competition in the Marketing Area. We do not have an established geographical formula for defining Marketing Areas. While we may use demographic and market analysis services to assist us, we base it on our sole judgment on a case-by-case basis.

If your business location is not known when you sign your franchise agreement, then we will state your location and Marketing Area in a "Location Acceptance Letter" when we approve your location. If we do not state your Marketing Area in writing before you open your business to the public, your territory will be deemed to be a 3-mile radius around your location.

In your franchise agreement, we grant you an exclusive territory, the Marketing Area. In your Marketing Area, we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks as a Costa Oil outlet. The continuation of your territorial exclusivity does not depend on achieving a certain sales volume, market penetration, or other contingency. There are no circumstances that permit us to modify your territorial rights.

If you sign a MUDA, you will receive an exclusive development area as an area developer; this area will be identified in your MUDA. We will identify a Marketing Area around each franchise that you locate within this exclusive development area. Upon termination or expiration of your MUDA, you will retain your territorial rights within each assigned Marketing Area, but you will not have any further rights or exclusivity with regards to your former development area.

Relocation; Establishment of Additional Outlets

You do not have the right to relocate your business, and we have no obligation to approve any request for relocation. Our policy is to approve relocation of a franchisee's business on a case-by-case basis, considering factors such as changes in demographics, profitability of your current business, or a loss of your premises due to circumstances beyond your control.

If you request our approval for you to relocate your business, you must pay us a $5,000 fee. Half is due when you make the request, and the other half is due if and when we approve the request. If we approve, you must comply with the conditions described in the franchise agreement for developing a location and satisfy any other conditions we require.

You do not have the right to establish additional franchised outlets unless you sign a Multi-Unit Development Agreement ("MUDA") in the form attached as Exhibit C to this disclosure document. If you and we sign a MUDA, then you will have the right to establish a mutually-agreed number of additional outlets on a mutually-agreed schedule. Under the MUDA, your right to develop additional outlets is subject to (1) you must comply with the mutually-agreed development schedule, (2) you must have sufficient financial and organizational capacity to develop, open, operate, and manage each additional Costa Oil business, (3) you must be in compliance with all brand requirements at your open Costa Oil business(es), and (4) you must not be in default under any other agreement with us. We will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. For each future site, you must sign our then-current form of Franchise Agreement, which may be materially different than the original Franchise Agreement that you signed. You are not obligated to develop additional outlets under the MUDA, and you may terminate it any time without penalty. If you do not meet your development schedule in the MUDA, we have the right to terminate your right to develop additional outlets.

Options to Acquire Additional Franchises

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

There are no restrictions on us from soliciting or accepting orders from consumers inside your Marketing Area. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your Marketing Area using our principal trademarks or using trademarks different from the ones you will use under your franchise agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your Marketing Area.

Soliciting by You Outside Your Territory

There are no restrictions on you from soliciting or accepting orders from consumers outside of your Marketing Area, except that all marketing and advertising is subject to our approval. You may not solicit or accept orders using other channels of distribution such as the Internet, telemarketing, wholesale and mail order channels, or other direct marketing or other forms of media now or in the future developed, without our prior written approval.

Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement allows us to do so.

Item 13
TRADEMARKS

Principal Trademark

The following are the principal trademarks that we license to you. We own these trademarks which our predecessor's affiliate registered on the Principal Register of the United States Patent and Trademark Office.

Trademark	Registration	Registration Number
	July 28, 2020	6112121
COSTA OIL	February 22, 2022	6655359

Trademark	Registration	Registration Number
	May 24, 2022	6733226
AMERICA'S FAVORITE OIL CHANGE	January 17, 2023	6959245

In April 2023, our predecessor's affiliate assigned these marks and registrations to us. All required renewals and appropriate affidavits will be filed at the time specified by law.

We do not have a federal registration for the following trademarks. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses. An application for registration on the Principal Register of the United States Patent and Trademark Office has been filed.

Trademark	Application Date	Identification Number
THE OIL CHANGE ONLY STORE	November 29, 2022	97437714
IF ENGINES COULD TALK WE WOULDN'T NEED TO ADVERTISE	June 1, 2022	97437704

Determinations

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings.

Litigation

There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

Agreements

There are no agreements that concern our rights to use or license the use of the trademarks.

Protection of Rights

We protect your right to use the principal trademarks listed in this Item, and we protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described in this section.

The franchise agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you. The franchise agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you.

If you use our trademarks in accordance with the franchise agreement, then (i) we will defend you (at our expense) against any legal action by a third party alleging infringement by your use of the trademark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the franchise agreement, we may require you to modify or discontinue using a trademark, at your expense. You will have a reasonable period of time to comply with the change, not to exceed 90 days. After such period, you would no longer have the right to use the unmodified or discontinued trademark. Your rights under the franchise agreement do not change, other than the modification or discontinuation of the trademark.

Superior Prior Rights and Infringing Uses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks. There may be other uses of marks similar to our trademarks that may affect your use of our trademarks. We cannot represent with certainty that we have exclusive or superior rights to our marks in all geographical areas.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications.

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Manual as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights, at your expense.

We do not know of any copyright infringement that could materially affect you.

Proprietary Information

We have a proprietary, confidential Manual and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

All customer data and point-of-sale data generated by your business is confidential information and is exclusively owned by us. We license such data back to you without charge solely for your use in connection with your Costa Oil business.

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Manual and other proprietary information, and you must use our confidential information only for your franchised business. We may require your managers and key employees to sign confidentiality agreements.

You must disclose to us all ideas, plans, improvements, concepts, methods, and techniques relating to your Costa Oil business that you conceive or develop. We will automatically own all such innovations, and we will have the right to incorporate any innovations into our system for use by all franchisees, without any compensation to you.

Item 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Participation

You are not required to participate personally in the direct operation of your business. However, we recommend that you participate.

If you are the sole owner of the business, then you are deemed the “Principal Operator”. If the business is owned through a corporation or limited liability company, you must designate one owner as your “Principal Operator”. The Principal Operator is the owner primarily responsible for the business and has decision-making authority on behalf of the business. The Principal Operator must own at least 10% of the business. The Principal Operator must complete our initial training

program. The Principal Operator must complete any post-opening training programs that we develop in the future. The Principal Operator must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone or video conference calls), including regional or national brand conferences, that we require. The Principal Operator cannot fail to attend more than three consecutive required meetings.

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 3 to Exhibit B).

"On-Premises" Supervision

You are not required to personally conduct "on-premises" supervision (that is, act as general manager) of your business. However, we recommend on-premises supervision by you.

There is no limit on who you can hire as an on-premises supervisor or general manager, and such person is not required to be an owner of the franchise.

If the franchise business is owned by an entity, we do not require that the general manager /on-site supervisor own any equity in the entity.

Restrictions on Your Manager

If we request, you must have your general manager/on-site supervisor (and other key employees that we reasonably designate) sign a confidentiality and non-compete agreement. We will not require you to enter into a confidentiality and non-compete agreement that violates applicable state law. We do not require you to place any other restrictions on your manager or on-site supervisor.

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Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved.

You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes.

We do not restrict your access to customers, except that all sales must be made at or from your premises.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Franchise Agreement (FA): § 3.1 Multi-Unit Development Agreement (MUDA): §1(a)	The term of the franchise agreement is 15 years from date of signing. The MUDA will expire on the date that your last franchise is scheduled to open.
b. Renewal or extension of the term	FA: § 3.2 MUDA: none	You may obtain a successor franchise agreement for up to one additional 15-year term.
c. Requirements for franchisee to renew or extend	FA: § 3.2 MUDA: none	For our franchise system, "renewal" means that at the end of your term, you sign our successor franchise agreement for an additional 15-year year term. You may be asked to sign a contract with materially different terms and conditions than your original contract. To renew, you must give advance notice to us; be in compliance with all contractual obligations to us and third parties; must have substantially complied with the franchise agreement and other agreements with us throughout the term; renovate to our then-current standards; sign then-current form of franchise agreement and related documents

Provision	Section in franchise or other agreement	Summary
		(including personal guaranty); pay renewal fee; sign general release (unless prohibited by applicable law). If you continue operating your franchise after the expiration of the term without a renewal agreement, then we may either terminate your operation at any time or deem you to have renewed your agreement for a 15-year term and collect the renewal fee.
d. Termination by franchisee	FA: None MUDA: § 5, 6	The franchise agreement gives you no right to terminate that agreement (subject to state law). If you sign a MUDA, you may terminate it at any time.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	FA: § 14.1 MUDA: §§ 5, 6	We may terminate your agreement for cause, subject to any applicable notice and cure opportunity.
g. "Cause" defined--curable defaults	FA: § 14.1 MUDA: none	Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure). If you sign a MUDA, termination of your MUDA does not give us the right to terminate your franchise agreement. However, if your franchise agreement is terminated, we have the right to terminate your MUDA.
h. "Cause" defined--non-curable defaults	FA: § 14.1 MUDA: § 5, 6	FA: Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; lose possession of your location; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our business inspection; cease operations for more than 5 consecutive days; operate in a manner dangerous to health or safety (if not corrected within 48 hours); three defaults in 12 months; cross-termination; charge or conviction of, or plea to a felony, or commission or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other

Provision	Section in franchise or other agreement	Summary
		breach of franchise agreement which by its nature cannot be cured. MUDA: failure to meet development schedule; violation of franchise agreement or other agreement which gives us the right to terminate it.
i. Franchisee's obligations on termination/non-renewal	FA: §§ 14.2 – 14.5 MUDA: none	Pay all amounts due; return Manual and proprietary items; cancel assumed names; cancel or transfer phone, post office boxes, directory listings, and digital marketing accounts; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by franchisor	FA: § 15.1 MUDA: § 7	Unlimited
k. "Transfer" by franchisee - defined	FA: Article 1 MUDA: Background Statement	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) any direct or indirect ownership interest in the business, or (iv) control of the business.
l. Franchisor's approval of transfer by franchisee	FA: § 15.2 MUDA: § 7	No transfers without our approval.
m. Conditions for franchisor's approval of transfer	FA: § 15.2 MUDA: none	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you've made all payments to us and are in compliance with all contractual requirements; buyer completes training program and pays us our then "under new management" fee; you sign a general release (subject to state law); business complies with then-current system specifications (including remodel, if applicable).
n. Franchisor's right of first refusal to acquire franchisee's business	FA: § 15.5 MUDA: none	If you want to transfer your business (other than to your co-owner or your spouse, sibling, or child), we have a right of first refusal.

Provision	Section in franchise or other agreement	Summary
o. Franchisor's option to purchase franchisee's business	FA: § 14.5 MUDA: none	When your franchise agreement expires or is terminated, we will have the right to purchase any or all of the assets of your business.
p. Death or disability of franchisee	FA: §§ 2.5, 11.13 15.4 MUDA: none	If you die or become incapacitated, a new principal operator acceptable to us must be designated to operate the business, and your executor must transfer the business to an approved new owner within nine months. We have the right to temporarily operate the business if you die or become incapacitated.
q. Non-competition covenants during the term of the franchise	FA: § 13.2 MUDA: none	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any competitor.
r. Non-competition covenants after the franchise is terminated or expires	FA: § 13.2 MUDA: none	For two years, neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by a competitor located within five miles of your former marketing area (or of your development area if no marketing area had been set) or the marketing area of any other Costa Oil business operating on the date of termination or expiration.
s. Modification of the agreement	FA: § 18.4 MUDA: § 5, 7	No modification or amendment of the agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications (or to modify the Development Area as provided in the MUDA).
t. Integration/merger clause	FA: § 18.3 MUDA: § 7	Only the terms of the agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement (or MUDA) may not be enforceable. However, no claim made in any franchise agreement (or MUDA) is intended to disclaim the express representations made in this Disclosure Document.

Provision	Section in franchise or other agreement	Summary
u. Dispute resolution by arbitration or mediation	FA: § 17.1 MUDA: § 7	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).
v. Choice of forum	FA: §§ 17.1; 17.5 MUDA: § 7	Arbitration will take place where our headquarters is located (currently, Hanover Pennsylvania) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	FA: § 18.8 MUDA: § 7	Pennsylvania (subject to applicable state law).

For additional disclosures required by certain states, refer to Exhibit J – Multi-State Addendum to Disclosure Document

Item 18
PUBLIC FIGURES

We do not currently use any public figure to promote our franchise, except Ryan Ellis. Mr. Ellis is a NASCAR driver. Mr. Ellis is not involved in the management or control of the franchisor, and he has not made any investment in us. We pay monetary consideration to Ryan Ellis, LLC, an entity with which Mr. Ellis is affiliated in connection with sponsoring racecar driven by Mr. Ellis.

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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.

~~2022 Gross Revenues~~Financial Performance Representation

The following tables contain historical ~~2022~~ financial performance representations for the 12-month period from December 1, 2022 to December 1, 2023 (referred in the tables as "2023") data) for 22 ~~thirteen~~ Costa Oil outlets, 14 ~~each~~ of which were ~~is~~ owned and operated by our predecessor's affiliate, Costa Oils, Inc.~~, which were open throughout 2022~~. ~~This includes Costa Oils, Inc.'s Mentor on the Lake, Ohio location which it transferred to a new franchisee in October 2022.~~ This does not include the ~~43~~ locations owned by Costa Oils, Inc. or the 9 other franchised outlets that were not open for the entire 12-month reporting period~~which opened during 2022~~, one of ~~and~~ which closed down because of damage due to an accident (and plans to reopen in 2024) and the rest of which opened during 2023 and which had ~~have~~ not been in business at least one year. The financial performance representations in the tables include: 2023 gross revenue, 2023 gross revenue minus key expenses (rent, labor, oil costs, royalties, brand fund contributions, and technology fees), and 2023 average ticket. Some of the data and tables are separated by subsets, including whether the locations are owned and operated by franchisee or Costa Oils, Inc., the business owned by our officer Costa Kapothanasis, or based on the duration of operations.

~~Table 1 below reflects the gross revenues for the 6 outlets that have been open for more than 4 years as of December 31, 2022. Table 2 below reflects the gross revenues for the other 7 outlets that were opened for more than one year, but less than 4 years as of December 31, 2022.~~ The data in the following tables comes from the reported historical performance. See the notes following the tables for additional information.

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PART 1: 2023 Gross Revenue

Part 1 (Tables 1a and 1b) shows the gross revenue financial information for all 22 outlets that were open from December 1, 2022 to December 1, 2023, all of which and reported to us sales. The financial information is separated into two tables: (i) Table 1a shows information for the 14 outlets owned by Costa Oils, Inc.; Table 1b shows information for the 8 franchised outlets.

Table 1a – Costa Oils, Inc. Outlets

	Gross Revenue[1]	Number of Sample that Achieved or Surpassed Stated Result	Percent of Sample that Achieved or Surpassed Stated Result
Median	$336,763	7	50%
Average	$367,553	7	50%
Highest	$630,905	1	7.1%
Lowest	$183,414	14	100%
Top 50% Median	$486,394	4	57.1%
Top 50% Average	497,390	3	42.8%
Bottom 50% Median	$250,769	4	57.1%
Bottom 50% Average	$237,716	3	42.8%

Table 1b – Franchise Outlets

	Gross Revenue[1]	Number of Sample that Achieved or Surpassed Stated Result	Percent of Sample that Achieved or Surpassed Stated Result
Median	$220,684	4	50%
Average	$220,168	4	50%
Highest	$414,866	1	12.5%
Lowest	$95,598	8	100%

Notes to The Tables:

1. "Gross Revenue" means total of all revenue in a period, not including discounts, taxes, voids, or refunds for each location.

2. Tables 1a and 1b do not contain any profit, margin, expenses, or other calculations based on subtracting expenses or costs of goods sold from Gross Revenue. The tables and this financial performance representation also exclude royalty, brand fund contributions, and technology fee payments. The current royalty amount is 6.5% of your Gross Revenue with a $200

weekly minimum. The current brand fund contributions amount is 1% of your Gross Revenue. The current technology fee amount is $200 per month. You will be expected to pay the royalties, brand fund contributions, technology fees, and other fees required in your franchise agreement.

3. In Table 1a, two of the outlets operates at a location adjacent to a car wash business and two of the outlets operates at a location within an auto park. One out of two (50%) of the outlets adjacent to a car wash business attained or surpassed the stated Median and Average Gross Revenue outlined in Table 1a. One out of two (50%) of the outlets within an auto park attained or surpassed the stated Median and Average Gross Revenue.

5. All Costa Oils, Inc. locations listed in Table 1a operate two or three bays for oil change services in 800 to 1,400 sq. ft. locations. Three of the franchisee outlets listed in Table 1b operate one bay for oil change services in 400 to 500 sq. ft. locations. One out of three (33%) of these outlets that operate one bay in 400 to 500 sq. ft. locations attained or surpassed the stated Median and Average Gross Revenue outlined in Table 1b.

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PART 2: 2023 Gross Revenue by Duration of Operation

Part 2 (Tables 2a, 2b, 2c, and 2d) shows the gross revenue for the 22 outlets that were open and reported to us the financial information but separated into subsets:

- Table 2a - 7 outlets owned and operated by Costa Oils, Inc. that were open for more than 4 years as of December 1, 2023;
- Table 2b - 5 outlets owned and operated by Costa Oils, Inc. that were opened for more than two years, but less than 4 years as of December 1, 2023;
- Table 2c - 2 outlets owned and operated by Costa Oils, Inc. that were opened for more than one year, but less than 2 years as of December 1, 2023.
- Table 2d - 8 franchisee outlets that were opened for more than one year, but less than 2 years as of December 1, 2023.

Table 2a – Costa Oils, Inc. Outlets Opened For More Than 4 Years

	Gross Revenue[1]	Number of Sample that Achieved or Surpassed Stated Result	Percent of Sample that Achieved or Surpassed Stated Result
Median	$486,394	4	57.1%
Average	$467,301	4	57.1%
Highest	$630,905	1	14.3%
Lowest	$183,414	7	100%

Table 2b – Costa Oils, Inc. Outlets Opened For More than 2 Years But Less Than 4 Years

	Gross Revenue[1]	Number of Sample that Achieved or Surpassed Stated Result	Percent of Sample that Achieved or Surpassed Stated Result
Median	$259,300	3	60%
Average	$282,227	1	20%
Highest	$394,038	1	20%
Lowest	$242,853	5	100%

Table 2c – Costa Oils, Inc. Outlets Opened
For More than 1 Year But Less Than 2 Years

	Gross Revenue[1]	Number of Sample that Achieved or Surpassed Stated Result	Percent of Sample that Achieved or Surpassed Stated Result
Median	$231,751	1	50%
Average	$231,751	1	50%
Highest	$279,489	1	50%
Lowest	$184,013	2	100%

Table 2d – Franchisee Outlets Opened
For More than 1 Year But Less Than 2 Years

	Gross Revenue[1]	Number of Sample that Achieved or Surpassed Stated Result	Percent of Sample that Achieved or Surpassed Stated Result
Median	$220,684	4	50%
Average	$220,168	4	50%
Highest	$414,866	1	12.5%
Lowest	$95,598	8	100%

Notes to The Charts:

1. "Gross Revenue" means total of all revenue in a period, not including discounts, taxes, voids, or refunds for each location.

2. Tables 2a through 2d do not contain any profit, margin, expenses, or other calculations based on subtracting expenses or costs of goods sold from Gross Revenue. The tables and this financial performance representation also exclude royalty, brand fund contributions, and technology fee payments. The current royalty amount is 6.5% of your Gross Revenue with a $200 weekly minimum. The current brand fund contributions amount is 1% of your Gross Revenue. The current technology fee amount is $200 per month. You will be expected to pay the royalties, brand fund contributions, technology fees, and other fees required in your franchise agreement.

3. All Costa Oils, Inc. locations listed in Table 2a, 2b, and 2c operate two or three bays for oil change services in 800 to 1,400 sq. ft. locations. Three of the franchisee outlets listed in Table 2d operate one bay for oil change services in 400 to 500 sq. ft. locations. One out of three (33%) of these outlets that operate one bay attained or surpassed the stated Median and Average Gross Revenue outlined in Table 2d.

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PART 3: 2023 Gross Revenue Minus Key Expenses

Part 3 (Tables 3a, 3b, 3c, 3d, 3e, and 3f) shows gross revenue minus key expenses financial information for 21 outlets that were open and reported to us this information from December 1, 2022 to December 1, 2023. One additional franchisee outlet that did operate during the reporting period is excluded because of insufficient and inaccurate reporting. The key expenses deducted from gross revenue include: rent, labor, oil costs, royalties, brand fund contributions, and technology fees. The financial information is separated into subsets as follows:

- Table 3a - 14 outlets owned and operated by Costa Oils, Inc. that operated from December 1, 2022 to December 1, 2023;
- Table 3b - 7 outlets owned and operated by franchisees that operated from December 1, 2022 to December 1, 2023;
- Table 3c - 7 outlets owned and operated by Costa Oils, Inc. that were open for more than 4 years as of December 1, 2023;
- Table 3d - 5 outlets owned and operated by Costa Oils, Inc. that were opened for more than two years, but less than 4 years as of December 1, 2023;
- Table 3e - 2 outlets owned and operated by Costa Oils, Inc. that were opened for more than one year, but less than 2 years as of December 1, 2023.
- Table 3f - 8 franchisee outlets that were opened for more than one year, but less than 2 years as of December 1, 2023.

Table 3a – Costa Oils, Inc. Outlets

	Gross Revenue Minus Key Expenses[1]	Number of Sample that Achieved or Surpassed Stated Result	Percent of Sample that Achieved or Surpassed Stated Result
Median	$86,028	7	50%
Average	$113,953	5	35.7%
Highest	$307,572	1	7.1%
Lowest	$17,831	14	100%

Table 3b – Franchisee Outlets

	Gross Revenue Minus Key Expenses[1]	Number of Sample that Achieved or Surpassed Stated Result	Percent of Sample that Achieved or Surpassed Stated Result
Median	$52,968	4	57.1%
Average	$46,559	4	57.1%
Highest	$141,651	1	12.5%
Lowest	-$19,071	7	100%

Table 3c – Costa Oils, Inc. Outlets Opened For More Than 4 Years

Outlet	#1	#2	#3	#4	#5	#6	#7
Gross Revenue	$630,905	$603,766	$515,543	$486,394	$455,950	$395,134	$183,415
Operating Expenses							
Oil COGS	$109,914	$173,696	$159,743	$70,454	$95,994	$93,764	$41,497
Rent	$32,400	$48,000	$24,000	$13,200	$60,000	$52,800	$18,600
Payroll	$131,301	$184,312	$205,081	$92,406	$126,555	$103,727	$54,537
Franchise Expenses							
Royalties	$41,009	$39,245	$33,510	$31,616	$29,637	$25,684	$11,922
Brand Fund	$6,309	$6,038	$5,155	$4,864	$4,560	$3,951	$1,834
Tech Fees	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400
Gross Revenue Minus Key Expenses	$307,572	$150,076	$85,654	$271,454	$136,805	$112,808	$52,625
Gross Revenue Minus Key Expenses %	48.75%	24.86%	16.61%	55.81%	30.00%	28.55%	28.69%

Table 3d – Costa Oils, Inc. Outlets Opened For More than 2 Years But Less Than 4 Years

Outlet	#1	#2	#3	#4	#5
Gross Revenue	$394,038	$264,175	$259,301	$250,769	$242,853
Operating Expenses					
Oil COGS	$109,132	$65,680	$69,807	$45,164	$56,520
Rent	$21,000	$30,000	$30,000	$24,000	$42,000
Payroll	$145,551	$80,662	$77,231	$42,926	$105,889
Franchise Expenses					
Royalties	$25,612	$17,171	$16,855	$16,300	$15,785
Brand Fund	$3,940	$2,642	$2,593	$2,508	$2,429
Tech Fees	$2,400	$2,400	$2,400	$2,400	$2,400
Gross Revenue Minus Key Expenses	$86,403	$65,620	$60,415	$117,471	$17,831
Gross Revenue Minus Key Expenses %	21.93%	24.84%	23.30%	46.84%	7.34%

Table 3e – Costa Oils, Inc. Outlets Opened For More than 1 Year But Less Than 2 Years

Outlet	#1	#2
Gross Revenue	$279,490	$184,013
Operating Expenses		
Oil COGS	$62,886	$41,459
Rent	$56,400	$24,000
Payroll	$59,509	$49,075
Franchise Expenses		
Royalties	$18,167	$11,961
Brand Fund	$2,795	$1,840
Tech Fees	$2,400	$2,400
Gross Revenue Minus Key Expenses	$77,332	$53,278
Gross Revenue Minus Key Expenses %	27.67%	28.95%

Table 3f – Franchisee Outlets Opened For More than 1 Year But Less Than 2 Years

Outlet	#1	#2	#3	#4	#5	#6	#7
Gross Revenue	$414,867	$337,564	$235,456	$224,842	$216,528	$138,214	$95,599
Operating Expenses							
Oil COGS	$111,700	$88,000	$45,177	$52,507	$55,085	$18,750	$17,500
Rent	$16,800	$34,800	$33,420	$16,452	$18,000	$43,200	$30,000
Payroll	$111,200	$124,000	$55,000	$137,341	$71,492	$57,600	$57,600
Franchise Expenses							
Royalties	$26,966	$21,942	$15,305	$14,615	$14,074	$8,984	$6,214
Brand Fund	$4,149	$3,376	$2,355	$2,248	$2,165	$1,382	$956
Tech Fees	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400
Gross Revenue Minus Key Expenses	$141,652	$63,047	$81,800	-$722	$53,311	$5,898	-$19,071
Gross Revenue Minus Key Expenses %	34.14%	18.68%	34.74%	-0.32%	24.62%	4.27%	-19.95%

Notes to The Tables:

1. "Gross Revenue" means total of all revenue in a period, not including discounts, taxes, voids, or refunds for each location. The Gross Revenue financial information in these tables is taken from Part 1: tables 1a and 1b. "Key Expenses" include Rent, Labor, Oil COGS, Royalties, Brand Fund contributions, and Technology Fees. "Rent" includes monthly rent or lease payments and applicable CAM/NNN charges. "Payroll" includes payroll payments to employees and payroll tax. "Oil COGS" includes the cost to purchase the oil products, filters, and additives used in providing the franchise products and services.

2. "Gross Revenue Minus Key Expenses" refers to a number calculated from deducting the Key Expenses from Gross Revenue. It is not a gross profit, net profit, or similar financial calculation and does not include other common operational expenses and amounts such as utilities, insurance, debt payments, cable, internet, telephone, office supplies, accounting, legal, licenses, income tax, and so forth. "Gross Revenue Minus Key Expenses %" is a percentage that expresses the calculation of Gross Revenue Minus Key Expenses divided by Gross Revenue.

3. "Royalties" refers to the 6.5% of Gross Revenue royalty payment required by the current franchise agreement. "Brand Fund" refers to the 1% brand fund contribution payment required by the current franchise agreement. "Tech Fees" refers to the $200 monthly technology fee payment required by the current franchise agreement. Not all outlets actually paid the current royalty amount of 6.5% of Gross Revenue with a $200 monthly minimum and not all outlets actually paid the current brand fund contributions amount of 1% of Gross Revenue, as disclosed in this FDD above. For these outlets, we have imputed an amount equal to these royalty and brand fund contribution amounts. You will be expected to pay the royalties and brand fund contributions required in your franchise agreement.

4. All Costa Oils, Inc. locations listed in Tables 3a, 3c, 3d, and 3e operate two or three bays for oil change services in 800 to 1,400 sq. ft. locations. Three of the franchisee outlets listed in Tables 3b and 3f, outlets #4, #5, and #6, operate one bay for oil change services in 400 to 500 sq. ft. locations.

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PART 4: 2023 Average Ticket

Part 4 (Tables 4a and 4b) shows average ticket financial information for 22 outlets that were open and reported to us average ticket information from December 1, 2022 to December 1, 2023.

Table 4a – Costa Oils, Inc. Outlets

	Average Ticket[1]	Number of Sample that Achieved or Surpassed Stated Result	Percent of Sample that Achieved or Surpassed Stated Result
Median	$70.86	7	50%
Average	$70.29	7	50%
Highest	$82.13	1	7.1%
Lowest	$59.96	14	100%

Table 4b – Franchisee Outlets

	Average Ticket[1]	Number of Sample that Achieved or Surpassed Stated Result	Percent of Sample that Achieved or Surpassed Stated Result
Median	$70.92	4	50%
Average	$72.57	4	50%
Highest	$91.18	1	12.5%
Lowest	$55.81	8	100%

Notes to The Tables:

1. "Average Ticket" means the amount spent per customer per visit.

2. Tables 4a and 4b do not contain any profit, margin, expenses, or other calculations based on subtracting expenses or costs of goods sold from the Average Ticket. The tables and this financial performance representation also exclude royalty, brand development fund, and technology fee payments. The current royalty amount is 6.5% of your Gross Revenue with a $200 weekly minimum. The current brand development fees amount is 1% of your Gross Revenue. The current technology fee amount is $200 per month. You will be expected to pay the royalties, brand fund contributions, technology fees, and other fees required in your franchise agreement.

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Table 1 – 2022 Gross Revenues from Outlets Opened

For More Than 4 Years

	Gross Revenue[1]	Number of Sample that Achieved or Surpassed Stated Result	Percent of Sample that Achieved or Surpassed Stated Result
Median	$461,411.82	3	50%
Average	$478,594.29	2	33.3%
Highest	$580,188.88	1	16.7%
Lowest	$362,159.00	6	100%

Table 2 – 2022 Gross Revenues from Outlets Opened

For More than 1 Year But Less Than 4 Years

	Gross Revenue[1]	Number of Sample that Achieved or Surpassed Stated Result	Percent of Sample that Achieved or Surpassed Stated Result
Median	$191,625.94	4	57.1%
Average	$210,261.69	2	28.6%
Highest	$327,301.61	1	16.7%
Lowest	$152,025.74	7	100%

Notes to The Charts:

1. "Gross Revenues" means total of all revenue in a period, not including discounts, taxes, voids, or refunds for each location.

2. Both Table 1 and Table 2 and this financial performance representation do not contain any profit, margin, expenses, or other calculations based on subtracting expenses or costs of goods sold from Gross Revenues. These tables also exclude royalty and brand development fund payments. The current royalty amount is 6.5% of your Gross Revenues with a $200 monthly minimum and the current brand development fees amount is 1% of your Gross Revenues. You will be expected to pay the royalties and brand development fees required in your franchise agreement.

3. In Table 1, one of the outlets operates at a location adjacent to a car wash business and one of the outlets operates at a location within an auto park. The outlet adjacent to a car wash business did not attain or surpass the stated Median or Average Gross Revenues outlined in Table 1. The outlet within an auto park surpassed the stated Median but did not attain or surpass the stated Average Gross Revenues.

4. In Table 2, one of the outlets operates at a location adjacent to a car wash business and one of the outlets operates at a location within an auto park. The outlet adjacent to a car wash business surpassed both the stated Median or Average Gross Revenues outlined in Table 2. The outlet within an auto park had the Lowest Gross Revenues in Table 2 and did not attain or surpass the stated Median or Average Gross Revenues.

5. The locations listed in both Table 1 and Table 2 operate two bays for oil change services, except for the outlet located in Mentor on the Lake, OH, which operates one bay for oil change services.

6. The locations listed in Table 1 range from 1600 sq. ft. to 3200 sq. ft in total building size with total occupied space ranging from 800 sq. ft. to 1400 sq. ft.

~~7. The locations listed in Table 2 range from 400 sq. ft. to 2340 sq. ft in total building size with total occupied space ranging from 400 sq. ft. to 1200 sq. ft.~~

The foregoing information shows historical financial performance ~~and is not a projection of future performance~~.

Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.

Written substantiation of the information contained in this Item 19 will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Constantine Kapothanasis at 316 Broadway, Hanover, Pennsylvania 17331 and/or by telephoning him at (717) 698-3260, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For Years 2020 to 2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	9	+9
Company-Owned	2020	9	12	+3
	2021	12	13	+1
	2022	13	15	+2
Total Outlets	**2020**	**9**	**12**	**+3**
	2021	**12**	**13**	**+1**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
	2022	**13**	**24**	**+11**

*All franchises sold before May 2023 were offered and sold by our predecessor, Costa Oil International, Inc.

* The Company-Owned outlets are owned and operated by our predecessor's affiliate, Costa Oils, Inc. The franchise agreements for these outlets were assigned from our predecessor Costa Oil International, Inc. to us in April 2023 ~~and will no longer be considered Company-Owned~~.

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
N/A	2020	0
	2021	0
	2022	0
Total	**2020**	**0**
	2021	**0**
	2022	**0**

Table 3
Status of Franchised Outlets
For Years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi-Nations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Arizona	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi-Nations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Georgia	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Michigan	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Mississippi	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
North Carolina	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Ohio	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
South Carolina	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Texas	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
Totals	**2020**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2021	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	**0**	**9**	**0**	**0**	**0**	**0**	**9**

*All franchises sold before May 2023 were offered and sold by our predecessor, Costa Oil International, Inc.

Table 4
Status of Company-Owned Outlets
For Years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Illinois	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	2	0	0	0	4
Maryland	2020	1	0	0	1	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Ohio	2020	1	1	0	0	0	2
	2021	2	2	0	0	0	4
	2022	4	1	0	0	1	4
Pennsylvania	2020	5	3	0	0	0	8
	2021	8	0	0	1	0	7
	2022	7	0	0	0	0	7
Totals	**2020**	**9**	**4**	**0**	**1**	**0**	**12**
	2021	**12**	**2**	**0**	**1**	**0**	**13**
	2022	**13**	**3**	**0**	**0**	**1**	**15**

* The Company-Owned outlets are owned and operated by our predecessor's affiliate, Costa Oils, Inc. The franchise agreements for these outlets were assigned to us in April 2023~~ and will no longer be considered Company-Owned~~.

Table 5
Projected Openings As Of May 1, 2023through December 31, 2023

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened*	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	1	0	0
Arizona	3	0	0
California	3	1	0
Colorado	2	1	0
Florida	7	3	0
Georgia	2	0	0
Iowa	1	1	0
Kansas	1	1	0
Louisiana	1	1	0
Michigan	1	0	0
Mississippi	1	0	0
Missouri	1	2	0
Nevada	0	1	0
North Carolina	4	0	0
Ohio	2	3	0
Oklahoma	1	0	0
Pennsylvania	2	2	0
Tennessee	2	1	0
Texas	10	0	0
Virginia	0	0	0
West Virginia	2	0	0
Total	**47**	**17**	**0**

*All franchise agreements signed before May 2023 were offered and sold by our predecessor, Costa Oil International, Inc.

*some of the franchisees have signed multi-unit development agreements but only the franchise agreements actually signed are included in this column.

Current Franchisees

Exhibit H contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

Former Franchisees

Exhibit H contains the name, city and state, and 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 the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Clauses

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

Item 21
FINANCIAL STATEMENTS

Exhibit F contains our audited financial statements as of April 20, 2023. We have not been in business for three or more year and therefore cannot include all financial statements required by this Item. Our fiscal year ends March 31.

Item 22
CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
C. Multi-Unit Development Agreement
D. Rider to Lease Agreement
E. Form of General Release
I. Confirmation of Additional Terms and Representations Addendum
J. Multi-State Addendum

K. SBA Addendum to Franchise Agreement
L. Kiosk Lease Form
M. Credit Card/ACH Authorization Form

Item 23
RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

REMAINDER OF PAGE LEFT BLANK INTENTIONALLY.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 866-275-2677 www.dfpi.ca.gov Ask.DFPI@difpi.ca.gov	
Delaware	N/A	Harvard Business Services, Inc. 16192 Coastal Hwy Lewes, DE 19958
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department, 600 East Boulevard Avenue State Capitol Fourteenth Floor Dept 414, Bismarck ND 58505-0510 701-328-4712
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue Building 68-2 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions 4822 Madison Yards Way Madison, WI 53705 (608) 266-0448	Division of Securities Department of Financial Institutions 4822 Madison Yards Way Madison, WI 53705 (608) 261-7577

EXHIBIT B

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGE		
1.	**Franchisee**	_____
2.	**Initial Franchise Fee**	$_____
3.	**Grand Opening Onsite Support Fee**	$5,000
4.	**Development Area**	_____
5.	**Location**	_____
6.	**Marketing Area**	_____
7.	**Opening Deadline**	_____
8.	**Principal Operator**	_____
9.	**Franchisee's Address**	_____

FRANCHISE AGREEMENT

This Agreement is made between Costa Franchising, LLC, a Delaware limited liability company ("Franchisor"), and _____, an individual, and _____, a _____ company (jointly and severally "Franchisee"), effective as of the date signed by Franchisor (the "Effective Date").

Background Statement:

A. Franchisor has owns, maintains, and develops a system (the "System") for developing and operating quick lubrication, oil change, and light automotive repair businesses under the trade name "Costa Oil".

B. The System includes (1) methods, procedures, and standards for developing and operating a Costa Oil business, (2) plans, specifications, equipment, signage and trade dress for Costa Oil businesses, (3) particular products and services, (4) the Marks, (5) training programs, (6) business knowledge, (7) marketing plans and concepts, and (8) other mandatory or optional elements as determined by Franchisor from time to time.

C. The parties desire that Franchisor license the Marks and the System to Franchisee for Franchisee to develop and operate a Costa Oil business on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

"**Action**" means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, or judgment, or appeal thereof, whether formal or informal.

"**Advertising and Promotional Content**" means all advertising, marketing, promotional, customer relationship management, public relations, and other brand-related programs, materials, and content relating to Costa Oil or the Business, including without limitation any printed materials (such as business cards, signs, counter cards, banners, posters, displays, window clings, leaflets, direct mail materials, coupons, and published advertisements); promotional items (such as branded specialty and novelty items, products, and clothing); audio or video advertising (such as radio, television, or podcast ads or online video postings); and Digital Marketing.

"**Approved Vendor**" means a supplier, vendor, or distributor of Inputs which has been approved by Franchisor.

"**Brand Fund**" means the fund established (or which may be established) by Franchisor into which Brand Fund Contributions are deposited.

"**Business**" means the Costa Oil business owned by Franchisee and operated under this Agreement.

"**Competitor**" means any business which offers automotive lubrication, oil change, or light repairs.

"**Confidential Information**" means all non-public information of or about the System, Franchisor, and any Costa Oil business, including all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

"Data Security Event" means any act, both actual or suspected, that initiates either internally or from outside the Business' computers, point-of-sale terminals, and other technology or networked environment and violates any laws or explicit or implied security policies, including attempts (either failed or successful) to gain unauthorized access (or to exceed authorized access) to the System, other Costa Oil businesses, or their data or to view, copy, or use Privacy Information or Confidential Information without authorization or in excess of authorization; unwanted disruption or denial or service; unauthorized use of a system for processing or storage of data; and changes to system hardware, firmware, or software characteristics without Franchisor's knowledge, instruction, or consent.

"Digital Marketing" means social media accounts (such as Facebook, Twitter, Instagram, Pinterest, Snapchat, TikTok, etc.), applications, keyword or adword purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc.), mobile applications, online videos, display banner campaigns, branded content social media campaigns, e-mail marketing campaigns, or other means of digital advertising on the Internet or any other means of digital or electronic communications that are intended to promote Costa Oil and/or the Business.

"**Gross Revenue**" all revenue Franchisee collects and receives from operating the Business which includes all revenue received from all services and products sold, all amounts that you charge, invoice, collect, or receive at or away from the Location, and whether from cash, check, credit or debit card, barter exchange, trade credit, or other credit transactions, but excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to taxing authorities.

"**Input**" means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

"**Location**" means the location stated on the Summary Page. If no location is stated on the Summary Page, then the Location will be determined in accordance with Section 6.1.

"**Losses**" includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys' fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Franchisor's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

"**Manual**" means Franchisor's confidential Brand Standards(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

"**Marketing Area**" means the marketing area stated on the Summary Page. If no marketing area is stated on the Summary Page, then the Marketing Area is determined in accordance with Section 6.1.

"**Marks**" means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Franchisor from time to time for use in a Costa Oil business.

"**Owner**" means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then "Owner" means Franchisee.

"Principal Operator" is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Principal Operator must have at least 10% ownership interest in Franchisee.

"**Privacy Information**" means all information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Privacy Information includes but is not limited to, the following if it identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household: identifiers such as a real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, social security number, driver's license or state identification card number, passport number, signature, physical characteristics or description, telephone number, insurance policy number, bank account number, credit card number, debit card number or any other financial information, medical information or health insurance information; characteristics of protected classifications under state or federal law; commercial information, including records of personal property, products or services purchased, obtained or considered, or other purchasing or consuming histories or tendencies; biometric information; Internet or other electronic network activity information including, but not limited to, browsing history, search history, and information regarding a consumer's interaction with an internet website, application, or advertisement; geolocation data; audio or electronic information; professional or employment-related information; education information that is not publicly available personally identifiable information as defined in the Family Educational Rights and Privacy Act (20 USC § 1232g; 34 CFR Part 99); and inferences drawn from any of the information identified in this subsection to create a profile about a consumer reflecting the consumer's preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities and aptitudes. Privacy Information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"**Remodel**" means a refurbishment, renovation, and remodeling of the Location to conform to the building design, exterior facade, trade dress, signage, fixtures, furnishings, equipment, decor, color schemes, presentation of the Marks, and other System Standards in a manner consistent with the image then in effect for a new Costa Oil business.

"**Required Vendor**" means a supplier, vendor, or distributor of Inputs which Franchisor requires franchisees to use.

"**System Standards**" means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Franchisor, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, data protection and privacy, design (such as construction, decoration, layout, furniture, fixtures and signs), environmental protection and sustainability, equipment, inventory, maintenance, marketing and public relations, minimum numbers and types of personnel, operating days, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems (including credit and debit card systems, check verification services, and other payment systems, as well as any compliance programs relating to those systems), and internet access, as well as upgrades, supplements, and modifications thereto), temporary operational changes due to special circumstances (such as a pandemic), uniforms, and vehicle.

"**Transfer**" means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) any direct or indirect ownership interest in the Business, or (iv) control of the Business.

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. Franchisor grants to Franchisee the right to operate a Costa Oil business solely at the Location. If no Location is stated on the Summary Page when this Agreement is signed, then the parties will determine the Location in accordance with Section 6.1. Franchisee shall develop, open and operate a Costa Oil business at the Location for the entire term of this Agreement. Franchisee shall exert its best efforts to promote and enhance the Business.

2.2 Marketing Area. Franchisee will not actively advertise, market or promote its Business outside of the Marketing Area. If Marketing Area is not stated on the Summary Page when this Agreement is signed, then the parties will determine the Marketing Area in accordance with Section 6.1.

2.3 Protected Territory. Franchisor shall not establish, nor license the establishment of, another business within the Marketing Area selling the same or similar goods or services under the same or similar trademarks or service marks as a Costa Oil business. This prohibition does not apply to any Costa Oil business operating or under construction when the Marketing Area is determined. Franchisor and its affiliates retain the right to do any of the following (all without any compensation to Franchisee):

(i) establish and license others to establish and operate Costa Oil businesses outside the Marketing Area, notwithstanding their proximity to the Marketing Area or their potential impact on the Business;

(ii) operate and license others to operate businesses anywhere, including within the Marketing Area, that sell the same or similar goods or services as a Costa Oil business under trademarks or service marks that are not the same as or similar to the Marks;

(iii) sell and license others to sell any products and services in the Marketing Area under any trademarks or service marks (including the Marks) through channels of distribution (including the internet) other than Costa Oil outlets;

(iv) acquire or be acquired by (under any form of business transaction) a Competitor that has (or may in the future have) outlets in the Marketing Area which compete with the Business under trademarks or service marks other than the Marks; and

(v) engage in any action not specifically precluded by the express terms of this Agreement.

2.4 Franchisee Control. Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee. If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify Franchisor within 10 days.

2.5 Franchisee Control. Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee. If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify Franchisor within 10 days.

2.6 Principal Operator. Franchisee agrees that the person designated as the "Principal Operator" on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. Franchisor is entitled to rely on any communication, decision, or act by the Principal Operator as being the communication, decision, or act of Franchisee. The Principal Operator must have at least 10% ownership interest in Franchisee. The Principal Operator does not have to serve as a day-to-day general manager of the Business, but the Principal Operator must devote substantial time and attention to the Business. If the Principal Operator dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Operator, subject to Franchisor's reasonable approval, and Franchisee shall pay Franchisor a New Principal Operator Fee which shall equal the fee set forth in Section 15.2(i).

2.7 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Franchisor, in the form of Attachment 3.

2.8 No Conflict. Franchisee represents to Franchisor that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

ARTICLE 3. TERM

3.1 Term. This Agreement commences on the Effective Date and continues for 15 years.

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement for up to 1 additional period of 15 years, subject to the following conditions prior to expiration:

(i) Franchisee notifies Franchisor of the election to renew between 90 and 180 days prior to the end of the term;

(ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Franchisor (or any of its affiliates) at the time of election and at the time of renewal;

(iii) Franchisee (and its affiliates) have been in substantial compliance with this Agreement and all other agreements with Franchisor (or any of its affiliates) throughout the term of any such agreement(s);

(iv) Franchisee has made or agrees to make (within a period of time acceptable to Franchisor) renovations and changes to the Business as Franchisor requires to conform to the then-current System Standards; such renovations and changes may include, without limitation, a Remodel, making changes to the façade, installing furnishings or fixtures, changing signage, and making upgrades to any technological features required by the System Standards;

(v) Franchisee and its Owners execute Franchisor's then-current standard form of franchise agreement and related documents (including personal guaranty), which may be materially different than this form (including, without limitation, higher and/or different fees), except that the form of the franchise agreement will be amended to provide that Franchisee will not pay another initial franchise fee and to provide that Franchisee will not receive more renewal or successor terms than originally granted to Franchisee;

(vi) Franchisee pays a renewal fee equal to 25% of Franchisor's then-current initial franchise fee; and

(vii) Franchisee and each Owner executes a general release (on Franchisor's then-standard form) of any and all claims against Franchisor, its affiliates, and their respective owners, officers, directors, agents and employees.

ARTICLE 4. FEES

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable under any circumstances.

4.2 Grand Opening Onsite Support Fee. Upon request and no later than the opening of Franchisee's Business, Franchisee shall pay the Grand Opening Onsite Support Fee in the amount of $5,000. This fee is not refundable under any circumstances. For this fee Franchisor will provide Franchisee with up to 5 days of onsite support.

4.3 Royalty Fee. Franchisee shall pay Franchisor a weekly royalty fee (the "Royalty Fee") that is the greater of (1) 6.5% of Gross Revenue; or (b) $200 per week, if applicable (the "Minimum Royalty"). Franchisee shall pay the Royalty Fee for any given week so that it is received by Franchisor by the first Tuesday of the following week. The Minimum Royalty shall commence being payable beginning the first full calendar week following the opening of the Business.

4.4 Marketing Contributions.

(a) Brand Fund Contribution. Franchisee shall pay Franchisor a contribution to the Brand Fund (the "Brand Fund Contribution") up to 2% of Franchisee's Gross Revenue (or such lesser amount as Franchisor determines), at the same time as the Royalty Fee.

(b) Market Cooperative Contribution. If the Business participates in a Market Cooperative, then Franchisee shall contribute to the Market Cooperative a percentage of Gross Revenue (or other amount) determined by the Market Cooperative, not to exceed 5%.

4.5 Replacement / Additional Training Fee. If Franchisee sends an employee to Franchisor's training program after opening, Franchisor may charge its then-current training fee. As of the date of this Agreement, the training fee is $500 per person.

4.6 Non-Compliance Fee. Franchisor may charge Franchisee $500 for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to Franchisor) which Franchisee fails to cure after 30 days' notice. Thereafter, Franchisor may charge Franchisee $250 per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of Franchisor's internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all of Franchisor's other rights and remedies (including default and termination under Section 14.1).

4.7 Reimbursement. Franchisor may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If Franchisor does so or intends to do so, Franchisee shall pay such amount plus a 10% administrative charge to Franchisor within 15 days after invoice by Franchisor accompanied by reasonable documentation.

4.8 Technology Fee. Franchisor reserves the right to charge Franchisee a commercially-reasonable fee (the "Technology Fee") in exchange for software and other technology-related services and products provided by or through Franchisor. The Technology Fee does not have to be a pass-through of Franchisor's exact costs. Franchisor has no liability or obligation to Franchisee with respect any third-party software or other technology-related services and products that Franchisor provides to Franchisee. The Technology Fee for a given month is due on the last day of that month, unless Franchisor determines otherwise (including making such fee a weekly fee payable with the Royalty Fee). Franchisor may add, remove, or alter the software or technology

products or services that it provides. Franchisor may change Technology Fee after at least 30 days' notice.

4.9 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Brand Fund Contribution, Technology Fee, and any other amounts owed to Franchisor by pre-authorized bank draft or in such other manner as Franchisor may require. Franchisee shall comply with Franchisor's payment instructions, including executing all documents reasonably required by Franchisor. If Franchisor permits Franchisee to pay by credit card or other method which causes Franchisor to incur a processing fee, Franchisee shall be responsible for the amount of the processing fee.

(b) Calculation of Fees. Franchisee shall report weekly Gross Revenue to Franchisor by Tuesday of the following week. If Franchisee fails to report weekly Gross Revenue, then Franchisor may withdraw estimated Royalty Fees and Brand Fund Contributions equal to 125% of the last Gross Revenue reported to Franchisor, and the parties will true-up the actual fees after Franchisee reports Gross Revenue. Franchisee acknowledges that Franchisor has the right to remotely access Franchisee's point-of-sale system to calculate Gross Revenue.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a $100 "late fee" plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Franchisor may charge $100 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law) or if Franchisee does not have sufficient funds in Franchisee's account to cover payment.

(e) Costs of Collection. Franchisee shall repay any costs incurred by Franchisor (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. Franchisor may apply any payment received from Franchisee to any obligation and in any order as Franchisor may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Franchisor any fees or amounts described in this Agreement are not dependent on Franchisor's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

(h) Taxes. Franchisee will be responsible for (and shall immediately remit to Franchisor upon demand) all sales taxes, use taxes, and other taxes imposed on the fees payable by Franchisee to Franchisor or its affiliates and on services or goods furnished to Franchisee by Franchisor or its affiliates, unless the tax is an income tax assessed on Franchisor or its affiliate for doing business in the state where the Business is located.

ARTICLE 5. ASSISTANCE

5.1 Manual. Franchisor shall make its Manual available to Franchisee in such format as Franchisor deems appropriate.

5.2 Pre-Opening Assistance.

(a) Selecting Location. Franchisor shall provide its criteria for Costa Oil locations to Franchisee. Franchisor will review and advise Franchisee regarding potential locations submitted by Franchisee.

(b) Pre-Opening Plans, Specifications, and Vendors. Within a reasonable period of time after the Effective Date, Franchisor shall provide Franchisee with (i) the applicable System Standards, (ii) other specifications as Franchisor deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (iii) Franchisor's lists of Approved Vendors and/or Required Vendors. Franchisor or its approved supplier will provide Franchisee access to approved building plans and specifications for the Location.

(c) Business and Marketing Plan Review. For newly developed Businesses, Franchisor shall review and advise on Franchisee's pre-opening business plan, market introduction plan and financial projections. **Franchisee acknowledges that Franchisor accepts no responsibility for the performance of the Business.**

(d) Pre-Opening Training. Franchisor shall make available its standard pre-opening training to the Principal Operator and up to 2 other employees, at Franchisor's headquarters and/or at a Costa Oil business designated by Franchisor. Franchisor shall not charge any fee for this training. Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses. Franchisor reserves the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the program.

(e) On-Site Opening Assistance. Franchisor will not have a representative present for Franchisee's business opening or for onsite opening training and assistance until you pay us a Grand Opening Onsite Support Fee in accordance with Section 4.2, in which case we will provide you with onsite opening training and assistance as provided in that section.

(f) Market Introduction Plan. Franchisor shall advise Franchisee regarding the planning and execution of Franchisee's market introduction plan.

5.3 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, Franchisor shall provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Franchisor deems reasonable. If Franchisor provides in-person support in response to Franchisee's request (including any site selection services), Franchisor may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

(b) Pricing. Upon request, Franchisor will provide recommended prices for products and services offered by franchisees of the System and Costa Oil Businesses.

(c) Procedures. Franchisor shall provide Franchisee with Franchisor's recommended administrative, bookkeeping, accounting, and inventory control procedures. Franchisor may make any such procedures part of required (and not merely recommended) System Standards.

(d) Marketing. Franchisor shall manage the Brand Fund.

(e) Internet. Franchisor shall maintain a website for Costa Oil, which will include the location of the Business and its contact information.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Determining Location and Marketing Area. If the Location and Marketing Area are not stated on the Summary Page, then Franchisee shall identify a potential Location within the Development Area described on the Summary Page. Franchisee acknowledges that Franchisee does not have any territorial or other rights to the Development Area and that it is only provided for the purpose of delineating the area within which Franchisee must locate an acceptable Location for the Business. Franchisee shall submit its proposed Location to Franchisor for acceptance, with all related information and documents Franchisor may request. If Franchisor does not accept the proposed Location in writing within 30 days, then it is deemed rejected. When Franchisor accepts the Location, it will issue a Location Acceptance Letter in the form of Attachment 2 which states the Location and Marketing Area. Franchisor shall determine the Marketing Area in its good faith discretion, substantially in accordance with Item 12 of the Franchise Disclosure Document. If Franchisor fails to state the Marketing Area in writing before Franchisee opens the Business to the public, the Marketing Area will be deemed to be a 3-mile radius from the Location. **Franchisor's advice regarding or acceptance of a proposed Location is not a representation or warranty that the Business will be successful or that the Business is permitted to be operated at the Location under applicable laws or zoning ordinances, and Franchisor has no liability to Franchisee with respect to the location of the Business.**

6.2 Lease. In connection with any lease between Franchisee and the landlord of the Location: (i) if requested by Franchisor, Franchisee must submit the proposed lease to Franchisor for written approval, (ii) the term of the lease (including renewal terms) must be for a period of not less than the term of this Agreement, and (iii) Franchisee shall use commercially reasonable efforts to obtain the landlord's signature to a rider to the lease in the form required by Franchisor.

6.3 Development. Franchisee shall lease from Franchisor's approved building vendor, purchase a kiosk from Franchisor's approved building vendor, or convert an existing building to a Costa Oil quick lube location in conformance with Franchisor's System Standards. Franchisor may, but is not required to, inspect Franchisee's construction or remodeling progress at any reasonable time. Franchisee shall not rely upon any information provided or opinions expressed by Franchisor or its representatives regarding any architectural, engineering, or legal matters (including without limitation the Americans With Disabilities Act) in the development and construction of the Business, and Franchisor assumes no liability with respect thereto. Franchisor's inspection and/or approval to open the Business is not a representation or a warranty that the

Business has been constructed in accordance with any architectural, engineering, or legal standards.

6.4 New Franchisee Training. Franchise Principal Operator must complete Franchisor's training program for new franchisees to Franchisor's satisfaction prior to opening the Business.

6.5 Conditions to Opening. Franchisee shall notify Franchisor at least 30 days before Franchisee intends to open the Business to the public. Before opening, Franchisee must satisfy all of the following conditions: (1) Franchisee is in compliance with this Agreement, (2) Franchisee has obtained all applicable governmental permits and authorizations, (3) the Business conforms to all applicable System Standards, (4) Franchisor had the opportunity to inspect and approve the Business, (5) Franchisee has hired sufficient employees, (6) Franchisee and/or Principal Operator have completed all of Franchisor's required pre-opening training; (7) Franchisee has submitted a Market Introduction Plan to Franchisor and (8) Franchisor has given its written approval to open, which will not be unreasonably withheld.

6.6 Opening Date. Franchisee shall open the Business to the public on or before the date stated on the Summary Page.

6.7 Relocation. You do not have the right to relocate the Business. However, if Franchisee desires to relocate the Business from the Location, then Franchisee must submit a written request for approval along with any documentation or information that Franchisor requests concerning the proposed relocation. Franchisor may approve or disapprove the relocation request in its sole discretion. Franchisor may condition its approval on such criteria as Franchisor deems appropriate, which may include evaluations of the proposed site, Franchisee's performance and financial condition, and the effect of such relation on other current and considered Costa Oil outlets. If Franchisor approves of the relocation, Franchisee shall pay Costa Franchising LLC a relocation fee of $5,000, regardless of whether Franchisee actually effects such relocation.

ARTICLE 7. OPERATIONS

7.1 Compliance with Manual and System Standards. Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all other System Standards, as they are now or hereafter established. Franchisee acknowledges and agrees that the products and services offered under the Marks have a reputation for excellence and that Franchisee's compliance with all System Standards is of the utmost importance to Franchisor.

7.2 Compliance with Law. Franchisee and the Business shall comply with all laws, rules, ordinances, and regulations applicable to Franchisee or to the Business. Franchisee must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Business. Franchisee must operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including, without limitation, HIPAA, other federal, state and local regulations regarding the provision of automotive services, government regulations relating to occupational hazards, health, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. Franchisee shall not employ, any person in a position that requires a license unless that person is currently licensed by all applicable authorities and a copy of the license or permit is

in the files of the Business. Franchisee must comply with all state and local laws and regulations regarding the staffing and operation of an automotive services business. Franchisee shall ensure that the Business has a compliance program(s) that meets the requirements of their local market and area. Franchisor shall have no liability related to Franchisee's, the Owner's, or the Business's legal compliance.

7.3 Products, Services, and Methods of Sale. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Franchisor in the Manual or otherwise in writing. Franchisee shall make sales only to retail customers, and only at the Location. Unless otherwise approved or required by Franchisor, Franchisee shall not make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the internet, or at temporary or satellite locations. Franchisee shall maintain sufficient levels of inventory at all times. Franchisee shall provide all products and perform all services in a high-quality manner that meets or exceeds the customer's reasonable expectations and all applicable System Standards. Franchisee shall implement any guaranties, warranties, or similar commitments regarding products and/or services that Franchisor may require.

7.4 Prices. Notwithstanding any provision of this Agreement or the Manual to the contrary, Franchisee retains the sole discretion to determine the prices it charges for products and services.

7.5 Personnel.

(a) Management. The Business must at all times be under the on-site supervision of the Principal Operator or a general manager (which may be an Owner).

(b) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(c) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(d) Qualifications. Franchisor may set minimum qualifications for categories of employees employed by Franchisee.

(e) Staffing. Franchisee must hire or engage sufficient number of personnel to service its volume of Business, and Franchisee must comply with any System Standards regarding staffing levels.

(f) Sole Responsibility. Franchisee is solely responsible for all hiring decisions and all terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Franchisor are not joint employers, and no employee of Franchisee will be an agent or employee of Franchisor. Within seven days of Franchisor's request, Franchisee and each of its employees shall sign an acknowledgment form stating that Franchisee alone (and not Franchisor) is the employee's sole employer. Franchisee shall use its legal name on all documents with its employees and independent contractors, including, but not limited to, employment applications, timecards, pay checks, and employment and independent contractor agreements, and Franchisee shall not use the Marks on any of these documents.

7.6 Post-Opening Training. Franchisor may at any time require that the Principal Operator and/or any other employees complete training programs, in any format and in any location determined by Franchisor. Franchisor may charge a reasonable fee for any training programs. Franchisor may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Principal Operator or any other employee, then Franchisee shall pay all travel, living and other expenses.

7.7 Software. Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all software and related systems required by Franchisor. Franchisee shall enter into any subscription and support agreements that Franchisor may require, and Franchisee shall pay the costs of such agreements, which may include paying Franchisor for all or part of such software or systems. Franchisee shall upgrade, update, or replace any software from time to time as Franchisor may require. Franchisee shall protect the confidentiality and security of all software systems, and Franchisee shall abide by any System Standards related thereto. Franchisee shall give Franchisor unlimited access to Franchisee's point of sale system and other software systems used in the Business, by any means designated by Franchisor.

7.8 Customer Complaints. Franchisee shall use its best efforts to promptly resolve any customer complaints. Franchisor may take any action it deems appropriate to resolve a customer complaint regarding the Business, and Franchisor may require Franchisee to reimburse Franchisor for any expenses.

7.9 Evaluation and Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Franchisor for obtaining customer evaluations, reviewing Franchisee's compliance with the System, and/or managing customer complaints, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. Franchisor shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Franchisor for such programs. Franchisor may set minimum scores that Franchisee must receive from the public on internet review sites (such as Yelp or Google).

7.10 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by Franchisor (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, merchant services aggregators, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Franchisor. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.11 Gift Cards, Loyalty Programs, and Incentive Programs. At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs, membership/subscription programs, or customer incentive programs, designated by Franchisor, in the manner specified by Franchisor in the Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another Costa Oil business. Franchisee shall comply with all procedures and specifications of Franchisor related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription, or customer incentive programs.

7.12 Maintenance and Repair. Franchisee shall at all times keep the Business in a neat and clean condition, perform all appropriate maintenance, and keep all of the property of the Business in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Business as Franchisor may prescribe from time to time, including but not limited to periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn-out signage, floor coverings, furnishings, equipment and décor. If such work is reserved to Franchisee's landlord under the terms of Franchisee's lease, then Franchisee shall use reasonable efforts to cause its landlord to perform such work. Franchisee acknowledges that the System Standards may include requirements for cleaning, maintenance, replacement, and repair.

7.12 Remodeling. In addition to Franchisee's obligations to comply with all System Standards in effect from time to time, Franchisor may require Franchisee to undertake and complete a Remodel of the Location to Franchisor's satisfaction. Franchisee must complete the Remodel in the time frame specified by Franchisor. Franchisor may require the Franchisee to submit plans for Franchisor's reasonable approval prior to commencing a required Remodel, and Franchisor may require Franchisee to engage a qualified licensed contractor to perform the Remodel. Franchisor's right to require a Remodel is limited as follows: (i) the Remodel will not be required in the first two or last two years of the term (except that a Remodel may be required as a condition to renewal of the term or a Transfer), and (ii) a Remodel will not be required more than once every five years from the date on which Franchisee was required to complete the prior Remodel.

7.14 Meetings. The Principal Operator shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone or video conference calls) that Franchisor requires, including any national or regional brand conventions. Franchisee shall not permit the Principal Operator to fail to attend more than three consecutive required meetings. Franchisor may charge Franchisee the attendance fee for Franchisor's national or regional conventions, regardless of whether Franchisee attends.

7.15 Insurance.

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Franchisor in the Manual. If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage:

(i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible);

(ii) Commercial General Liability insurance, including products liability and completed operations coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit;

(iii) $50,000 Garage Keepers Coverage per bay; Direct Primary option;

(iv) $1,000,000 Commercial Umbrella insurance;

(v) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000;

(vi) Workers Compensation coverage as required by state law with $500,000/500,000/$500,000 limits for employers' liability;

(vii) Business Income Including Extra Expense – Actual Loss Sustained – 12 Months

(viii) We recommend that you obtain Employment Practices Liability insurance with limits of at least $1,000,000 single limit per occurrence and $2,000,000 aggregate limit and cyber liability coverage of $500,000 per occurrence.

(b) Franchisee's policies (other than Workers Compensation) must (1) list Franchisor and its affiliates as an additional insured, (2) include a waiver of subrogation in favor of Franchisor and its affiliates, (3) be primary and non-contributing with any insurance carried by Franchisor or its affiliates, and (4) stipulate that Franchisor shall receive 30 days' prior written notice of cancellation.

(c) Franchisee shall provide Certificates of Insurance evidencing the required coverage to Franchisor prior to opening and upon annual renewal of the insurance coverage, as well as at any time within 10 days after request from Franchisor.

7.16 Obligations to Third Parties. Franchisee shall pay all vendors and suppliers in a timely manner. Franchisee shall pay all taxes when due. If Franchisee borrows money, it shall comply with the terms of its loan and make all loan payments when due. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location and make all rent payments when due.

7.17 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Costa Oil, the Business, or any particular incident or occurrence related to the Business, without Franchisor's prior written approval, which will not be unreasonably withheld.

7.18 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization or cause, or (ii) act in support of any such organization or cause, without Franchisor's prior written approval, which will not be unreasonably withheld.

7.19 No Other Activity Associated with the Business. Franchisee shall not engage in any business or other activity at the Location other than operation of the Costa Oil Business. Franchisee shall not use assets of the Business for any purpose other than the Business. If Franchisee is an entity, the entity shall not own or operate any other business except Costa Oil businesses.

7.20 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Franchisor, which will not be unreasonably withheld.

7.21 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Franchisor. Franchisee must display at the Business signage prescribed by Franchisor identifying the Location as an independently owned franchise.

7.22 Privacy Practices.

(a) With respect to Privacy Information, Franchisee must comply with all of their obligations under applicable privacy laws, including any local, state, or federal data privacy or data security law or regulation.

(b) Franchisee shall not sell any Privacy Information. Franchisee further agrees to not access, use, or process the Privacy Information except in the furtherance of its obligations under this Agreement, but in all times, in compliance with applicable privacy laws.

(c) To the extent Franchisor does not have the then-current ability to address requests made under any applicable privacy law by individuals that are the subject of any of the Privacy Information, Franchisee shall, upon Franchisor's request, provide reasonable assistance to Franchisor in responding to such requests.

7.23 Communication. Franchisee shall respond promptly to requests for communication from Franchisor, and in any event within three business days.

7.24 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from Franchisor. Franchisee shall not take any action which injures or is likely to injure the goodwill associated with the Marks.

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all Inputs required by Franchisor from time to time in accordance with System Standards. Franchisor may require Franchisee to purchase or lease any Inputs from Franchisor, Franchisor's designee, Required Vendors, Approved Vendors, and/or under Franchisor's specifications. Franchisor may change any such requirement or change the status of any vendor. To make such requirement or change effective, Franchisor shall issue the appropriate System Standards. Franchisor reserves the right to require Franchisee to purchase minimum volumes or amounts and to increase or change these requirements.

8.2 Alternate Vendor Approval. If Franchisor requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor. Franchisor may require Franchisee to pay Franchisor's then-current fees (which are expected to cover Franchisor's actual costs) for considering such request. Franchisor may approve or disapprove the alternative vendor in its sole discretion. Franchisor may condition its approval on such criteria as Franchisor deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Franchisor shall provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request.

8.3 Alternate Input Approval. If Franchisor requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor may approve or disapprove of the alternative Input in its sole discretion. Franchisor shall provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

8.4 Purchasing. Franchisor may negotiate prices and terms with vendors on behalf of the System. Franchisor may receive rebates, payments or other consideration from vendors in connection with purchases by franchisees. Franchisor has the right (but not the obligation) to collect payments from Franchisee on behalf of a vendor and remit the payments to the vendor and to impose a reasonable markup or charge for administering the payment program. Franchisor may implement a centralized purchasing system. Franchisor may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Franchisor may determine.

8.5 No Liability of Franchisor. Franchisor and its affiliates shall not have any liability to Franchisee for any claim, loss, or other Action related to any product provided or service performed by any Approved Vendor or Required Vendor (unless Franchisor or its affiliate, as applicable, is the vendor), including without limitation for defects, delays, unavailability, failure, or breach of contract related to such products or services.

8.6 Product Recalls. If Franchisor or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Business issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from Franchisor or the vendor, supplier, or manufacturer of such item with respect to such item, including without limitation the recall, repair, and/or replacement of such item.

ARTICLE 9. MARKETING

9.1 Advertising Standards. Except as otherwise provided in the Manual, Franchisee may use only Advertising and Promotional Content that Franchisor has furnished or approved in writing in advance. Franchisee must ensure that all Advertising and Promotional Content that Franchisee uses is clear, factual, ethical, and not misleading; complies with all laws; and conforms to System Standards. Except as otherwise provided in the Manual and Advertising and Promotional Content that Franchisor furnishes to Franchisee, Franchisee must submit to Franchisor for its written approval, at least 14 days before use, copies of all proposed Advertising and Promotional Content that Franchisee intends to use or implement. If Franchisor does not respond, the material is deemed rejected Franchisor has the right to approve or disapprove any Advertising and Promotional Content, as well as the media in which Franchisee intends to use them, in its sole discretion. Franchisor reserves the right to require Franchisee to discontinue the use of any Advertising and Promotional Content for any reason.

9.2 Digital Marketing. Franchisor may (but is not obligated to) establish and operate all Digital Marketing, or require Franchisees to use an approved vendor, and has the sole right to control all aspects of Digital Marketing, including those related to the Business. Without limiting

the generality of Section 9.1, Franchisee shall not, directly or indirectly, conduct or be involved in any Digital Marketing without the prior written consent of Franchisor. If Franchisor permits Franchisee to conduct any Digital Marketing, Franchisee must (a) comply with any System Standards and must immediately modify or delete any Digital Marketing that Franchisor determines, in its sole discretion, is not compliant with such System Standards; (b) only use materials that Franchisor has approved and submit any proposed modifications to Franchisor for approval; (c) not use any Mark (or words or designations similar to any Mark) in any domain name, electronic address, website, or other source identifier except as Franchisor expressly permits; (d) include only the links that Franchisor approves or requires; and (e) immediately take all actions necessary or that Franchisor requests to provide Franchisor with access to, or to transfer ownership of, all Digital Marketing relating to the Business to Franchisor, including, without limitation, providing login and password details and promptly signing all directions and authorizations as Franchisor deems necessary to effect the intent and provisions of this Section. If Franchisee uses any Mark (or words or designations similar to a Mark) in any domain name, electronic address, website, or other source identifier, Franchisor may register such name, address, website, or identifier and then license use of the registered item back to Franchisee under a separate agreement. Franchisee must pay all costs due for registration, maintenance, and renewal of any such names, addresses, websites, or identifiers that Franchisor approves and maintains on Franchisee's behalf. Franchisor may withdraw its approval for any Digital Marketing at any time.

9.3 Implementation. Franchisee shall implement any advertising or marketing materials, plans or campaigns (including Digital Marketing) required by Franchisor.

9.4 Use by Franchisor. Franchisor may use any Advertising and Promotional Content developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, perpetual, royalty-free license to Franchisor for such purpose.

9.5 Brand Fund. Franchisor has established or may establish a Brand Fund to promote the System on a local, regional, national, and/or international level. If Franchisor has established a Brand Fund:

(a) Account. Franchisor is not required to hold the Brand Fund Contributions in a bank account separate from Franchisor's other accounts.

(b) Use. Franchisor shall use the Brand Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level) for Costa Oil, and related overhead. The foregoing includes such activities and expenses as Franchisor reasonably determines, and may include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Brand Fund (including the compensation of Franchisor's employees working on marketing and for accounting, bookkeeping, reporting, legal, collections, and other expenses related to the Brand Fund).

(c) Discretion. Franchisee agrees that expenditures from the Brand Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Brand Fund will be spent at Franchisor's sole discretion, and Franchisor has no fiduciary duty with regard to the Brand Fund.

(d) Contribution by Other Outlets. Franchisor is not obligated to (i) have all other Costa Oil businesses (whether owned by other franchisees or by Franchisor or its affiliates) contribute to the Brand Fund, or (ii) have other Costa Oil businesses that do contribute to the Brand Fund contribute the same amount or at the same rate as Franchisee.

(e) Surplus or Deficit. Franchisor may accumulate funds in the Brand Fund and carry the balance over to subsequent years. If the Brand Fund operates at a deficit or requires additional funds at any time, Franchisor may loan such funds to the Brand Fund on reasonable terms.

(f) Financial Statement. Franchisor shall prepare an unaudited annual financial statement of the Brand Fund within 120 days of the close of Franchisor's fiscal year and shall provide the financial statement to Franchisee upon request.

9.6 Market Cooperatives. Franchisor may establish market advertising and promotional cooperative funds ("Market Cooperative") in any geographical areas. If a Market Cooperative for the geographic area encompassing the Location has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Location is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within 30 days of notice from Franchisor. Franchisor shall not require Franchisee to be a member of more than one Market Cooperative. If Franchisor establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner, and shall commence operations on a date, determined by Franchisor. Franchisor may require the Market Cooperative to adopt bylaws or regulations prepared by Franchisor. Unless otherwise specified by Franchisor, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. Franchisor will be entitled to attend and participate in any meeting of a Market Cooperative. Any Costa Oil business owned by Franchisor in the Market Cooperative shall have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each Business owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement. If the members of a Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, Franchisor may assume this decision-making authority after 10 days' notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing (subject to Franchisor's approval) standardized promotional materials for use by the members in local advertising and promotion.

(c) Approval. No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Franchisor pursuant

to Section 9.1. Franchisor may designate the national or regional advertising agencies used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1% and not more than 5% of Gross Sales.

(e) Enforcement. Only Franchisor will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) Termination. Franchisor may terminate any Market Cooperative. Any funds left in a Market Cooperative upon termination will be transferred to the Brand Fund.

9.7 Required Spending. Franchisee must use Franchisor's designated vendor for website and design and management products and services and shall spend a minimum of at least 2.5% of Gross Revenue each month on marketing the Business (the "Local Marketing Requirement"). Amounts paid for products or services to our designated vendor count toward the Local Marketing Requirement. Within 10 days after request by Franchisor, Franchisee shall furnish proof of its compliance with this Section. Franchisor has the discretion to determine in good faith what activities constitute "marketing" under this Section. If Franchisee contributes to a Market Cooperative, the amount of the contribution will be counted towards Franchisee's required spending under this Section. If Franchisee fails to meet the Local Marketing Requirement for a given month, Franchisee shall pay the difference between the Local Marketing Requirement for the month and what the Franchisee actually spent on marketing the Business, with this difference to be paid to the Brand Fund or the Franchisor (if the Brand Fund has not yet been established).

9.8 Market Introduction Plan. Unless Franchisee has obtained Franchisor's prior written approval, Franchisee must develop a market introduction plan and obtain Franchisor's approval of the market introduction plan at least 30 days before the projected opening date of the Business.

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Franchisor may specify in the Manual or otherwise in writing.

10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as Franchisor may require in the Manual or otherwise in writing, including:

(i) a monthly profit and loss statement and balance sheet for the Business within 30 days after the end of each calendar month;

(ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of Franchisor's fiscal year; and

(iii) any information Franchisor requests in order to prepare a financial performance representation for Franchisor's franchise disclosure document, within 30 days after request.

(b) Legal Actions and Investigations. Franchisee shall promptly notify Franchisor of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as Franchisor may request.

(c) Government Inspections. Franchisee shall give Franchisor copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Franchisor such other financial statements, budgets, forecasts, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Franchisor may reasonably request (either upon specific request or on a regular basis as directed by Franchisor, as applicable). Franchisor acknowledges that all personnel records of the Business belong to Franchisee and that this Agreement does not grant Franchisor the right to access personnel records of Franchisee's employees.

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to Franchisor a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Franchisor's Franchise Disclosure Document and with such other information as Franchisor may reasonably request.

10.4 Business Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as Franchisor may specify in the Manual or otherwise in writing.

10.5 Records Audit. Franchisor may examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. Franchisor may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Franchisor. Franchisee shall also reimburse Franchisor for all costs and expenses of the examination or audit if (i) Franchisor conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee did not meet Franchisee's local advertising requirements; or (iii) the audit reveals that Franchisee understated Gross Revenue by 3% or more for any 4-week period.

ARTICLE 11. FRANCHISOR RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by Franchisor. Franchisor may supplement, revise, or modify the Manual, and

Franchisor may change, add or delete System Standards at any time in its discretion. Franchisor may inform Franchisee thereof by any method that Franchisor deems appropriate (which need not qualify as "notice" under Section 18.9). In the event of any dispute as to the contents of the Manual, Franchisor's master copy will control.

11.2 Inspections. Franchisor may enter the premises of the Business from time to time at any reasonable time (including during normal business hours) and conduct an inspection. Franchisee shall cooperate with Franchisor's inspectors. Franchisor will use commercially reasonable efforts to not disrupt Franchisee's business operations during any such inspection. The inspection may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. Franchisor may videotape and/or take photographs of the inspection and the Business. Franchisor may set a minimum score requirement for inspections, and Franchisee's failure to meet or exceed the minimum score will be a default under this Agreement. Without limiting Franchisor's other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an inspection. If Franchisor conducts an inspection because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed inspection), then Franchisor may charge all out-of-pocket expenses plus its then-current inspection fee to Franchisee.

11.3 Franchisor's Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, Franchisor may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee, including entering the premises of the Business and curing the default without notice to Franchisee. Franchisee shall reimburse Franchisor for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, Franchisor may (i) require that Franchisee pay cash on delivery for products or services supplied by Franchisor, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Franchisor shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Franchisor are in addition to any other right or remedy available to Franchisor.

11.5 Business Data. All customer data collected or generated by the Business and all data collected or generated by the point-of-sale system (other than data regarding employees) is deemed to be is Confidential Information and is exclusively owned by Franchisor. Franchisor hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement. Franchisee agrees to allow Franchisor to have independent access to the information generated or stored in Franchisee's computer system or of any system containing any Confidential Information.

11.6 Innovations. Franchisee shall disclose to Franchisor all ideas, plans, improvements, concepts, methods, and techniques relating to the Business (collectively, "Innovations") conceived

or developed by Franchisee or its employees, agents or contractors. Franchisor will automatically own all Innovations, and it will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee. Franchisee shall execute any documents reasonably requested by Franchisor to document Franchisor's ownership of Innovations.

11.7 Communication Systems. If Franchisor provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, and Franchisee authorizes Franchisor to access such communications.

11.8 Communication with Employees. Franchisee irrevocably authorizes Franchisor to communicate with Franchisee's employees and contractors on any matter related to the System or the Business. Franchisee will not prohibit any employee or contractor from communicating with Franchisor on any matter related to the System or the Business.

11.9 Communications with Landlord and Lenders. Franchisee irrevocably authorizes Franchisor to communicate with Franchisee's landlord and lender(s), or prospective landlord and lender(s), about matters relating to the Business, and to provide information about the Business to them.

11.10 Delegation. Franchisor may delegate any duty or obligation of Franchisor under this Agreement to an affiliate or to a third party.

11.11 System Variations. Franchisor may vary or waive any System Standard for any one or more Costa Oil franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.12 Franchisor's Discretion. Franchisor may engage in any activity not expressly prohibited by this Agreement. Whenever this Agreement provides that Franchisor has a certain right, that right is absolute, and the parties intend that Franchisor's exercise of that right will not be subject to any limitation or review. Franchisor has the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify any express limitations set forth in this Agreement. Whenever Franchisor agrees to exercise its rights reasonably or in good faith, Franchisor will have satisfied its obligations whenever its exercises reasonable business judgment in making a decision or exercising its rights. Franchisor's decisions or actions will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision or action is intended, in whole or significant part, to promote or benefit the System or the Costa Oil brand generally even if the decision or action also promotes Franchisor's financial or other individual interest. Examples of items that will promote or benefit the System or the Costa Oil brand include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System and Costa Oil outlets.

11.13 Temporary Public Safety Closure. If Franchisor discovers or becomes aware of any aspect of the Business which, in Franchisor's opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon Franchisor's order, Franchisee must temporarily cease operations of the Business and remedy the dangerous condition. Franchisor shall have no liability to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

11.14 Temporary Management. If (i) Franchisee (or, if Franchisee is an entity, the Owner with the largest interest in Franchisee) or the Principal Operator dies or becomes incapacitated, (ii) this Agreement is terminated or expires and Franchisor elects to purchase assets of the Business as provided in Section 14.5, or (iii) Franchisee is operating the Business in a manner which, in Franchisor's reasonable opinion, constitutes a danger to the health or safety of any person, then Franchisor may (but is not obligated to) enter the Location and operate and manage the Business for Franchisee's (or Franchisee's estate's) account until this Agreement is terminated, the Business is transferred, the Business is purchased by Franchisor, or Franchisor returns the Business to Franchisee. Franchisor's operation and management will not continue for more than 90 days without Franchisee's consent (or the consent of the representatives of Franchisee's estate). If this Agreement has not terminated or expired, then Franchisor will account to Franchisee for all net income from the Business during the period in which Franchisor operates the Business. Franchisor may collect a temporary management fee equal to $600 per day for the period in which Franchisor operates the Business, plus all out-of-pocket expenses incurred by Franchisor, which is in additional to any Royalty Fees or other amounts owed under this Agreement. If Franchisor or a third party assumes the Business's management, Franchisee acknowledges that Franchisor or the third party will have a duty to utilize only reasonable efforts and will not be liable to Franchisee or its Owners for any losses the Business incurs or obligations to creditors.

ARTICLE 12. MARKS

12.1 Authorized Marks. Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by Franchisor, and only in the manner as Franchisor may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Business, will inure to the exclusive benefit of Franchisor.

12.2 Change of Marks. Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Franchisor makes any such change (not to exceed 90 days), Franchisee must comply with the change, at Franchisee's expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Franchisor shall defend Franchisee (at Franchisor's expense) against any Action by a third party alleging infringement by Franchisee's use of a Mark, and (ii) Franchisor shall indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement by Third Party. Franchisee shall promptly notify Franchisor if Franchisee becomes aware of any possible infringement of a Mark by a third party. Franchisor may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. Franchisor shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

12.4 Name. If Franchisee is an entity, it shall not use the word[s] "Costa Oil" or any confusingly similar words in its legal name.

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business, (c) not use any such information in any other business or in any manner not specifically authorized in writing by Franchisor, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Franchisor (except for Confidential Information which Franchisor licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the "Restricted Parties") shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor within five miles of Franchisee's Marketing Area or the marketing area or territory of any other Costa Oil business operating on the date of expiration, termination, or transfer, as applicable. If this Agreement is terminated before the Marketing Area is determined, then the area of non-competition will be within five miles of the Development Area and within five miles of the marketing area (or territory) of any other Costa Oil business operating on the date of termination. If a given Franchisor business does not have a defined marketing area or territory, then for purposes of this Section its marketing area or territory will be deemed to be a 3-mile radius.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any arbitrator or court, then the parties intend that the arbitrator or court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Franchisee agrees that the existence of any

claim it may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

13.3 General Manager and Key Employees. If requested by Franchisor, Franchisee shall cause its general manager and other key employees reasonably designated by Franchisor to sign Franchisor's then-current form of confidentiality and non-compete agreement (unless prohibited by applicable law).

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisor.

(a) Subject to 10-Day Cure Period. Franchisor may terminate this Agreement if Franchisee does not make any payment to Franchisor when due, or if Franchisee does not have sufficient funds in its account when Franchisor attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after Franchisor gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c), and Franchisee fails to cure such breach to Franchisor's satisfaction within 30 days after Franchisor gives notice to Franchisee of such breach, then Franchisor may terminate this Agreement.

(c) Without Cure Period. Franchisor may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

(i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;

(ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Franchisor;

(iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors, or Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;

(iv) Franchisee fails to open for business by the date specified on the Summary Page;

(v) Franchisee loses possession of the Location;

(vi) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;

(vii) Franchisee ceases operation of the Business for more than five consecutive days, or Franchisor reasonably concludes that Franchisee has ceased operation of the Business;

(viii) Franchisee or any Owner slanders or libels Franchisor or any of its employees, directors, or officers;

(ix) Franchisee refuses to cooperate with or permit any audit or inspection by Franchisor or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2;

(x) the Business is operated in a manner which, in Franchisor's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from Franchisor or otherwise);

(xi) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;

(xii) Franchisor (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate) (provided that termination of a Multi-Unit Development Agreement with Franchisee or its affiliate shall not give Franchisor the right to terminate this Agreement);

(xiii) Franchisee or any Owner is charged with, pleads guilty or no-contest to, or is convicted of a felony; or

(xiv) Franchisee or any Owner is accused by any governmental authority or third party of any act, or if Franchisee or any Owner commits any act or series of acts, that in Franchisor's opinion is reasonably likely to materially and unfavorably affect the Costa Oil brand.

14.2 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition (Section 13.2(b)), confidentiality (Section 13.1), indemnity (Article 16), and dispute resolution (Article 17), will remain in effect, and Franchisee must immediately:

(i) pay all amounts owed to Franchisor based on the operation of the Business through the effective date of termination or expiration;

(ii) return to Franchisor all copies of the Manual, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party

for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items (to the extent in the possession or control of Franchisee); and delete all Confidential Information and proprietary materials from electronic devices;

(iii) immediately take all action required (a) to cancel all assumed name or equivalent registrations relating to Franchisee's use of the Marks; and (b) to cancel or transfer to Franchisor or its designee all telephone numbers, post office boxes, directory listings, and Digital Marketing accounts used by Franchisee in connection with the Business or the Marks, including, without limitation, by providing login and password details and promptly signing all directions and authorizations necessary or appropriate to accomplish the foregoing. Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing. The telephone company, the postal service, registrars, Internet service providers and each listing agency may accept such direction by Franchisor pursuant to this Agreement as conclusive evidence of Franchisor's exclusive rights in such accounts and its authority to direct their transfer; and

(iv) cease doing business under any of the Marks.

14.3 Remove Identification. Within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a Costa Oil business, to the reasonable satisfaction of Franchisor. Franchisee shall comply with any reasonable instructions and procedures of Franchisor for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, Franchisor may enter the Location to remove the Marks and de-identify the Location. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Franchisor.

14.4 Liquidated Damages. If Franchisor terminates this Agreement based upon Franchisee's default (or if Franchisee purports to terminate this Agreement), then within 10 days thereafter Franchisee shall pay to Franchisor a lump sum (as liquidated damages and not as a penalty) calculated as follows: (x) the average weekly Royalty Fees and Brand Fund Contributions that Franchisee owed to Franchisor under this Agreement for the last 52 full weeks that Franchisee operated the Business (disregarding any fee waivers or reductions granted to Franchisee); multiplied by (y) the lesser of (1) 104 or (2) the number of weeks remaining in the then-current term of this Agreement. If Franchisee had not operated the Business for at least 52 full weeks, then (x) will equal the average weekly Royalty Fees and Brand Fund Contributions that Franchisee owed to Franchisor during the full weeks that Franchisee operated the Business. The "average Royalty Fees and Brand Fund Contributions that Franchisee owed to Franchisor" shall not be discounted or adjusted due to any deferred or reduced Royalty Fees and Brand Fund Contributions set forth in an addendum to this Agreement, unless this Section 14.4 is specifically amended in such addendum. Franchisee acknowledges that a precise calculation of the full extent of Franchisor's damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable. Franchisee's payment to

Franchisor under this Section will be in lieu of any direct monetary damages that Franchisor may incur as a result of Franchisor's loss of Royalty Fees and Brand Fund Contributions that would have been owed to Franchisor after the date of termination; however, such payment shall be in addition to all damages and other amounts arising under Section 14.2 and Section 14.3, Franchisor's right to injunctive relief for enforcement of Article 13, and any attorneys' fees and other costs and expenses to which Franchisor is entitled under this Agreement. Except as provided in this Section, Franchisee's payment of this lump sum shall be in addition to any other right or remedy that Franchisor may have under this Agreement or otherwise.

14.5 Purchase Option. When this Agreement expires or is terminated, Franchisor will have the right (but not the obligation) to purchase any or all of the assets related to the Business, and/or to require Franchisee to assign its lease or sublease to Franchisor. To exercise this option, Franchisor must notify Franchisee no later than 30 days after this Agreement expires or is terminated. The purchase price for all assets that Franchisor elects to purchase will be the lower of (i) the book value of such assets as declared on Franchisee's last filed tax returns or (ii) the fair market value of the assets. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Franchisor's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or "going concern" value for the Business. Franchisor may withdraw its exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by Franchisor. If Franchisor exercises the purchase option, Franchisor may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts paid or to be paid by Franchisor to cure defaults under Franchisee's lease and/or amounts owed by Franchisee to third parties. If any of the assets are subject to a lien, Franchisor may pay a portion of the purchase price directly to the lienholder to pay off such lien. Franchisor may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. Franchisor may assign this purchase option to another party.

ARTICLE 15. TRANSFERS

15.1 By Franchisor. Franchisor may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Franchisor may undergo a change in ownership and/or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Franchisor entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Franchisor at least 60 days prior notice of the proposed Transfer, and without obtaining Franchisor's consent. In granting any such consent, Franchisor may impose conditions, including, without limitation, the following:

(i) Franchisor receives a transfer fee equal to $10,000 plus any broker fees and other out-of-pocket costs incurred by Franchisor;

(ii) the proposed Transferee and its owners have completed Franchisor's franchise application processes, meet Franchisor's then-applicable standards for new franchisees, and have been approved by Franchisor as franchisees;

(iii) the proposed Transferee is not a Competitor;

(iv) the proposed Transferee executes Franchisor's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement (provided, however, that the form will be amended to provide that proposed assignee will not be required to pay an initial franchise fee);

(v) all owners of the proposed Transferee provide a guaranty in accordance with Section 2.6;

(vi) Franchisee has paid all monetary obligations to Franchisor and its affiliates, and to any lessor, vendor, supplier, or lender to the Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to Franchisor or its affiliates;

(vii) the proposed Transferee and its owners and employees undergo such training as Franchisor may require, and agree to pay Franchisor its then-current "Under New Management Advertising Fee", for which Franchisor will design and implement an "under new management" marketing campaign to promote the Business;

(viii) Franchisee, its Owners, and the Transferee and its owners execute a general release of Franchisor in a form satisfactory to Franchisor; and

(ix) the Business fully complies with all of Franchisor's most recent System Standards.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' notice to Franchisor, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.4; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Franchisor, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.6.

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the Owner with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by Franchisor (or to another person who was an Owner at the time of death or incapacity of the largest Owner) within nine months after death or incapacity. Such transfer must comply with Section 15.2.

15.5 Franchisor's Right of First Refusal. Before Franchisee (or any Owner) engages in a Transfer (except under Section 15.3, to a co-Owner, or to a spouse, sibling, or child of an Owner), Franchisor will have a right of first refusal, as set forth in this Section. Franchisee (or its Owners) shall provide to Franchisor a copy of the terms and conditions of any Transfer. For a period of 30 days from the date of Franchisor's receipt of such copy, Franchisor will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that if some or all of the purchase price is not payable in cash, Franchisor may pay the equivalent value in cash for the purchase price). If Franchisor does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

15.6 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to Franchisor) Franchisor, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or against Franchisor and/or any Indemnitee directly or indirectly related to, or alleged to arise out of, the development or operation of the Business (including any Data Security Event). Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnitee from Actions which Franchisee proves arose solely as a result of any Indemnitee's intentional misconduct or negligence. Any delay or failure by an Indemnitee to notify Franchisee of an Action shall not relieve Franchisee of its indemnity obligation except to the extent (if any) that such delay or failure materially prejudices Franchisee. Franchisee shall not settle an Action without the consent of the Indemnitee. This indemnity will continue in effect after this Agreement ends.

16.2 Assumption. An Indemnitee may elect to assume the defense of any Action subject to this indemnification, and control all aspects of defending the Action, including negotiations and settlement, at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

ARTICLE 17. DISPUTE RESOLUTION

17.1 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided in subsections (c) and (d), any controversy or claim between the parties (including any controversy or claim arising out of or relating to this Agreement or its formation and including any question of arbitrability) shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency

Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

(b) Location. The place of arbitration shall be the city and state where Franchisor's headquarters are located.

(c) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief.

(d) Intellectual Property Claims. Either party may bring a claim involving an alleged infringement of any of Franchisor's intellectual property rights in a court authorized to hear such claims under Section 17.5 of this Agreement.

(e) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for Franchisor to comply with laws and regulations applicable to the sale of franchises.

(e) Performance During Arbitration or Litigation. Unless this Agreement has been terminated, Franchisor and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

17.2 Damages. In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party's actual damages, except damages expressly authorized by federal statute and damages expressly authorized by this Agreement.

17.3 Waiver of Class Actions. The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a class-wide basis.

17.4 Time Limitation. Any arbitration or other legal action arising from or related to this Agreement must be instituted within two years from the date of the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by Franchisor related to non-payment of Royalty Fees and other amounts owed by Franchisee, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

17.5 Venue Other Than Arbitration. For any legal proceeding not required to be submitted to arbitration, the parties agree that such proceeding will be brought in the United States District Court where Franchisor's headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where Franchisor's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

17.6 Legal Costs. In any legal proceeding (including arbitration) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and

other expenses of the legal proceeding. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

17.7 Franchisor Personnel. The provisions of this Article 17 will apply to any Action by Franchisee or its Owners against Franchisor's officers, directors, shareholders, members, employees, and/or agents. Nothing in this Agreement authorizes any Action against Franchisor's officers, directors, shareholders, members, employees, and/or agents or makes those persons liable for Franchisor's conduct.

ARTICLE 18. MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Franchisor is not a fiduciary of Franchisee. Franchisor does not control or have the right to control Franchisee or its Business. Any required specifications and standards in this Agreement and in the System Standards exist to protect Franchisor's interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third-Party Beneficiaries. Except as stated in Article 16 or Article 17, this Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Franchisor, and Franchisor's affiliates.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in its franchise disclosure document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Franchisor's rights to modify the Manual or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Governing Law. The laws of the state of Pennsylvania (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Pennsylvania law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.8.

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Franchisor, addressed to 316 Broadway, Hanover, PA 17331. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notices will be effective upon the earlier of: (i) receipt by the recipient, (ii) first rejection by the recipient, (iii) three business days after mailing if sent via registered or certified mail; or (iv) the next business day after mailing if sent via overnight courier. Notwithstanding the foregoing, Franchisor may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication, in which case notice would be effective on Franchisee upon the delivery of the electronic mail or other electronic communication.

18.10 Holdover. If Franchisee continues operating the Business after the expiration of the term without a renewal agreement or successor franchise agreement executed by the parties in accordance with Section 3.2, then at any time (regardless of any course of dealing by the parties), Franchisor may by giving written notice to Franchisee (the "Holdover Notice") either (i) require Franchisee to cease operating the Business and comply with all post-closing obligations effective immediately upon giving notice or effective on such other date as Franchisor specifies, or (ii) bind Franchisee to a renewal term of 15 years, collect the renewal fee this Agreement specified in Section 3.2, and deem Franchisee and its Owners to have made the general release of liability described in Section 3.2(vi).

18.11 Joint and Several Liability. If two or more people sign this Agreement as "Franchisee", each will have joint and several liability.

18.12 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Franchisor does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Franchisor.

[*Signatures on next page*]

Agreed to by:

FRANCHISOR:

COSTA FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

[*if an individual:*]
_____

By: _____
Name: _____
Date: _____

[*if an entity:*]
_____

By: _____
Name: _____
Title: _____
Date: _____

Attachment 1 to Franchise Agreement

OWNERSHIP INFORMATION

1. Form of Ownership. Franchisee is a (check one):

_____ *Sole Proprietorship*
_____ *Partnership*
_____ *Limited Liability Company*
_____ *Corporation*

State: _____

2. Owners. If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

3. Officers. If Franchisee is a limited liability company or corporation:

Name	Title

Attachment 2 to Franchise Agreement

LOCATION ACCEPTANCE LETTER

To: _____

This Location Acceptance Letter is issued by Franchisor for your Costa Oil franchise in accordance with Section 6.1 of the Franchise Agreement.

1. The Location of the Business is:

   _____

2. The Marketing Area of the Business is:

   _____

COSTA FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

Attachment 3 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this "Guaranty") is executed by the undersigned person(s) (each, a "Guarantor") in favor of Costa Franchising, LLC, a Delaware limited liability company ("Franchisor").

Background Statement: _____, a _____ company ("Franchisee") desires to enter into a Franchise Agreement with Franchisor for the franchise of a Costa Oil business (the "Franchise Agreement"; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Franchisor to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to Franchisor and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Franchisor, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Franchisor upon demand from Franchisor. Guarantor waives (a) acceptance and notice of acceptance by Franchisor of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Franchisor make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information, Guarantor shall (a) adhere to all security procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business, (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by Franchisor or its affiliates (except for

Confidential Information which Franchisor licenses from another person or entity). Guarantor acknowledges that all customer data collected or generated by the Business and all data collected or generated by the point-of-sale system (other than data regarding employees) is Confidential Information belonging to Franchisor. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor located within five miles of Franchisee's Marketing Area or the marketing area or territory of any other Costa Oil business operating on the date of expiration, termination, or transfer, as applicable. If the Franchise Agreement is terminated before the Marketing Area is determined, then the area of non-competition will be within five miles of the Development Area and within five miles of the marketing area or territory of any other Costa Oil business operating on the date of termination. If a given Franchisor business does not have a defined marketing area or territory, then for purposes of this Section its marketing area or territory will be deemed to be a 3-mile radius.

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court or arbitrator, then the parties intend that the court or arbitrator modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Guarantor agrees that the existence of any claim it or Franchisee may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

4. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which Franchisor may from time-to-time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

5. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Pennsylvania (without giving effect to its principles of conflicts of law). The parties agree that any Pennsylvania law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 5. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. Guarantor shall pay to Franchisor all costs incurred by Franchisor (including

reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

_____

By:_____
Name: _____
Address: _____
_____
_____
Date: _____

_____

By:_____
Name: _____
Address: _____
_____
_____
Date: _____

_____

By:_____
Name: _____
Address: _____
_____
_____
Date: _____

Attachment 4 to Franchise Agreement

CONDITIONAL ASSIGNMENT OF BRAND ACCOUNTS

This Assignment of Brand Accounts (this "Assignment") is executed by the undersigned ("Franchisee") in favor of Costa Franchising, LLC, a Delaware limited liability company ("Franchisor").

Background Statement: Franchisor and Franchisee are parties to a Franchise Agreement pursuant to which Franchisor granted Franchisee a license to operate a Costa Oil franchised business (the "Business"). Franchisor or its affiliates are the sole owner of the Costa Oil brand and all names, logos, trademarks, service marks, and other intellectual property associated therewith. To protect Franchisor's interest in and control of Costa Oil, Franchisee acknowledges and agrees that Franchisor has the right to control all telephone numbers, directory listings, and internet marketing accounts related to Costa Oil.

Franchisee agrees as follows:

1. Conditional Assignment. Franchisee hereby assigns to Franchisor (or its designee) all of Franchisee's rights, title, and interest in and to all telephone numbers, directory listings, email accounts, websites, social media accounts, and all other accounts and profiles for advertising and marketing on the internet or any electronic communications network ("Brand Accounts") associated with Costa Oil and registered by Franchisee from time to time in connection with the operation of Franchisee's Business, such assignment to be effective upon (a) termination or expiration of the Franchise Agreement, or (b) notice from Franchisor to Franchisee, at which time Franchisor will have the right to assume ownership of any one or all Brand Accounts.

2. Transfer or Deletion. Franchisee hereby authorizes the service provider of each Brand Account (the "Provider") to transfer the Brand Account to Franchisor (or its designee) or to delete the Brand Account upon the written instruction of Franchisor. Franchisee hereby grants Franchisor an irrevocable limited power of attorney on behalf of Franchisee to direct any Provider to transfer or delete a Brand Account. In such an event, Franchisee will have no further right, title or interest in the Brand Account but will remain liable to the Provider for all past due fees owing to the Provider on or before the date on which the assignment is effective. Franchisor will have no liability or obligation of any kind to a Provider arising prior the effective date of transfer or deletion. Franchisee agrees to take all reasonable steps necessary to effectuate the transfer or deletion (as determined by Franchisor) of each Brand Account.

[*Signatures on next page*]

Executed by:

FRANCHISEE:

[*if an individual:*]

_____

By:_____
Name: _____
Date: _____

[*if an entity:*]

_____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT C

MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this "MUDA") is made between Costa Franchising, LLC, a Delaware limited liability company ("Franchisor") and _____, an individual, and _____, a _____ company (jointly and severally "Franchisee") on the Effective Date.

Background Statement: On the same day as they execute this MUDA, Franchisor and Franchisee have entered into a Franchise Agreement for the franchise of a Costa Oil business (the "Franchise Agreement"; capitalized terms used but not defined in this MUDA have the meanings given in the Franchise Agreement). Franchisor and Franchisee desire that Franchisee develop multiple Costa Oil businesses.

1. Multi-Unit Commitment.

(a) Development Schedule; Fee. Franchisee shall develop and open Costa Oil businesses on the following schedule (the "Development Schedule"):

Store #	Deadline for Opening	Total # of Stores to be Open and Operating on Deadline	Initial Franchise Fee
1		1	$_____
2		2	$_____
3		3	$_____
4		4	$_____
5		5	$_____
		Total Initial Franchise Fee:	

(b) Payment**.** Upon execution of this MUDA, Franchisee shall pay the total Initial Franchise Fee to Franchisor. The Initial Franchise Fee is non-refundable.

2. Form of Agreement. For Store #1, Franchisee and Franchisor have executed the Franchise Agreement simultaneously with this MUDA. For each additional Costa Oil franchise, Franchisee shall execute Franchisor's then-current standard form of franchise agreement no later than three business days after Franchisee leases or acquires a location. This MUDA does not give Franchisee the right to construct, open, or operate a Costa Oil business, and Franchisee acknowledges that Franchisee may construct, open, and operate each Costa Oil business only pursuant to a separate franchise agreement executed pursuant to this MUDA for each such Costa Oil business.

3. Development Area. Franchisee shall locate each Costa Oil business it develops under this MUDA within the following area: _____ _____ (the "Development Area"). Franchisor shall not establish, nor license the establishment of, another business within the Development Area selling the same or similar goods or services under the same or similar trademarks or service marks as a Costa Oil business. Franchisor retains the right to:

(i) establish and license others to establish and operate Costa Oil businesses outside the Development Area, notwithstanding their proximity to the Development Area or their potential impact on the Business;

(ii) operate and license others to operate businesses anywhere that do not sell the same or similar goods or services under the same or similar trademarks or service marks as a Costa Oil business; and

(iii) sell and license others to sell products and services in the Development Area through channels of distribution (including the internet) other than Costa Oil outlets

4. Default and Termination. Franchisor may terminate this MUDA by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

(i) Franchisee fails to satisfy the development schedule; or

(ii) Franchisor has the right to terminate any franchise agreement between Franchisor and Franchisee (or any affiliate thereof) due to Franchisee's default thereunder (whether or not Franchisor actually terminates such franchise agreement).

5. Limitation of Liability. Franchisee's commitment to develop Costa Oil businesses is in the nature of an option only. If Franchisor terminates this MUDA for Franchisee's default, Franchisee shall not be liable to Franchisor for lost future revenues or profits from the unopened Costa Oil businesses. Franchisee may terminate this MUDA at any time.

6. Conditions. Franchisee's right to develop each Costa Oil franchise after the Store #1 is subject to the following:

(i) Franchisee must possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Costa Oil business, in the reasonable judgment of Franchisor, and

(ii) Franchisee must be in full compliance with all brand requirements at its open Costa Oil businesses, and not in default under any Franchise Agreement or any other agreement with Franchisor.

7. Dispute Resolution; Miscellaneous. The laws of the State of Pennsylvania (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Pennsylvania law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 7. Franchisee shall not Transfer this MUDA without the prior written consent of Franchisor, and any Transfer without Franchisor's prior written consent shall

be void. The provisions of Article 17 (Dispute Resolution) and Article 18 (Miscellaneous) of the Franchise Agreement apply to and are incorporated into this MUDA as if fully set forth herein.

[*Signatures on Next Page*]

Agreed to by:

FRANCHISOR:

COSTA FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

[*if an individual:*]

_____

By:_____
Name: _____
Date: _____

[*if an entity:*]

_____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT D

RIDER TO LEASE AGREEMENT

Landlord: _____
Notice Address: _____
_____
_____
Telephone: _____

Franchisor: Costa Franchising, LLC
Notice Address: 316 Broadway, Hanover, PA 17331
Telephone: 800-762-5247

Tenant: _____

Leased Premises: _____

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of a Costa Oil business (or any name authorized by Franchisor).

2. Notice of Default and Opportunity to Cure. Landlord shall provide Franchisor with copies of any written notice of default ("Default") given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 10 days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant's Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within 15 days after Franchisor receives notice of the termination of the Lease.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor. Landlord hereby consents to the assignment of the Lease to Franchisor.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor or its affiliate, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease unless otherwise agreed by Landlord. If Franchisor or its affiliate becomes the lessee of the Leased Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the Costa Oil brand. Any provision of the Lease which limits Tenant's right to own or operate other Costa Oil outlets in proximity to the Leased Premises shall not apply to Franchisor or to its affiliates.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

7. Right to Enter. Upon the expiration or termination of the Franchise Agreement or the Lease, or the termination of Tenant's right of possession of the Leased Premises, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises to remove signs and other material bearing Franchisor's brand name, trademarks, and commercial symbols, provided that Franchisor will be liable to Landlord for any damage Franchisor or its designee causes by such removal.

8. No Liability. By executing this Rider, Franchisor does not assume any liability with respect to the Leased Premises or any obligation as Tenant under the Lease.

Executed by:

LANDLORD:

_____

By: _____
Name: _____
Title: _____
Date: _____

TENANT:

_____

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

COSTA FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT E

FORM OF GENERAL RELEASE

[*This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.*]

This General Release ("Release") is executed by the undersigned ("Releasor") in favor of Costa Franchising, LLC, a Delaware limited liability company ("Franchisor").

Background Statement: [*describe circumstances of Release*]

Releasor agrees as follows:

1. Release. Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the "Releasing Parties")) hereby releases Franchisor, its affiliates, and their respective directors, officers, shareholders, franchise seller, employees, and agents (collectively, the "Released Parties") from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, "Claims").

2. Covenant Not to Sue. Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of crossclaim, defense, or counterclaim, against any Released Party with respect to any Claim.

3. Representations and Acknowledgments. Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor's choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

4. Miscellaneous. If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Franchisor reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof.

5. State Addenda.

[Maryland Residents]: This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

[Washington Residents]: A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the franchise agreement is in effect and where the parties are represented by independent counsel.

Agreed to by:

_____

Name: _____

Date: _____

EXHIBIT F

FINANCIAL STATEMENTS

COSTA FRANCHISING LLC

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

FOR THE PERIOD FROM
FEBRUARY 23, 2023 (INCEPTION) TO APRIL 20, 2023

COSTA FRANCHISING LLC

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Member
Costa Franchising LLC
Putnam Valley, NY

Opinion

We have audited the accompanying financial statements of Costa Franchising LLC, which comprise the balance sheet as of April 20, 2023, and the related statements of operations, member's equity, and cash flows for the period from February 23, 2023 (inception) to April 20, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Costa Franchising LLC as of April 20, 2023, and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezas & Dunlavy

St. George, Utah
May 11, 2023

COSTA FRANCHISING LLC
BALANCE SHEET
As of April 20, 2023

Assets	
Current assets	
Cash and cash equivalents	$ 432,800
Deferred commissions, current	997,400
Total current assets	1,430,200
Non-current assets	
Deferred commissions, non-current	1,113,700
Goodwill and intangible assets, net	1,673,400
Total non-current assets	2,787,100
Total assets	$ 4,217,300
Liabilities and Member's Equity	
Current liabilities	
Accrued liabilities	$ 258,645
Deferred revenue, current	1,422,400
Total current liabilities	1,681,045
Non-current liabilities	
Deferred revenue, non-current	1,588,900
Total non-current liabilities	1,588,900
Total liabilities	3,269,945
Member's equity	947,355
Total liabilities and member's equity	$ 4,217,300

The accompanying notes are an integral part of these financial statements

COSTA FRANCHISING LLC

STATEMENT OF OPERATIONS

For the Period from February 23, 2023 (Inception) to April 20, 2023

Operating revenue	$ -
Operating expenses	
Professional fees	75,645
General and administrative	101
Total operating expenses	75,746
Net loss	$ (75,746)

The accompanying notes are an integral part of these financial statements

COSTA FRANCHISING LLC
STATEMENT OF MEMBER'S EQUITY
For the Period from February 23, 2023 (Inception) to April 20, 2023

Balance as of February 23, 2023 (inception)	$ -
Member contributions	1,023,101
Net loss	(75,746)
Balance as of April 20, 2023	$ 947,355

The accompanying notes are an integral part of these financial statements

COSTA FRANCHISING LLC
STATEMENT OF CASH FLOWS
For the Period from February 23, 2023 (Inception) to April 20, 2023

Cash flows used in operating activities:	
Net loss	$ (75,746)
Adjustments to reconcile net income to net cash used by operating activities:	
Change in operating assets and liabilities:	
Accrued liabilities	58,645
Net cash used in operating activities	(17,101)
Cash flows from financing activities:	
Contributions from member	449,901
Net cash provided by financing activities	449,901
Net change in cash and cash equivalents	432,800
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	$ 432,800
Supplemental disclosures of cash flow	
Cash paid for interest	$ -
Non-cash financing and investing activities	
Assets and liabilities contributed by member	$ 573,200

The accompanying notes are an integral part of these financial statements

COSTA FRANCHISING LLC
NOTES TO THE FINANCIAL STATEMENTS
APRIL 20, 2023

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Costa Franchising LLC (the "Company") was formed on February 23, 2023, as a Delaware limited liability company, and is headquartered in Putnam Valley, New York. Costa Franchising LLC is a wholly owned subsidiary of Costa Holdings, LLC, a Delaware limited liability company and was formed for the principal purpose of selling and supporting the Costa oil change franchise system.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending March 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission ("SEC"), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents and accrued expenses, the carrying amounts approximate fair value due to their short maturities.

(e) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of April 20, 2023, the Company had cash and cash equivalents of $432,800.

(f) Goodwill and Intangible Assets

Intangible assets consist of franchise agreements, trademark licenses, and goodwill. The Company has elected to implement the private company standards outlined in ASC 805-20, *Business Combinations*, which provides the option not to recognize separate from goodwill: (a) customer-related intangible assets and (b) non-competition agreements. Rather, the value of these intangibles would be included as a part of goodwill. Under the private company standard, goodwill is amortized over a useful life of ten years. Through evaluation of the useful lives of the trademarks, management has estimated a useful life of ten years. Franchise agreements are amortized over the remaining life of the agreement, which is generally 15 years. Potential for impairment is considered only upon the occurrence of a triggering event. As of April 20, 2023, the carrying value of both goodwill and the trademark licenses were not considered impaired.

(g) Long-Lived Assets

Long–lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the difference between the carrying amount of the asset and the fair value of the asset.

(h) Income Taxes

The Company is structured as a limited liability company under the laws of the state of Delaware. Accordingly, the income or loss of the Company will be included in the income tax returns of the members. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of April 20, 2023, no tax years are subject to examination.

(i) Concentration of Risk

The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Acquisition of Costa Franchise System

On April 14, 2023, the Company acquired the Costa franchise system in an asset purchase agreement. The cash consideration was provided by the Parent in return for a 100% membership interest position in the Company. The following assets and liabilities were acquired:

Deferred commissions (see Note 5)	$	2,111,100
Franchise agreements (see Note 3)		682,584
Tradename (see Note 3)		285,706
Goodwill (see Note 3)		705,110
Accrued expenses		(200,000)
Deferred revenue (see Note 5)	$	(3,011,300)

(3) Goodwill and Intangible Assets

As of April 20, 2023, the Company's goodwill and intangible assets consisted of the following:

Franchise agreements	$	682,584
Goodwill		705,110
Tradename		285,706
	$	1,673,400

Expected amortization for the coming 5-year period is as follows:

Year ended March 31,		
2024	$	135,445
2025		147,759
2026		147,759
2027		147,759
2028		147,759
Thereafter		946,919
	$	1,673,400

(4) Accrued Liabilities

The Company's accrued liabilities consist of accrued professional fees. As of April 20, 2023, the Company's accrued liabilities are $258,645.

(5) Deferred Revenue and Commissions

The Company's franchise agreements generally provide for payment of initial fees as well as continuing royalties to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Costa system for a period of fifteen years. Under the Company's revenue recognition policy, initial franchise fees and their corresponding commissions are recognized upon the commencement of operations.

As of April 20, 2023, the Company has estimated the following current and non-current portions of deferred initial franchise fees:

Deferred revenue, current	$	1,422,400
Deferred revenue, non-current		1,588,900
	$	3,011,300

As of April 20, 2023, the Company has estimated the following current and non-current portions of deferred contract costs:

Deferred commissions, current	$	997,400
Deferred commissions, non-current		1,113,700
	$	2,111,100

(6) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

On March 11, 2020, the World Health Organization classified the outbreak of a new strain of the coronavirus ("COVID-19") as a pandemic. The COVID-19 outbreak in the United States began in mid-March 2020 and has continued through the period ended April 20, 2023 and subsequent to the period end. It is continuing to disrupt supply chains and affect production and sales across a range of industries. Management believes the pandemic has had a material effect on the Company's operations, reducing revenue from both new and existing franchisees. The extent of the impact of COVID-19 on the Company's future operational and financial performance continues to evolve and will depend on certain ongoing developments, including the duration and spread of the outbreak, impact on the Company's customers and vendors all of which are uncertain and cannot be reasonably estimated. At this point, the full extent to which COVID-19 may impact the Company's future financial condition or results of operations is uncertain.

(7) Subsequent Events

Management has reviewed and evaluated subsequent events through May 11, 2023, the date on which the financial statements were issued.

EXHIBIT G

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EXHIBIT H

CURRENT AND FORMER FRANCHISEES

LIST OF OPEN FRANCHISEES AS OF December 31, 2022

State	Franchisee	Owner	Address	Phone
AZ	Ryan & Andrea Price*	BSBK, LLC	6150 E Main St., Mesa AZ 85205	480-748-5096
GA	Ralph Brand	RAB Automotive, LLC	100 Petrol Point, Peachtree City, GA 30269	404-947-9854
MI	Mitchell Urbytes*	SDG Automotive, LLC	12200 James St., Holland, Michigan 49424	616-566-4048
MS	Kyle McCardle*		11273 Three Rivers Rd., Gulfport, MS 39503	601-794-7132
NC	Mike O'Connor*	CLT OL 1, LLC	6167 E. Independence Blvd., Charlotte, NC 28212	704-998-8719
IL	Costa Oils, Inc.	Constantine Kapothanasis	250 South Gary Ave, #100 Bloomingdale, IL 60108	717-698-3260
IL	Costa Oils, Inc.	Constantine Kapothanasis	1179 10th Ave W., Milan, IL 61264	717-698-3260
IL	Costa Oils, Inc.	Constantine Kapothanasis	702 Avenue of the Cities, Moline, IL 61244**	717-698-3260
IL	Costa Oils, Inc.	Constantine Kapothanasis	2016 Elmhurst Rd., Mt. Prospect, IL 60056	717-698-3260
OH	Costa Oils, Inc.	Constantine Kapothanasis	38296 Colorado Ave., Avon, OH 44011	717-698-3260
OH	Costa Oils, Inc.	Constantine Kapothanasis	3190 Center Rd., Poland, OH 44514	717-698-3260
OH	Costa Oils, Inc.	Constantine Kapothanasis	25551 Center Ridge Rd., Westlake, OH 44145	717-698-3260
OH	Costa Oils, Inc.	Constantine Kapothanasis	8525 South Ave, Youngstown, OH 44514	717-698-3260
OH	Ben Capelle*	Ocelot Oil, LLC	2736 N Ridge Rd., Perry, OH 44081	614-348-7515
PA	Costa Oils, Inc.	Constantine Kapothanasis	4 Tristan Dr., Dillsburg, PA 17019	717-698-3260
PA	Costa Oils, Inc.	Constantine Kapothanasis	5375 William Flinn Hwy, Suite 804, Gibsonia, PA 15044	717-698-3260
PA	Costa Oils, Inc.	Constantine Kapothanasis	224 York St., Hanover, PA 17331	717-698-3260
PA	Costa Oils, Inc.	Constantine Kapothanasis	2720 Walnut St., Harrisburg, PA 17103	717-698-3260
PA	Costa Oils, Inc.	Constantine Kapothanasis	2018 W Market St., Lewisburg, PA 17387	717-698-3260

State	Franchisee	Owner	Address	Phone
PA	Costa Oils, Inc.	Constantine Kapothanasis	1716 Lincoln Hwy., North Versailles, PA 15137	717-698-3260
PA	Costa Oils, Inc.	Constantine Kapothanasis	1809 Golden Mile Hwy., Pittsburgh, PA 15239	717-698-3260
SC	Mike O'Connor*	CLT OL 1, LLC	445 Herlong Ave., Rock Hill, SC 29732	704-998-8719
TX	Ali Alsaidy	Eli's Auto Service	235 Harwood Rd., Bedford, TX 76021	714-951-2887
TX	Peter Amokeodo	Aldenberg Group, LLC	401 Rayford Rd, Spring, TX 77386	832-885-7186

* The outlets owned and operated by our predecessor's affiliate, Costa Oils, Inc. were formerly disclosed as Company-Owned outlets. The franchise agreements for these outlets were assigned to us in April 2023 and will no longer be considered Company-Owned.
** Operations are temporarily suspended for the outlet owned by Costa Oils, Inc. in Moline, Illinois.

LIST OF FRANCHISEES THAT OPENED AFTER December 31, 2022 AS OF MAY 1, 2023

State	Franchisee	Owner	Address	Phone
OK	Jonathan & Katherine Wilcox*	Maroon Holdings	804 N Eastern Ave, Moore, OK 73160	405-549-9840
PA	Costa Oils, Inc.	Constantine Kapothanasis	1038 Lincoln Hwy W. Chambersburg, PA 17201	717-698-3260
WV	Tamlyn Brits	Brits Oil, LLC	5918 MacCorkle Ave., SW, Jefferson, WV 25177	304-532-9635

LIST OF SIGNED BUT NOT YET OPEN FRANCHISEES AS OF December 31, 2022

State	Franchisee	Owner	Address	Phone
AL	Hunter & Mary Rivers		Huntsville	256-221-0548
AZ	Brandon Grell	Grell Industries, Inc.	North Phoenix	760-505-9104
AZ	Matthew Hurtado*	JET OIL 1, LLC	6601 W Thomas Rd, Phoenix, AZ 85033	602-821-6013
AZ	Merlin Baldwin		[Not expected to Open, according to Franchisee Master List] Safford	928-965-3848
CA	Christine Evangelista	CBE OILS, LLC	Long Beach	818-568-3628
CA	Tejpal Virk		Sacramento	916-912-5678

State	Franchisee	Owner	Address	Phone
CA	Sanjeev & Kumud Grover	KSG Oils, LLC	7420 Sunset Ave, Fair Oaks, CA 95628	916-747-2548
CO	Brandon Kammerzell*	KZ Holdings, LLC	S Elm Ave, Eaton, CO 80615	970-302-8894
CO	Tony Freeman*		Denver	303-591-6919
FL	Amanda Wellspring		Tampa	437-223-3391
FL	Maiem Alam		17804 N Dale Mabry Hwy., Lutz, FL 33548	516-712-8505
FL	Samuel Bissu	Bissu Oil, LLC	Hollywood	786-436-4120
FL	Alan Larson		St. Johns	786-973-1225
FL	Kenneth Gardner	Gardner SE, LLC	Tampa	773-574-0889
FL	Brett Gibson	Leaking Oil, LLC	Panama City	251-554-4060
GA	Mike O'Connor*	ATL OL 1, LLC	Atlanta	704-998-8719
GA	Mike O'Connor*	Southeastern IVentures, LLC	Peachtree Corners	704-998-8719
IA	Andrew Sullivan	Regency Oil, LLC	Cedar Rapids	319-550-3216
KS	Brandt Ditgen*	Hermes West, LLC	2902 W. 13th Street N, Wichita, KS 67203	316-706-5397
LA	Armand Duvio	Duvio Holdings, LLC	8242 W Judge Perez Dr, Chalmette, LA 70043	504-554-0206
MI	Greg Hildebrand*	New Era Oil, LLC	Grand Rapids	616-265-8525
MO	Holly Lavender*	JH-Lavender Inc.	1601 W. 75th St. Kansas City, MO 64414	816-550-8613
NC	Jim Sholly	The Sholly Group	Raleigh	917-922-5813
NC	Ram Dravida*	Sesame, LLC	Charlotte	662-801-9992
NC	Craig Mundy*	Margaret and Craig, Inc.	219 E Plaza Dr., Mooresville, NC 28115	704-808-9062
OH	Keith Clonch*	Chief Oil Change Group, LLC	4842 Dorr St., Toledo, OH 43615	513-200-8348
PA	Kirk Hunger	Hunger's Holdings, LLC	Allentown	484-239-0741
PA	Costa Oils, Inc.	Constantine Kapothanasis	105 Ohio St., Johnstown, PA 15902	717-698-3260

State	Franchisee	Owner	Address	Phone
PA	Bob Stadel*		West Reading	610-574-7679
TN	Lance Waller*	Patlan Oil, LLC	1968 Old Fort Pkwy. Murfreesboro, TN 37129	615-337-0650
TN	Justin Clayton*		Nashville	615-708-7894
TX	Parth Bhakta*		Houston	281-704-8284
TX	Gene Pickern*	MEP, Inc.	Ft. Worth	251-294-0309
TX	Cesar Marin	Mission Overdrive Inc.	El Paso	915-588-0397
TX	Antonio Hornsby Sr.*	Hornsby Lube Oil Co., LLC	Austin	254-458-0381
TX	Julio Rondon & Anna Deanueva	Rondunaeva Inc.	6055 La Cima, San Antonio, TX 78229	361-406-8718
TX	Brian Badillo*	Double B Franchising, Inc.	309 W Main St., Frisco, TX 75034	469-263-2009
TX	Samit Darne*	COHouston, LLC	Houston	832-221-4415
TX	Alan Ford*	Superior Outcomes, LLC	Houston/Sugarland	346-481-9401
TX	Brian Kollister*	Kollister Oil, LLC	Houston	281-520-6919
TX	Danny Patel*	Danik Oil, LLC	Dallas	214-228-5517
WV	Rick Sawyer*		320 Fairfax Pike, Stephens City, VA 22655	540-247-8191

* These franchisees also signed multi-unit development agreements.

LIST OF FRANCHISEES THAT HAVE LEFT THE SYSTEM IN THE PAST FISCAL YEAR OR THAT HAVE FAILED TO COMMUNICATE WITH US IN THE 10 WEEKS PRECEDING THE ISSUE DATE OF THIS DISCLOSURE DOCUMENT

Franchisee Contact	Last Known Address	Last Known Telephone No.
Kurt Bogart (never opened his outlet)	208 Seven Doors Ln. St. Augustine, FL 32095	(904) 947-0040

EXHIBIT I

CONFIRMATION OF ADDITIONAL TERMS AND REPRESENTATIONS ADDENDUM

As you know, Costa Franchising, LLC ("we", "us" or "Costa Oil'), and you are preparing to enter into a Franchise Agreement for the operation of a Costa Oil franchise (each, a "Franchised Business"). The purposes of this Addendum is to verify certain information about the sales process and to confirm any additional commitments or terms beyond those contained in our standard franchise agreement and contained in our current "Franchise Disclosure Document," including any oral statement, representation, promise, or assurance made during the negotiations for the purchase of a Costa Oil™ franchise by any of our directors, officers, employees, agents, or representatives (each a "Representative")

This Addendum will not be signed or used if the franchisee resides within or if the franchised business will be operated within either of the states of Maryland or Washington.

BACKGROUND AND GENERAL INFORMATION

1. Please state the full name of each individual and entity that will be an owner of the Franchise and an owner of an entity that owns the Franchised Business:

_____

_____

_____

2. If Franchisee is other than an individual, indicate the capacity in which the undersigned is authorized to act on behalf of the Franchisee (check applicable box):

☐ Officer (insert title): _____
☐ General Partner
☐ Other (please explain): _____

3. What is the location of the Franchised Business you are purchasing?

_____

_____

_____

6. Have you received a copy of the most current Costa Oil™ Disclosure Document?

Yes ☐ No ☐

7. On what date did you receive the Disclosure Document? _____

I. FRANCHISE

A. Description of Representations

1. Describe any promises, agreements, contracts, commitments, representations, understandings, "side deals" or other promises that have been made to or with you by us or our Representatives with respect to any matter not expressly contained in the Franchise Agreement. This includes, but is not limited to, any representations or promises regarding advertising, marketing, Site location, operational assistance, or other services or write "None":

_____
_____
_____

2. Describe any oral, written, or visual claim or representation, promise, agreement, contract, commitment, understanding or otherwise which contradicts or is inconsistent with the Disclosure Document or the Franchise Agreement that has been made to you by us or our Representatives or write "None":

_____
_____
_____

3. Describe any oral, written, visual, or other claim or representation has been made to you by us or our Representatives, which states or suggests any actual, average, projected or forecasted sales, gross receipts, operating costs, revenues, income, profits, expenses, cash flow, tax effects, earnings, or otherwise, that is different from or in addition to what is contained in the Franchise Disclosure Document – including Item 19 or write "None":

_____
_____
_____

4. Describe any statement, promise or assurance made by us or our Representatives concerning the likelihood of success that you should or might expect to achieve from developing and operating a Costa Oil™ franchise or write "None":

_____
_____
_____

5. Describe any statement, promise or assurance concerning the advertising, marketing, training, support services or assistance that we will furnish you that is contrary to, or different from, the information contained in the Franchise Disclosure Document. If you believe that one of these statements, promises or assurances has been made, please describe the statement or promise in the space provided below or write "None".

_____
_____
_____

5. Describe any other statement, promise or assurance concerning any other matter related to a Costa Oil™ franchise that is contrary to, or different from, the information contained in the Disclosure Document. If you believe that one of these statements, promises or assurances has been made, please describe the statement, promise or assurance in the space provided below or write "None".

_____

II. YOUR PARTICIPATION

A. You will personally participate in the management of the Costa Oil™ Franchised Business as set forth in the Franchise Agreement. You will faithfully and fully perform all duties required of you under the Franchise Agreement.

B. Your purchase of the Franchise is for your own account and is not made with a view to or for resale.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

<u>NOTE</u>: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT IN HIS/HER INDIVIDUALLY CAPACITY AND ON BEHALF OF THE LEGAL ENTITY.

_____	_____
Signature of Franchise Applicant	Signature of Franchise Applicant
_____	_____
Name (please print)	Name (please print)
Dated: _____	Dated: _____
_____	_____
Signature of Franchise Applicant	Signature of Franchise Applicant
_____	_____
Name (please print)	Name (please print)
Dated: _____	Dated: _____

Do not sign this Addendum if you are located, or your franchised business will be located in California.

EXHIBIT J

MULTI-STATE ADDENDUM

The following modifications and additions are part of the Costa Oil™ Franchise Disclosure Document ("FDD") and may supersede certain portions of the Franchise Agreement ("FA") and Multi Unit Development Agreement ("MUDA") as required by relevant state laws.

CALIFORNIA

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

FDD Item 5, FA 4.1, MUDA

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN AT RISK IF YOUR FRANCHISE FAILS.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

   Neither franchisor nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

2. The following paragraph is added to the end of Item 6 of the Disclosure Document:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

3. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Hanover, Pennsylvania, with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of Pennsylvania. This provision may not be enforceable under California law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. The following paragraph is added at the end of Item 19 of the Disclosure Document:

The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Costa Oil business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

HAWAII

In the State of Hawaii only, this Disclosure Document is amended as follows:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ILLINOIS

Any condition, stipulation or provision of the Franchise Agreement purporting to bind Franchisee to a waiver of compliance with the Illinois Franchise Disclosure Act of 1987, as amended, is void.

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Act or any other law of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Act.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

See the last page of this Exhibit J for your required signature.

INDIANA

The "Indiana Acts" means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

MARYLAND

FDD Item 17 and FA Sections 3.2 and 15.2:

> The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

FDD Item 17, FA 17, MUDA Section 7.

> Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

FDD Item 17, FA Section 17, MUDA Section 7.

> This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

FDD Item 17 and FA Section 14.1.

The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq*.).

FDD Item 17, FA 17 and 18, MUDA Section 7.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

FA

All representations requiring prospective franchisees to assent to a release, estoppel or wavier of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) 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 (2) that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

- In accordance with Minnesota Statute 604.113, the insufficient funds fee described in Section 4.8(d) of the Agreement is reduced to $30.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

NEW YORK

In the State of New York only, this Disclosure Document is amended as follows:

1. FDD Cover Page. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY ST. 21ST FLOOR, NEW YORK, NY 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. FDD Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

FDD Item 17

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

> However, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

> You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

> The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements - No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

FDD Item 5, FA Section 4.1

The franchisor shall defer the collection of all initial fees from North Dakota franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.

FDD Item 17(c), FA Section 3.2.7

The Commissioner has determined that requiring the franchisee to sign a general release upon renewal of the franchise agreement is unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The general release provision of FA Section 3 is void and unenforceable in the state of North Dakota.

FDD Item 17(i), FA Section 14.4

The Commissioner has determined that franchise agreements which require the franchisee to consent to termination of liquidated damages are unfair, unjust, or inequitable within the intent of Section 51-19-09

of the North Dakota Franchise Investment Law. Therefore, the liquidated damages provision of FA Section 14 is void and unenforceable in the state of North Dakota.

FDD Item 17(r), FA Section 13.2

The Commissioner has determined that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenant may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

FDD Item 17(u), FA Section 17.1

The Commissioner has determined that franchise agreements, which provide that parties agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee's place of business.

FDD Item 17(v), FA Section 17.5

The Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Thus, all issues or disagreements relating to the Franchise Agreement will be arbitrated, tried, heard, and decided within the jurisdiction of courts in the state of North Dakota.

FDD Item 17(w), FA Section 183.8

Apart from civil liability as set forth in section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud) the liability of the franchisor to a franchisee is based largely on contract law. Even though those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents, and is unfair to franchise investors to require them to waive their rights under North Dakota Law.

The Commissioner has held that franchise agreements, which specify that they are to be governed by the laws of a state other than North Dakota, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Thus, the Franchise Agreement will be governed by the laws of North Dakota, which laws will prevail.

FA Section 17.2

The Commissioner has determined that to require the franchisee to consent to a waiver of exemplary and punitive damages is unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Thus, this provision is deleted each place it appears in the disclosure document and agreements used in North Dakota.

FA Section 17.4

The Commissioner has determined that to require the franchisee to consent to a limitation of claims within one year is unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The provision shall be changed to read the statute of limitations under North Dakota Law will apply.

FA Section 17.6

The Commissioner has determined that to stipulate that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the agreement is unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The provision shall be changed to read

that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

RHODE ISLAND

In the State of Rhode Island only, this Disclosure Document is amended as follows:

Item 17, summary columns for (v) and (w) are amended to add the following:

> Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

VIRGINIA

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

The following statements are added to Item 17(h):

> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.
>
> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

> Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON

FDD Item 5, FA Section 4.1, MUDA Section 1(b)
The franchisor shall defer the collection of all initial fees from Washington franchisees until the franchisor has completed all its pre-opening obligations to the franchisee and franchisee is open for business. Initial fees for multiple purchases will be prorated and collected as each unit is opened.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

FA Section 8.5
The waiver of liability in Section 8.5 of the Franchise Agreement does not apply to claims arising under the Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

FA Section 11.2
Section 11.2 of the Franchise Agreement shall not apply in Washington. The parties shall deal with each other in good faith.

FA Section 18.8
In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

It is agreed that the applicable foregoing state law addendum for the state of _____, if any, supersedes any inconsistent portion of the Franchise Agreement (to which this addendum is attached) of this same date, and of the Franchise Disclosure Document. All terms of the Franchise Agreement, including this Multi-State Addendum provisions for the relevant state, have been agreed to at the time the Franchise Agreement was signed. However, this addendum will have effect only if the Franchise Agreement or our relationship with you satisfies all of the jurisdictional requirements of the relevant state's franchise laws, without considering this addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISEE:	FRANCHISOR:
_____	COSTA FRANCHISING, LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT K

SBA ADDENDUM TO FRANCHISE AGREEMENT

ADDENDUM TO FRANCHISE[1] AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between _____ ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20___, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the (Enter type of) interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the (enter type of) term (excluding additional renewals) for fair market value.

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

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COVENANTS

- If the Franchisee owns the real estate where the franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Representative of FRANCHISOR:

By: _____

Print Name: _____

Title: _____

Authorized Representative of FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the (type of agreement) system must meet all SBA eligibility requirements.

EXHIBIT L

KIOSK LEASE FORM

Engagement Agreement

For a New Two Bay Costa Oil Tenant Minute Oil Change
Build to Suit/Leaseback to be Built on Leased Land

_____, the Costa Oil Franchisee ("Client") would like to engage Colvin Team Real Estate LLC (dba: Easy Leasebacks, or "ELB") to assist them with a Build to Suit /Leaseback of the Building & Improvements for Costa Oil - 10 Minute Oil Change Project #_____ in (City/State).

Client would like to have ELB assist in the Project and use its investor relationships to provide the funding for the construction of a Costa Oil Two Bay Building on the parking lot or land that Client has secured (or plans to secure) pursuant to a ground lease. ELB will use its best efforts to provide an investor to fund the Project. Once funded and completed, Client will lease the building and improvements from ELB or ELB's investor(s) per the terms contained in "The Building & Improvements Lease" that will be provided by ELB.

Project Overview:

Phase 1: Project Kick Off Call:

- Discuss the Project with Client along with the Costa Team & Project Manager
- Discuss what ELB can do to assist
- Discuss the Estimated Cost and Timeline
- Client chooses to hire/engage ELB to handle the Building/Improvement Lease & Funding

Phase 2: Development Process:

- Provide the Parking Lot Lease Draft (via Taylor Lovitt at Morrow Hill)
- Prepare a Project Cost Budget Estimate for Client with architect and Project Manager
- Provide the Building/Improvements Draft Lease
- Review the site plan provided by Client's architect or Team Architect
- Assist where deemed necessary by ELB

Phase 3: Construction Process (once the building permit is awarded):

- Participate in a Construction Kick Off Call with Client, Architect, Construction Manager and Costa Oil Franchise Team
- Provide a final Project Cost Budget to Client for approval
- Connect Franchisee with National Insurance Program for ease of insurance
- Order the building package from WA-CM LLC
- Fund the building package and construction draws with the ELB investor
- Deliver the building to Client ready for Client's installation of equipment, signage & Inventory
- Reimburse Client for the Development and Approval Process Allowances (Exhibit A)
- Oversee the closing for the investor to purchase the Building/Improvements
- Assign the Building/Improvements Lease to the Investor who becomes the Landlord
- Repeat the process to assist the Client with future locations!

Building/Improvements Lease Terms:

Type of Lease:	The lease will be absolute triple net with Client (the Tenant), paying all costs related to the operation and maintenance of the building and improvements. The lease will be personally guaranteed by the franchisee(s). Franchisee(s) will be responsible for the ground lease. The lease will include an exclusive right for the Franchisee to purchase the building at a later date at a predetermined cost.
Term of Lease:	Client will lease the Building/Improvements for a 15 year base term, and have two 15 year renewal options with a continuation of the same terms.
Total Project Cost:	The Total Project Cost is defined as "The Total Amount of Funding that ELB or its investor agrees to fund towards the development and approval process, sitework and building completion. The goal is to provide a completed site and building, ready for Client to install, at their cost, their Tenant Equipment Package, signage and inventory, as outlined in the Costa Oils FDD Section 7, and their water meter.
Rent Formula:	The Rent for Year One will be set on the day that the building package is ordered for Client (shortly after the building permit is granted). The Year One Rent Formula will be determined by The Total Project Cost that ELB or its investor funds, times the current interest rate of the Ten Year Treasury Notes plus eight percent, with a ten percent minimum rate. Examples of The Year One Rent Calculation: Ten Year Treasury Rate of 2.0% + 8% = 10.0% of the Total Project Cost Ten Year Treasury Rate of 2.5% + 8% = 10.5% of the Total Project Cost Ten Year Treasury Rate of 3.0% + 8% = 11.0% of the Total Project Cost Ten Year Treasury Rate of 3.5% + 8% = 11.5% of the Total Project Cost
Example Rent: Amount)	If the Total Project Cost funded by ELB is $495,000 (The Allowance and the interest rate/rent lock is at 11%, the Year One Rent for the Building and Improvements would be $495,000 x 11% interest = $55,450 divided by 12 months = $4,537.50 per month.
Timely Rent Payment:	Please note that the Improvements Lease will show rent being $500 per month higher, with a $500 discount if paid on time. This discount incentive helps the Investor get paid on time and helps the Client avoid late fees.
Lease Guarantees:	Client and all partners or LLC members will be required to personally guarantee the Building/Improvements Lease. Each guarantee can be allocated to the partner's ownership percentage in the Tenant Entity, provided the ownership adds up to 100%.

Financial Statements:	Client and all partners agree to complete and return the Costa Project Personal Financial Statements to ELB prior to this Agreement being executed. ELB reserves the right to review and approve the financial statements prior to entering into this Agreement.
Ground Lease:	Client will secure an acceptable site and ground lease with a base lease term of 15 years, plus at least two 15 year guaranteed renewal option periods. The Ground lease needs to be approved by Franchisor and ELB.
Timeline:	The estimated Project Completion process at this time is 120 days from the date your building permit is awarded, but could vary due to the time of year, weather, availability of materials and local labor and how many Costa Buildings are already in "The Que".
Consulting Fee:	ELB will collect a consulting fee of $20,000 for its services, which shall be part of the Total Project Cost funded by their investor and paid at the completion of the Building/Improvements as described in the Building/Improvements Lease. If the Project requires atypical time and work or legal costs for ELB in order to solve problems related to the site or transaction, ELB will notify Client of these challenges and may increase in their fee of to $10,000 to cover the additional time and work. The additional fee charged by ELB, if required, will be added to the Total Project Cost and funded by ELB/Investors. ELB's Consulting Fee shall be paid at closing by the title company from the investor's funds to the real estate brokerage firm with which Colvin Team is licensed at the time of the closing, currently SVN Silveri Co, located in Grand Rapids Michigan.
Engagement Fee:	To hire Easy Leasebacks (ELB) and lock the interest rate and rent, Client will pay ELB an Engagement Deposit of $5,000 with this Agreement. Client will be reimbursed the $5000 upon completion of the proposed Project (delivery and acceptance by Client of the completed Project). Though this $5,000 Engagement Deposit is NON-REFUNDABLE, it is TRANSFERABLE. If Client is unable to secure the land, complete the development, approval or building permit process for the site referenced above, ELB agrees to "eat" their work on this Project and will allow Client to transfer the entire $5000 to their next project per a new Engagement Agreement. Easy Leasebacks is a DBA of Colvin Team Real Estate LLC. Client agrees to wire the Engagement Deposit to Colvin Team Real Estate LLC upon full execution of this Agreement.
No Guaranty:	ELB will provide its best efforts, based on its successful track record, to provide its promised services and secure an investor to fund the Project. However, challenges may arise that could make it too risky for ELB to fund the project. ELB reserves the right to not provide the building and funding if deemed later by ELB that there are risks or costs that ELB determines that its investors cannot accept. Client agrees to hold harmless ELB, Colvin Team Real Estate LLC, SVN Silveri Co and its Related Personnel, Parties and Investors from any liability whatsoever, relating to this Project.
Additional Costs:	There are factors that can push the project cost over the amount of funding that

ELB will be able to provide in their allowances. Examples: Costly extensions of water and sewer services, expensive municipal tap fees and hook up fees, municipal review consultant fees, Union Labor, challenging site conditions. These additional costs will be identified in the budget prior to approval by Client and can be discussed to decide if ELB can fund the overages, or if client needs to fund the overages, or a split between ELB and Client. If either ELB or Client decides that the Project is too costly, either party may terminate the project.

Project Insurance: For risk management, consistency and cost savings, ELB has implemented a National Insurance Program with The Hartford Insurance Company. This program includes a bonus for the Client as the Builder's Risk Policy is included at no cost to the client. ELB will provide Client the approved agent's info.

Term/Exclusivity: This is an exclusive agreement for this Costa Project #_____. The Term of this Agreement shall run for Eighteen (18) months from the commencement date of this Agreement. The Agreement can be extended or canceled by mutual agreement, signed by both parties.

Laws: Michigan Law will govern this Consulting Agreement.

Miscellaneous: The provisions of this Agreement constitute the entire and only agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, understandings and negotiations, oral or written. No amendment of modification of this Agreement will be effective unless in writing and signed by all parties hereto. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by any court or other governmental or judicial authority by reason of such other party's having or being deemed to have prepared or imposed such provision.

Authorization: Each of the parties represents and warrants that the person executing and delivering this Agreement on its behalf is duly authorized and empowered to do so.

Exhibit A: The attached Exhibit A is part of this Agreement.

The Parties have executed this Agreement as of _____ ___, 2023.

Client/Franchisee:	Colvin Team Real Estate LLC (dba Easy Leasebacks) Or Assign
By: _____	By: _____
Name: _____	Name: Peter G. Colvin
Title: _____`	Its: Member
Address: _____ _____ _	PO Box 294 Douglas MI 49406

Phone: _____ 616-893-1398

Email: _____ peter.colvin@svn.com

EXHIBIT A

Allowances and Client Up Front Risk Costs:

Client Risk: Since investors will only commit to fund a project once the Project is a "sure thing" (approved by the municipality and issued a building permit), Client will be solely responsible for covering the preliminary costs incurred up to the time the Building Permit is awarded by the municipality. This includes the design process, the development process, the municipal approval process and the building/foundation permit process. ELB has an allowance for these costs in the Total Project Cost, as shown below.

Client will be reimbursed for the actual amount of these costs, up to the $40,000 allowance shown below, once the Building/Improvements are completed and accepted by the Client (The Delivery Date).

ELB has designed the Development and Approval Process Steps in order to minimize the Client's up front risk and cost, shown below as an example:

Phase 1: Site Plan Approval Process:

Engagement Fee to ELB	$ 5,000
Test Fit Fee to WACM	$ 700
Preliminary Site Plan created by Architect	$ 1,300
Est Planning Commission Submission Fee	$ 1,500
Phase 1 Environmental Report	$ 2,500
Three meetings for Architect to attend meetings	$ 1,500
Total Estimated "At Risk" Cost Allowances	$12,500

Once the Project is approved by the municipality, then the Building Permit Process (considered a formality and not a risk) begins.

Phase 2: Building Permit Approval Process:

Architect creates formal building plans and specs	$12,000
Est Civil Engineer costs for survey, civil drawings	$10,000
Soil Compaction Tests	$ 1,500
Est Building Permit Cost	$ 4,000
Total Estimate for Building Permit Process:	$27,500
Total Estimated Up Front Expenditures for Client:	$40,000

Building Package Description: The Building Shell Package includes the following:

Design, construction, manufacturing, delivery and erection of the building shell, with insulated exterior walls and roof, ready for exterior finishes.

Exterior steel siding, installed

Four 10' x 10' garage doors with ¼" safety glass, installed

One Steel and safety glass entry door with louver above, installed

One Exterior Window, installed

Blocking and Framing of doors and window

Two Precast Concrete Pits pits with steps, rails, safety net and vapor barrier (not installed)

Restroom walls and ceiling constructed with wood door hung

Priming and painting of all interior walls

Installation of water resistant material in restroom walls

Note 1: Pit Delivery cost is additional-see allowances
Note2 : Pit and pit equipment installation is additional-see allowances
Note 3: All materials and labor for sitework, utility extensions and hook ups, foundation, plumbing rough in and finish, electric rough in and finish, concrete floor, roof material covering, pit and pit kit installation and other labor, materials and Soft Costs not listed in the Building Package are NOT included in the Building Package price and shall be handled by local contractors, hired by the Project Manager.

See Allowances for each item in The Total Project Cost Allowances later in this Exhibit.

—End of Building Package Description

Variations:

The Total Project Cost Allowances have been calculated to be the estimated average cost for each item. However, costs may vary from location to location, Union vs Non-Union territory, site work required, delivery costs, fuel surcharge, local contractors wages and state and local sales tax on material and/or labor. ELB will use its best efforts to disclose all expected costs in advance so the Client and ELB and its investors can mutually approve the budget prior to the building being ordered.

Note from the ELB Team:

The Easy Leasebacks & Colvin Team Real Estate Team, along with WA-CM Architects, has worked very hard to help create a hugely successful new building program for its Costa Oil Franchisee Clients.

We are excited to help you get your new building built and open as fast as possible!

The Total Project Cost Allowances are on the next page…
Total Project Cost Allowances as of May 15, 2023. (subject to changes)

New Costa 10 Minute Oil Change 2 Bay Building Project in a Parking Lot
Allowances for Total Project Cost as of May 15, 2023 (subject to change)

Site-ology Project and Construction Management		
Entitlements, Planning and Zoning Management	Included	
Utility Coordination	Included	
Permitting: Site Civil and Utilities	Included	
Permitting: Building, Health, & Fire	Included	
Program Management	Included	
Project & Vendor Coordination	Included	
Construction Management	Included	
Siteology Project Management Cost	$ 25,000	$ 25,000
Preliminary Costs		
Test Fit Plan	$ 700	
Rough Site Plan for approvals	$ 1,300	
Phase 1, ALTA Survey, Flood Map, Zoning Letter	$ 10,000	
Building Plans by WACM	$ 10,000	
Electrical & Mechanical Plans	$ 8,000	
Civil Engineering Plans	$ 10,000	
	$ 40,000	$ 40,000
By Colvin Team Real Estate via WACM		
Building package installed	$ 250,000	$ 250,000
By Local Contractors (via Site-Ology)		
Estimated Excavation & Backfill for utilities, foundation & Pits	$ 15,000	
Estimated Utility Extensions	$ 20,000	
Estimated Foundation	$ 15,000	
Estimated Pit Set, crane and pit equipment install	$ 5,000	
Estimated Concrete Floor pour & seal	$ 15,000	
Estimated TPO Roofing	$ 15,000	
Estimated Electrical Rough in and finish	$ 20,000	
Estimated Plumbing Rough in and finish	$ 15,000	
Estimated Repair to asphalt	$ 2,500	
Estimated Landscaping	$ 2,500	
	$ 125,000	$ 125,000
Est Soft Costs		
General Conditions (fencing, dumpster, porta john, rainwater mgmt)	$ 6,000	
Interest to Investor during construction	$ 8,000	
State Taxes on materials and/or labor (paid by owner)	$ 8,000	
Easy Leasebacks/Colvin Team Fee	$ 20,000	
Building Permit and Progress Inspections	$ 5,000	
Delivery of Precast Concrete Pits (varies per mileage)	$ 3,000	
Misc	$ 5,000	
	$ 55,000	$ 55,000
Allowance for Total Project Cost		**$ 495,000**

IMPROVEMENTS LEASE

BETWEEN

COLVIN TEAM REAL ESTATE, L.L.C. (or Assign)
AS LESSOR

AND

_____
AS LESSEE (FRANCHISEE)

FOR A TWO BAY BUILDING TO BE BUILT ON A GROUND LEASE

COSTA PROJECT NUMBER: #____

LOCATION ADDRESS: _____

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End of Exhibits

IMPROVEMENTS LEASE

This Improvements Lease (**"Improvements Lease" or "Lease"**) is entered into as of the __ day of ___, 2023, by and between **COLVIN TEAM REAL ESTATE, L.L.C. or Assign**, whose address is PO Box 294, Douglas, Michigan 49406 (**"Improvements Lessor" or "Lessor")** and **_____(Franchise Entity)** whose address is (**"Improvements Lessee" or "Lessee"**) on the terms and conditions stated herein.

1. **PURPOSE**. The Improvements Lessee (Franchisee) entered into a Parking Spaces or Ground Lease Lease Agreement on ___ with _____("Real Property Lessor") whose address is _____ for the lease of real property on which Improvements Lessee wishes to have installed certain Improvements (consisting of a Building, curtilage, and infrastructure) for the purpose of owning and operating an oil change business as a Franchisee of Franchisor. The address where the future Improvements will be installed is ____**.** The purpose of this Lease is to document the process and define the terms under which the Improvements will be installed, and to state the terms of the parties' lease of the Improvements (which may also be called the "Leased Property" herein).

2. **IMPROVEMENTS TO BE INSTALLED.** An approximately 838-square foot TWO BAY oil change building, including foundation, two pits, and other design elements included in the final design established by the Municipal Approval Process and the Development Process. A set of proposed building plans is attached to this Lease as Exhibit D. The parties agree that once the final design has been approved, the final design is deemed to be incorporated by reference into this Lease. No design will be final until approved by the relevant municipality, the Improvements Lessor, and the Franchisor. Lessee agrees to accept the final design approved by the aforementioned, which shall be attached to Exhibit D and replace the proposed design attached herein. **The Improvements will be delivered to the Lessee (Franchisee) in a condition suitable for the Lessee (Franchisee) to install the items required to be paid for and installed by Lessee (Franchisee) as defined in Item #7 of the Costa Oil Franchise Disclosure Document executed by Franchisee and Franchisor. Lessee's (Franchisee's) obligation to install and pay for include, but are not limited to: Furniture, Fixtures and Equipment, Oil Change Equipment, Tools, Computer Hardware & Software, Storage and Shelving, Interior & Exterior Signage, Inventory, Supplies and the Water Meter Costs (as part of the Lessee's (Franchisee's) Leasehold Improvements costs).**

3. **APPROVALS AND PERMITS**. The Third Party Project Manager will be responsible for securing all municipal approvals and necessary permits for the Improvements to be constructed. Lessor's obligation to install the Improvements begins upon Lessor's approval of the building permit that is issued for construction by the municipality, which shall also include securing all required governmental and other approvals deemed necessary by Lessor. If, prior to receiving a building permit, either Lessee (Franchisee) or Lessor (or both) determine that the site is not buildable, either party may terminate this Lease by providing written notice to the other party and to the Franchisor that this Lease is terminated. If this Lease is Terminated, Lessee/Franchisee will be obligated to pay for any costs incurred during the process to the date of Termination that have not been paid.

4. **DEVELOPMENT COSTS**. Lessee (Franchisee) will be responsible for all up front costs for the Project Manager to obtain the approvals and permits necessary to install the Improvements.

The maximum amount of each development cost to be reimbursed to Lessee (Franchisee) is shown in attached Exhibit A as "Development Process Allowances." When the Building & Improvements are completed and accepted by the Lessee (Franchisee), Lessor will reimburse Lessee (Franchisee) the lesser of: 1) the amount advanced by Lessee (Franchisee) for each line item in the Exhibit A list of Development Process Allowances; or 2) the amount of each line item in the Exhibit A list of Development Process Allowances. The amounts reimbursed as well as the other costs listed on Exhibit A shall comprise the Total Project Cost Allowances. Lessee (Franchisee) shall be responsible to pay all costs that exceed or differ from the Allowances shown on Exhibit A, at the Rent Commencement Date.

5. **TERM.**

(a) **Initial Term**. The Initial Term of this Lease shall commence immediately on the day the Improvements Lessee (Franchisee) notifies the Improvements Lessor in writing that it has received all necessary approvals and its building permit. The **Rent Commencement Date** shall be the date the Improvements Lessor delivers the Improvements to Lessee (Franchisee) in a condition ready for the Lessee (Franchisee) to take possession in order to install the Franchisee Provided Items listed in #2 above ("Rent Commencement Date") and shall continue for fifteen years (15) from the first day of the following month. If the Rent Commencement Date is other than the first day of a month, Lessee will pay a prorated rent portion for the first partial month of the tenancy. The Rent Commencement Date Agreement shall be executed within five days of the Delivery of the Improvements by Lessor.

(b) **Lease Renewal Terms**. Provided that it is not then in default, Lessee (Franchisee) shall have the option to renew this Lease for two additional terms of fifteen (15) years. Renewal Period One (years 16-30) shall follow the expiration of the Initial Term and Renewal Period Two (years 31-45) shall follow the expiration of the First Renewal Term. Lessee (Franchisee) shall exercise its option to renew this Lease by notifying Lessor in writing at least three hundred sixty days (360) days prior to the expiration of the Initial Term and the expiration of the First Renewal Period. Except for the amount of rent, the same terms, covenants, and conditions specified herein for the Initial Term shall exist and be in effect for the Renewal Term.

6. **RENT FORMULA.**

(a) **Base Rent**. The Year One Annual Base Rent shall be calculated as "The Total Project Cost amount that is funded by Lessor, times the interest rate of eight (8%) percent plus the US Treasury 10 Year Note Rate published on the day the Building Package is ordered by the Lessee/Franchisee and Lessor, but shall not be less than ten (10%) percent total. Example: If the Total Project Cost to be paid by the Improvements Lessor is $495,000 and the US Treasury 10 Ten Year rate was 3%, Lessee's (Franchisee's) Annual Rent for the first year would be $495,000 x 11% (8% + 10 year treasury of 3%) or $54,450/year and $4,538/month.

(b) **Annual Rent Increases.** Beginning on the first anniversary of the Rent Commencement Date, and on the anniversary date each year after that, the annual rent shall increase by 1.5% over the previous year's amount and continue through the end of the Initial Term and the Renewal Periods.

(c) **Due Date and Payment Directions.** Monthly installments of rent shall be due and payable in advance on the first day of each calendar month. Rent for any partial month of occupancy shall be prorated. Rent payments shall be made to Lessor via ACH payments to the account(s) as requested by Lessor.

(d) **Actual Rent.** The Calculated Year One Rent amount will be finalized once the Total Project Cost is finalized and agreed upon by all Parties and this Agreement will be amended to reflect the actual Rent amount.

(e) **Timely Payment.** The Monthly Rent in this Lease shall be increased by $500.00 and then discounted by $500.00 each month that the rent payment is received by the Lessor on or before the due date.

(f) **Additional Rent.** This is an "Absolute Triple Net Lease" lease, meaning that the Lessee (Franchisee) will bear all obligations of any kind incurred in connection with the operation, repair, and/or maintenance of the Improvements, including all taxes, insurance, or utilities or any costs, expenses or obligations otherwise related to Lessee's (Franchisee's) ownership and occupation of an oil change facility or its use of the Improvements, and all of Lessor's costs, expenses, and obligations incurred in connection with Lessee's (Franchisee's) use of the Improvements, unless there is a specific provision in this Lease to the contrary. Lessor shall have the right, but not the obligation, to pay expenses and incur costs to satisfy Lessee's (Franchisee's) obligations that are unpaid by Lessee (Franchisee) after notice of default, as further defined in this Lease, and Lessee (Franchisee) shall have the obligation to reimburse those expenses and costs as Additional Rent. Lessor shall have the same remedies for failure to pay Additional Rent as for a non-payment of rent.

7. **USE OF IMPROVEMENTS**. The Improvements may only be used by Lessee (Franchisee) for the operation of a franchised Costa Ten Minute Oil Change business, except as specifically permitted in writing by the Franchisor ("Permitted Use"). If the Improvements are used for any purpose other than a Permitted Use this Lease shall immediately terminate.

8. **SIGNAGE AND LESSEE FIXTURES**. Lessee (Franchisee) may install signage, lessee fixtures and equipment any time after the Rent Commencement Date, subject to the terms of its lease with the Real Property Lessor and applicable codes, ordinances, rules and regulations.

9. **SECURITY DEPOSIT.** Lessee (Franchisee) shall pay a Lease Security Deposit in the aggregate amount of two month's estimated rent amount to Lessor upon signing this Lease. This Deposit will be adjusted to equal two month's actual rent amount once the Total Project Cost is established and agreed to by all Parties and reflected in the Rent Commencement Date Agreement. Lessor shall hold the total Security Deposit in a non-segregated account, without interest, and use it for interim development costs associated with the Improvements project, and may hold the balance as security for performance of Lessee's (Franchisee's) obligations under this Lease. Lessor may (but shall not be obligated to) apply any part of the Security Deposit to cure any Default. If Lessor does so, Lessor shall notify Lessee (Franchisee) and Lessee (Franchisee) shall, within ten (10) days, restore the Security Deposit to its original amount. In the event of sale of the Real Property or the part of the Real Property containing the Leased Property, Lessor shall have the right to transfer the Security Deposit with this Lease to the purchaser which shall release Lessor from all further accountability for the Security Deposit. Upon

termination of this Lease, Lessor shall apply the Security Deposit first to any of Lessee's (Franchisee's) obligations under this Lease and the balance, if any, shall be refunded to Lessee (Franchisee) .

10. **OPTION TO PURCHASE**. Provided that there have been no Events of Default of this Lease, Lessee (Franchisee) shall have the Option to Purchase the Improvements from the Lessor during the first two years after the Rent Commencement Date ("Option Period") by giving written notice received by Lessor at least ninety (90) days prior to the end of the Option Period of Lessee's intent to exercise its Option to Purchase. If the Lessee (Franchisee) exercises its option to purchase and closes during the first year after the Rent Commencement Date, the Lessee's (Franchisee's) Purchase Price shall be the Total Project Cost paid by the Improvements Lessor, times 1.15, plus all transaction costs including, but not limited to, the cost of a Leasehold Title Insurance Commitment and Policy and related costs, any state, county or local transfer taxes and any closing fees/cost charged by the title company or title attorney if documents are required to be prepared by an attorney in the state the Improvements are is located. If the Lessee (Franchisee) exercises its option to purchase and closes during the second year after the Rent Commencement Date, the Lessee's (Franchisee's) Purchase Price shall be the Total Project Cost paid by the Improvements Lessor times 1.30, plus all transaction costs including, but not limited to, the cost of a Leasehold Title Insurance Commitment and Policy and related costs, any transfer taxes and any closing fees/cost charged by the title company or title attorney if documents are required to be prepared by an attorney in the state the Improvements are located. If the Lessee (Franchisee) does not properly exercise its option to purchase during the first two years from the Rent Commencement Date, the Lessee's (Franchisee's) Option to Purchase shall terminate.

After written notice to Lessor by Lessee (Franchisee) of its intent to exercise the Option to Purchase, this Lease shall serve as the purchase agreement and the parties agree that the terms contained herein describe the transaction in sufficient detail.

The Purchase Price shall be paid by Lessee (Franchisee) in cash or other collectible funds. Closing shall take place at a time and place agreed to by both parties, but if the parties cannot agree then at a time and place established by the Lessor.

At closing, the Lessor shall deliver to the Lessee (Franchisee) all documents of title, warranty, maintenance records, and other evidence of manufacture, installation, and ownership in the Lessor's possession including, as applicable, a bill of sale.

If Lessee (Franchisee) exercises its option, it is acquiring the Improvements as is, where is, with all faults and defects, and it agrees that it is not relying on any statement or conduct of Lessor in making its purchase decision. Further, from and after the closing of the purchase transaction, Lessee (Franchisee) agrees to hold harmless and indemnify the Lessor against all liability or cost, including attorney fees, related in any way to the Improvements or their condition.

11. **FINANCIAL REPORTING.** Lessee (Franchisee) will provide quarterly P&L's, for each location ("Unit Level") and for their overall company ("Corporate Level") to Lessor, within 60 days of the end of each period. Lessee (Franchisee) will provide annual P&L's and balance sheets for Unit Level and Corporate Level, certified by a CPA, as well as a copy of their Costa Franchise entity(s) federal tax return(s), within ninety days of end of each calendar year. Lessee (Franchisee) agrees to provide an updated personal financial statement for each partner upon request by Lessor, which shall

not be requested by Lessor more than one time per calendar year.

12. **ORDINANCES AND STATUTES**. Lessee (Franchisee) shall comply with all statutes, ordinances and other requirements of local, state and federal authorities now in force or which may hereafter be in force. Lessee's (Franchisee's) breach of any of the foregoing shall, at the option of the Lessor, be deemed a breach of this Lease.

13. **ASSIGNMENT AND SUBLETTING**. Lessee (Franchisee) shall not assign this Lease or sublet any portion of the Leased Property without prior written consent of the Lessor, which shall not be unreasonably withheld, delayed or conditioned. The foregoing notwithstanding, the Lessor may, in its sole discretion, reject any proposed sublease or assignment that is not consistent with the use provisions in Section 7 above, or that imposes rent that is greater than the rent properly chargeable under this Lease. Any assignment or subletting without written consent of the Lessor shall be void and the Lessor may, at its option, terminate this Lease and all other incidental and related uses. Lessee (Franchisee) will require that any sublessee or assignee assume and comply with all provisions of this Lease. Lessor's acceptance of a sublessee or assignee does not relieve the Lessee (Franchisee) of any obligation under this Lease.

14. **RISK OF LOSS /INSURANCE**.

(a) **Risk of Loss.** Lessee (Franchisee) shall bear all risk of loss of the Improvements or any part thereof and, in the event of damage to or destruction of the Improvements, Lessee (Franchisee) shall have the obligation to repair or replace the Improvements to a condition at least equivalent or better than they were immediately before the loss. Lessee (Franchisee) shall maintain full insurance coverage on the Improvements and any leased personal property in its possession, and Lessee hereby waives all right of recovery which it might otherwise have against Lessor, its agents, or employees for any damages to Lessee's (Franchisee's) personal property. Lessor agrees to endeavor to give Lessee thirty (30) days' prior written notice of any cancellation or non-renewal of such insurance. Lessee's obligation to pay rent shall not be affected by damage to or destruction of the Improvements.

(b) **Insurance.** Lessee (Franchisee) shall, at all times during the term of this Lease, maintain in force on the Improvements, insurance against damage by fire and those risks covered by extended coverage insurance in such amounts as shall be reasonably required to fully insure such contents and with such deductibles as may be approved by Lessor. Upon request, Lessee (Franchisee) agrees to furnish Lessor certificates of the insurance coverage required under this Section. Each such policy shall provide that the insurance shall not be terminated, modified, or allowed to expire without at least thirty (30) days' prior written notice to Lessor. Lessor plans to implement a National Insurance Program for simplicity and cost savings for all Costa Oil Franchisees. **Lessee agrees to participate in the National Insurance Program with The Hartford Insurance Company.**

15. **LIABILITY INSURANCE AND INDEMNITY.** Subject to the waivers contained in this Lease, Lessee (Franchisee) shall indemnify Lessor, the Real Property Lessor, and the Guarantor(s) (together, the "Indemnified Parties") against and save them from any liability or claim for damages to persons or property (including, but not limited to, reasonable attorney fees and costs) that may be asserted against the Indemnified Parties, or any of them, by reason of any accident or casualty occurring in or on Leased Property, resulting from or arising out of in part from Lessee's (Franchisee or its agents' and employees') acts or negligence to the extent that the liability arises from Lessee's acts or negligence, and Lessee shall, at its own cost and expense, obtain and keep in force public liability insurance

reasonably acceptable to the Indemnified Parties, with liability coverage of at least $1,000,000 to any individual and $2,000,000 for each occurrence and property damage insurance with coverage of at least $500,000 for each incident. The Indemnified Parties shall be named as an additional insured on such policies at no cost to such parties. A certificate of such insurance acceptable to Lessor shall be sent to Lessor. Each such policy shall provide that the insurance shall not be terminated, modified, or allowed to expire without at least thirty (30) days' prior written notice to Lessor. Lessor plans to implement a National Insurance Program for simplicity and cost savings for all Costa Oil Franchisees. **Lessee (Franchisee) agrees to participate in the National Insurance Program.**

16. **ENTRY AND INSPECTION**. Lessee (Franchisee) shall permit Lessor or Lessor's agents to enter the Leased Property at reasonable times and upon reasonable notice, or without notice in an emergency, for the purpose of inspecting or maintaining the same, and will permit Lessor at any time within ninety (90) days prior to the expiration of this Lease, to place upon the Leased Property any usual "For Lease" signs, and permit persons desiring to purchase or lease the same to inspect the Property thereafter.

17. **MAINTENANCE, REPAIR, AND REPLACEMENT**.

(a) The Lessee (Franchisee) shall, at its own expense, keep the Leased Property and every part of the Leased Property in good condition and repair and at the expiration of the Lease return the Leased Property to the Lessor in good condition and repair, reasonable use and wear and damage by the elements excepted. Lessee (Franchisee) shall provide and pay for its own regular janitorial service to maintain the Leased Property and shall also employ, at Lessee's (Franchisee's) expense, a reputable firm to service and maintain the heating, air conditioning, improvements and fixtures within the Leased Property, and other systems serving the Leased Property. For example (but not by way of limitation), if a lighting fixture within the Leased Property needs repair, Lessee will arrange and pay for the repair of that fixture. Lessee (Franchisee) will also employ only licensed contractors to perform repairs and will obtain all permits that are required for the work, and will promptly comply with all laws affecting the Leased Property and the cleanliness, safety, occupation, and use of the Leased Property during the term of this Lease. Lessee (Franchisee) will provide Lessor with copies of paid repair invoices and service contracts upon request by Lessor.

(b) Except as provided in (c) below, the Lessee (Franchisee) shall also arrange and pay for the maintenance, repair and replacement of the heating, air conditioning (if installed), and other improvements, systems, fixtures and improvements serving the Leased Property. For example (but not by way of limitation), if a furnace fails and needs replacement or a lighting fixture fails and needs replacement, or flooring needs replacement, Lessee (Franchisee) shall arrange and pay for the replacement with a new product of equal or better quality than what is being replaced. Lessee (Franchisee) will employ only reputable licensed contractors to perform the work and will obtain all permits and inspections that are required to complete the work. Lessee (Franchisee) will provide Lessor with copies of paid repair invoices and service contracts upon request by Lessor.

(c) If Lessee (Franchisee) does not perform any of its maintenance, repair and replacement obligations under this Lease, Lessor may (but is not obligated to) do so on Lessee's (Franchisee's) behalf and charge back the cost of doing so to the Lessee as Additional Rent.

18. **DEFAULT.** It shall be a default if Lessee (Franchisee) fails to pay any installment of Base Rent, Additional Rent, or other obligation arising under or related to this Lease involving the payment of money, or shall default in any way in the performance of its obligations to the Real Property Lessor, or if Lessee shall fail to comply with any term, provision or covenant of this Lease and shall not cure such failure within fifteen (15) days after written notice for monetary default and thirty (30) days after written notice for non-monetary default, provided that Lessee (Franchisee) shall not be deemed in default with respect to a non-monetary default if that default cannot be cured within thirty (30) days if Lessee (Franchisee) commences such cure within said thirty (30) day period and thereafter diligently pursues such cure to completion. Additionally, it shall be a default if Lessee (Franchisee) shall file a voluntary petition in bankruptcy or fail within twenty (20) days to lift any execution, garnishment, attachment, or lien, or shall generally fail to pay its debts as they become due, or shall make any assignment for the benefit of creditors or enter into an agreement of composition with its creditors, or if the United States Bankruptcy Court shall enter an order for relief, or approve a petition applicable to Lessor or any guarantor in any proceeding for reorganization instituted under the provisions of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, as amended, or under any similar act which may hereafter be enacted.

19. **REMEDIES UPON DEFAULT.** Upon the occurrence of any default, Lessor shall have the following remedies, in addition to any other rights or remedies it may have at law or in equity:

(a) Lessor has the power to terminate this Lease**,** dispossess Lessee (Franchisee), and remove the Improvements upon the occurrence of a Default.

(b) Lessor may dispossess Lessee (Franchisee) without terminating this Lease. Lessee (Franchisee) waives any further right to possession of the Leased Property after eviction. Despite eviction, Lessee (Franchisee) remains fully obligated for the payment of Rent through the remainder of the then-current Term. Lessor has no obligation to re-lease the Leased Property, and Lessor's failure or refusal to re-lease does not affect Lessee's (Franchisee's) obligation to pay Rent.

(c) Lessor shall have an immediate right of reentry, which shall not be considered or construed to be a forcible entry, and may remove all persons and property from the Leased Property; such property shall be stored for the account of, and at the expense and risk of, Lessee.

(d) Should Lessor elect to re-enter as herein provided or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may, but it need not: (1) terminate this Lease; and (2) relet the Leased Property or any part thereof for such term or terms and at such rental or rentals and upon such other reasonable terms and conditions as Lessor may reasonably deem advisable, with the right to make alterations and repairs to the Leased Property. Lessor has no obligation to mitigate any claim for rent. Rentals received by Lessor from such reletting shall be applied: first, to the reasonable expenses of reentry and taking possession of the Leased Property and the reasonable cost of removing and storing Lessee's (Franchisee's) property; second, to the reasonable expenses of reletting including, but not limited to, reasonable expenditures for repair, renovation and alteration of the Leased Property (to the extent such repair, renovation and alteration are reasonably required in order to permit reletting of the Leased Property); third, to the payment of reasonable expenses which are the obligation of the Lessee (Franchisee) under this Lease; and finally, toward payment of all rentals and other sums due Lessor hereunder and the residue, if any, shall be held by Lessor and applied in payment of future rentals and other charges that may become due and payable hereunder. Should the

rentals received from such reletting during any month be less than the amount agreed to be paid that month by Lessee (Franchisee) hereunder, Lessee (Franchisee) shall pay such deficiency to Lessor immediately upon Lessor's demand and such deficiency shall be calculated and paid monthly. Lessor may bring an action for recovery of such monthly deficiency at any time after the same shall have arisen and the commencement of any such action shall not prejudice Lessor's right to enforce collection of subsequent deficiencies.

(e) No re-entry or taking of possession of the Leased Property by Lessor shall be construed as an election on its part to terminate this Lease unless written notice of such intention is given to Lessee.

(f) For purposes of computing rent due from Lessee, or Lessor's damages, the annual Base Rent, Additional Rent, and additional charges and monetary liabilities shall be included.

(g) In the event of any default hereunder by Lessee (Franchisee), the Lessor may at any time, without notice and without waiving any of its rights in connection with such default, cure such default for the account of and at the expense of Lessee (Franchisee). If Lessor at any time by reason of Lessee's (Franchisee's) default is compelled to pay, or elects to pay, any sum of money or is compelled to incur any expense, including reasonable attorney fees, the sum or sums so paid by Lessor shall bear interest, at the rate of 7% per annum from the date incurred until paid by Lessee (Franchisee). Costs and damages shall be deemed Additional Rent hereunder and shall be due from the Lessee (Franchisee) to the Lessor on the first day of the month following the incurring of such respective expenses.

20. **ABANDONMENT OF PREMISES**. Lessee (Franchisee) may not abandon or surrender the Leased Property and avoid liability for Rent unless: (a) the Lessor signs an acceptance of the surrender or abandonment; and (b) the document expressly states that it is the acceptance of a surrender or abandonment and terminates the Lessee's (Franchisee's) Rent obligations. No action or inaction, other than as expressly provided in this Section, may be construed as an acceptance of surrender or abandonment by Lessor. **If Lessee (Franchisee) does abandon or vacate the Leased Property or be dispossessed by process of law, or otherwise, any signage, trade fixtures, fixtures, tools, inventory and personal property belonging to the Lessee (Franchisee) shall remain on the Property and the ownership shall become the Lessor's without any liens or UCC filings secured by the personal property.**

21. **SURRENDER OF PREMISES UPON TERMINATION**. Upon termination of this Lease by lapse of time or for any other reason, Lessee (Franchisee) or any persons holding under it shall surrender and yield up the Leased Property in as good condition as when received, ordinary wear and tear, condemnation, and casualty excepted. Any additions or improvements made or placed by Lessee (Franchisee) upon the Leased Property shall become the property of the Lessor upon termination. At the termination of the Lease, Lessor shall remove the Improvements except for the concrete foundation and pit, which Lessee (Franchisee) shall remove. **Lessee (Franchisee) shall pay for and restore the land (parking lot or other type of land) to the condition it was in prior to construction of the Improvements. In the event Lessee (Franchisee) shall fail to restore the Leased Property as herein provided, or to surrender the same in good condition, Lessor shall have the right to restore and repair the Leased Property to the original condition and Lessee (Franchisee) shall bear the reasonable cost thereof. Lessor may require Lessee (Franchisee) to pay monthly to establish an escrow account for the cost of restoration of the Leased Property.**

22. **LESSEE'S RIGHT TO CURE LESSOR DEFAULT.** If in the reasonable opinion of Lessee (Franchisee), Lessor fails to keep or perform any of its obligations as provided in this Lease in respect of: (a) maintenance of insurance; (b) payment of cost to repair and maintain the Leased Property as provided herein; (c) compliance with legal or insurance requirements; or (d) in the making of any other payment to performance of any other obligation assumed by Lessor, whichever the case may be, the Lessee (Franchisee) may, but shall not be obligated to, upon the continuance of such failure on the part of Lessor for a period of thirty (30) days after receipt of written notice from Lessee (Franchisee), remedy, make such payment, or perform such obligations, though Lessee's (Franchisee's) actions described herein do not create or imply Lessor's liability for the claimed default. If Lessee (Franchisee) at any time by reason of Lessor's default is compelled to pay, or elects to pay, any sum of money or is compelled to incur any expense, including reasonable attorney fees, the sum or sums so paid by Lessee (Franchisee) shall bear interest, at the rate of ten percent (10%) per annum (but reduced to the maximum amount legally allowed by the State the Improvements are located in if less than 10% is allowed) from the date incurred until paid by Lessor.

23. **ATTORNEY FEES**. The prevailing party in any litigation relating to this Lease shall be entitled to recover costs and attorney fees from the other party.

24. **BINDING ON SUCCESSORS**. The covenants and conditions herein contained shall be binding upon the parties hereto, their successors and assigns.

25. **FULL FORCE AND EFFECT STATEMENT.**

(a) Lessor and Lessee (Franchisee) shall from time to time upon not less than fifteen days' prior written request by the other, execute, acknowledge and deliver to the requesting party a written statement certifying that this Lease is unmodified and in full force and effect (or that the same is in full force and effect if modified, listing the instruments of modification), the dates to which the rent and other charges have been paid, and whether or not to the best of the certifying party's knowledge the requesting party is in default hereunder (and if so, specifying the nature of the default), it being intended that any such statement delivered pursuant to this Section may be relied upon by the requesting party, any assignee of the requesting party, prospective purchaser of Lessor's interest or assignee of any lien upon Lessor's interest in the Improvements.

(b) Lessor shall from time to time upon no less than 10 days' prior written request by Lessee (Franchisee) execute, acknowledge and deliver to Lessee a written statement certifying that this Lease is unmodified and in full force and effect (or that the same is in full force and effect if modified, listing the instruments of modification), the dates to which the rent and other charges have been paid, and whether to the best of Lessor's knowledge Lessee (Franchisee) is in default hereunder (and, if so, specifying the nature of the default), it being intended that any such statement delivered pursuant to this Section may be relied upon by a prospective assignee of Lessee's (Franchisee) interest in the Improvements, or a creditor of Lessee (Franchisee) .

26. **WAIVER**. No failure of Lessor to enforce any term hereof shall be deemed to be a waiver.

27. **GUARANTY OF LEASE OBLIGATIONS**. Simultaneously with the execution of this Lease, _____ & _____ (Franchisees personally) agree to execute the attached Guaranty of Lease Obligations that will remain in force for the Initial Term and the Renewal Terms, if the Renewal Terms of this Lease are exercised. Said Guaranty is hereby incorporated into and made a part of this Lease.

28. **CONDEMNATION**. If any part of the Leased Property shall be taken or condemned for public use, and a part thereof remains which is susceptible of occupation hereunder, this Lease shall, as to the part taken, terminate as of the date the condemnor acquires possession, and thereafter Lessee (Franchisee) shall be required to pay such proportion of the rent for the remaining term as the value of the Leased Property remaining bears to the total value of the Leased Property at the date of condemnation; provided, however, that Lessor may at its option, terminate this Lease as of the date the condemnor acquires possession. In the event that the Leased Property is condemned in whole, or that such portion is condemned that the remainder is not susceptible for proper use hereunder, in the reasonable opinion of Lessee (Franchisee), this Lease shall terminate upon the date upon which the condemnor acquires possession. All sums which may be payable on account of any condemnation shall belong to the Lessor, unless some portion of the sums is attributable to the Lessee's (Franchisee) leasehold interest or to any amount awarded for the cost of Lessee's (Franchisee's) trade fixtures or moving expenses, in which case Lessee (Franchisee) shall be entitled to the appropriate part thereof.

29. **PLACE OF PAYMENTS.** All rents shall be paid to Lessor or its authorized agent, at the following address: Colvin Team Real Estate LLC, PO Box 294, Douglas MI 49406, or at such other places as may be designated in writing by Lessor from time to time or upon the Assignment of Lease and Rents being delivered to Lessee (Franchisee).

30. **HAZARDOUS MATERIALS**.

(a) **Definition**. As used in this Lease, the term "Hazardous Materials" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority, any agency of the State of ___, or any agency of the United States government. The term "Hazardous Materials" includes, without limitation, any material or substance which is (i) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. §1317); (ii) defined as "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq. (42 U.S.C. § 6903); (iii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601, et seq. (42 U.S.C. §9601); (iv) petroleum and any petroleum by-products; and (v) asbestos.

(b) **Lessee's (Franchisee's) (Obligations; Indemnification**. Lessee (Franchisee) shall not, nor shall it permit its employees, business invitees, or contractors (collectively "Lessee's Agents"), to bring upon, keep, store, use, or dispose of any Hazardous Materials on, in, under, or about the Leased Property, except for the following: (i) gas, diesel fuel, oil, and other petroleum products and petroleum by-products which drip in normal amounts from motor vehicles on parking and maneuvering areas surrounding the Building; (ii) Hazardous Materials which do not pose any significant threat of being released into the environment; or (iii) general office or warehouse supplies (including, without limitation, ordinary cleaning chemicals and solutions) used for their intended purpose and not posing any significant threat of contamination of the Leased Property. Lessee (Franchisee) shall cause the presence, use, storage, and/or disposal of any Hazardous Materials on, in, under, or about the Leased

Property by Lessee (Franchisee) or Lessee's (Franchisee's) Agents to be in complete compliance with all applicable laws, rules, regulations, orders, and the like. Lessee (Franchisee) shall defend, indemnify, protect, and hold Lessor harmless from and against all claims, costs, fines, judgments, and liabilities, including attorney fees and costs, arising out of or in connection with the presence, storage, use, or disposal of Hazardous Materials in, on, under, or about the Leased Property caused by the acts, omissions, or negligence of Lessee and/or Lessee's Agents. Lessee's (Franchisee's) obligations hereunder shall survive the termination of this Lease.

(c) **Lessor's Obligations; Indemnification**. Neither Lessor nor Lessor's employees, business invitees, agents, contractors, or subcontractors (collectively "Lessor's Agents") shall bring upon, keep, store, use, or dispose of any Hazardous Materials in, on, under, or about the Leased Property. Lessor represents and warrants that no asbestos or other Hazardous Materials have been utilized in the construction of the Building. Lessor shall indemnify, defend, protect, and hold Lessee (Franchisee) and Lessee's (Franchisee's) Agents harmless from and against any and all claims, costs, fines, judgments, and liabilities, including attorney fees and costs, arising out of or in connection with the presence of Hazardous Materials in, on, under, or about the Leased Property upon the date this Lease commences or introduced in, on, under, or about the Leased Property subsequent to commencement of this Lease due to the acts, omissions, or negligence of Lessor or Lessor's Agents. Lessor's obligations hereunder shall survive the termination of this Lease.

31. **NOTICES**. Whenever under this Lease a provision is made for notice of any kind, it shall be deemed sufficient notice and service thereof if:

(a) such notice to Lessee (Franchisee) is in writing and either e-mailed to the address provided below, mailed by certified mail, return receipt requested, postage prepaid, or sent prepaid by private overnight courier service, and addressed to Lessee as follows:

Franchise Name: ___
Address: __
Attn: __ & __
Email: ___ & ___

or as otherwise directed by notice, in writing, given by Lessee to the Lessor from time to time.

(b) such notice to Lessor is in writing and either e-mailed to the address provided below, mailed by certified mail, return receipt requested, postage prepaid, or sent prepaid by private overnight courier service, and addressed to Lessor as follows:

Colvin Team Real Estate, L.L.C.
Peter Colvin, Manager
PO Box 294 Douglas, MI 49406
Peter.colvin@svn.com

with a copy to:

ORLEBEKE MACKRAZ PC
80 Ottawa Ave NW, Suite 400
Grand Rapids, MI 49503
Attention: Timothy J. Orlebeke
tim@omlawgroup.com

or as otherwise directed by notice, in writing, given by Lessor to Lessee (Franchisee) from time to time.

(c) Notices shall be effective only upon actual receipt. The date of actual receipt of notices sent by e-mail must be documented by a return e-mail sent by the party being notified, which return e-mail shall acknowledge receipt of the notice.

32. **CAPTIONS**. The captions of this Lease are for convenience only, are not a part of this Lease, and do not in any way limit or amplify the terms and provisions of this Lease.

33. **LAW.** This Lease shall be governed by and construed in accordance with the laws of the State of _____.

34. **ENTIRE AGREEMENT**. The foregoing constitutes the entire agreement between the parties and may be modified only by written agreement of both parties.

35. **COUNTERPARTS / ELECTRONIC SIGNATURE**. This Lease may be executed in counterparts, all of which shall constitute one agreement, binding on all parties notwithstanding that all the parties are not signatories to the same counterpart. This Lease may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, "electronic signature" shall include faxed versions of an original signature or electronically scanned and transmitted versions (e.g., via pdf) of an original signature.

36. **BROKERS**. Peter Colvin is a licensed Michigan Realtor and shall be paid any commission owed to the brokerage firm which he or his sons Chris and Cody are licensed with at the time the commission is paid. Peter Colvin, the sole owner of Colvin Team Real Estate, L.L.C. is acting as, and representing the Lessor. Because Lessee hired Colvin via a previous Engagement Agreement, Colvin will use his best efforts to deliver the Project per the terms of the Engagement Agreement with Lessee. However, some compromises may need to be made in order to secure a final investor to fund the transaction. Lessee understands and agrees to this disclosure upon signing this Agreement. Peter Colvin/SVN Silveri Co will be paid a consulting fee by Lessor for assisting in the entire process outlined in the Engagement Agreement with the Lessee/Franchisee and the Total Project Cost that needs to be agreed upon by Lessee and Lessor prior to ordering the Building Package. Lessee (Franchisee) represents and warrants to Lessor that it has not engaged any broker or commission agent as to this Improvements Lease and will indemnify and hold the Lessor harmless relating to any commission claim arising out of the acts of the indemnifying party.

37. **JURY WAIVER**. Lessor and Lessee (Franchisee) knowingly and voluntarily waive trial by jury in any action: (a) to enforce this Lease; (b) to dispossess Lessee from the Leased Property; or

(c) that is in any way related to the Lease, the Leased Property, or the relationship between Lessor and Lessee(Franchisee) .

38. **LESSEE PAYMENTS OF EXHIBIT A UP FRONT COSTS**. Lessee (Franchisee) shall pay all of the up front costs associated with the Approval Process in order to secure all Municipal Approvals and be issued the Building Permit. At the Delivery Date of the Improvements by Lessor, upon receipt of acceptable paid invoices, Lessor shall reimburse Lessee (Franchisee) the actual costs paid by Lessee (Franchisee) for each item listed on Exhibit A, up to the total allowance amount shown for each item.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the ___th day of _____, 2022.

LESSEE: __

_____

By: __
Its: __

_____
By: __
Its: __

LESSOR: COLVIN TEAM REAL ESTATE, LLC or Assign

_____
By: Peter Colvin
Its: Manager

EXHIBIT A

Allowances and Client Up Front Risk Costs:

Client Risk: Since investors will only commit to fund a project once the Project is a "sure thing" (approved by the municipality and issued a building permit), Client will be solely responsible for covering the preliminary costs incurred up to the time the Building Permit is awarded by the municipality. This includes the design process, the development process, the municipal approval process and the building/foundation permit process. ELB has an allowance for these costs in the Total Project Cost, as shown below.

Client will be reimbursed for the actual amount of these costs, up to the $40,000 allowance shown below, once the Building/Improvements are completed and accepted by the Client (The Delivery Date).

ELB has designed the Development and Approval Process Steps in order to minimize the Client's up front risk and cost, shown below as an example:

Phase 1: Site Plan Approval Process:

Engagement Fee to ELB	$ 5,000
Test Fit Fee to WACM	$ 700
Preliminary Site Plan created by Architect	$ 1,300
Est Planning Commission Submission Fee	$ 1,500
Phase 1 Environmental Report	$ 2,500
Three meetings for Architect to attend meetings	$ 1,500
Total Estimated "At Risk" Cost Allowances	$12,500

Once the Project is approved by the municipality, then the Building Permit Process (considered a formality and not a risk) begins.

Phase 2: Building Permit Approval Process:

Architect creates formal building plans and specs	$12,000
Est Civil Engineer costs for survey, civil drawings	$10,000
Soil Compaction Tests	$ 1,500
Est Building Permit Cost	$ 4,000
Total Estimate for Building Permit Process:	$27,500

Total Estimated Up Front Expenditures for Client:	$40,000

—End of Exhibit A

EXHIBIT B

PERSONAL GUARANTY OF LEASE OBLIGATIONS

Dated: ____

IN CONSIDERATION of and in order to induce **COLVIN TEAM REAL ESTATE, L.L.C.** a Michigan limited liability company, OR ASSIGN ("Lessor"), to enter into an Improvements Lease dated as of ___, and attached hereto, for the Improvements to be constructed on the property located at ___and otherwise to do business with ___ ("Lessee/Franchisee"), and ___ & ___ **("Personal Guarantors")**, hereby covenants and agrees with Lessor as follows:

1. Guarantor(s) unconditionally guarantee(s) to Lessor the full and prompt payment when due of all Indebtedness (as hereinafter defined) of Lessee (Franchisee) due and to become due to Lessor.

2. The term "Indebtedness" shall mean all indebtedness, liabilities and obligations of every kind, nature and description that are at any time owed to Lessor by Lessee (Franchisee), under or arising from the Lease, whether direct or indirect, absolute or contingent whether now due and owing or that may hereafter from time to time become due and owing, and whether heretofore or hereafter created or arising, including all indebtedness evidenced by the lease or any renewal, extension or modification thereof delivered by Lessee(Franchisee) to Lessor and including, without limitation, actual attorneys' fees and all other costs, and expenses incurred by Lessor in connection with the enforcement of this Guaranty and the collection of any and all Indebtedness of the Lessee (Franchisee) to Lessor.

3. This is a guarantee of payment and not of collection, and Guarantor agrees that upon Lessee's (Franchisee's) default Lessor may have immediate recourse against Guarantor and shall not be obligated prior to seeking recourse against or receiving payment from Guarantor, to do any of the following (although Lessor may do so, in whole or in part, at its sole option), the performance of which are hereby unconditionally waived by Guarantor:

(a) Take any steps to collect the Indebtedness from Lessee (Franchisee) or to file any claim of any kind against Lessee; or

(b) Take any steps to enforce, accept, perfect Lessor's interest in, foreclose upon, or realize on any collateral security for the payment of the Indebtedness or any other guaranty of the Indebtedness; or

(c) In any other respect exercise any diligence whatever in collecting or attempting to collect the Indebtedness by any means.

4. Guarantor's liability for payment of the Indebtedness shall be absolute and unconditional, and nothing except final and full payment to Lessor of all of the Indebtedness shall operate to discharge Guarantor's liability under this Guaranty. Accordingly, Guarantor unconditionally and irrevocably waives each and every defense that under principles of guaranty or suretyship law would otherwise operate to impair or diminish the liability of Guarantor for the Indebtedness. Without limiting the generality of the foregoing waiver, Guarantor agrees that none of the following acts, omissions, or

occurrences shall diminish or impair the liability of Guarantor in any respect (all of which acts, omissions or occurrences may be done without notice to Guarantor):

(a) Any extension, modification, indulgence, compromise, settlement, or variation of any of the terms of the Indebtedness;

(b) The discharge or release of any obligations of the Lessee (Franchisee) or of any other person now or hereafter liable on the Indebtedness by reason of bankruptcy or insolvency laws or otherwise;

(c) If applicable, the acceptance or release by Lessor of any collateral security or any other Guaranty, or any settlement, compromise or extension with respect to any collateral security or other Guaranty;

(d) The application or allocation by Lessor of payments, collections, or credits on the Indebtedness or any other obligations of the Lessee (Franchisee) to Lessor;

(e) The creation of any new Indebtedness by Lessee (Franchisee); or

(f) The making of demand, or absence of demand, for payment of the Indebtedness, or giving, or failing to give, any notice of dishonor or protest, or any other notice.

5. Guarantor further unconditionally and irrevocably waives:

(a) All rights Guarantor may have, at law or in equity, to seek or claim subrogation, contribution, indemnification, or any other form of reimbursement from the Lessee (Franchisee) by virtue of any payment(s) made to Lessor under this Guaranty or otherwise until the Indebtedness shall have been fully and finally paid;

(b) Any acceptance of this Guaranty;

(c) Any set-offs or counterclaims against Lessor that would impair or affect Lessor's rights against Guarantor;

(d) If applicable, any notice of the disposition of any collateral security and any right to object to the commercial reasonableness of the disposition of any such collateral security; and

(e) Any defenses related to the validity or enforceability of any documentation executed by Lessee or by Guarantor in connection with the Indebtedness.

6. Guarantor acknowledges and agrees with Lessor that if Lessor shall at any time be required to return or restore to Lessee (Franchisee) or to any trustee in bankruptcy, any payment(s) made upon the Indebtedness, this Guaranty shall continue in full force and effect or shall be fully reinstated, as the case may be, and Guarantor's obligation to Lessor under this Guaranty shall be increased by the amount of any such payment(s) upon the Indebtedness as Lessor shall be obliged to return or restore, plus interest thereon at the default rate provided in the evidence of Indebtedness applicable to any such payment(s) from the date(s) the payment(s) upon the Indebtedness was originally made. Guarantor agrees to indemnify and hold Lessor harmless from and against any and all costs, fees and expenses

including, without limitation, reasonable attorneys' fees in connection with Lessor's defending any preference or fraudulent conveyance claim or action brought against Lessor in any bankruptcy proceeding concerning Lessee (Franchisee).

7. This Guaranty shall inure to the benefit of Lessor and its successors and assigns, including every holder of any of the Indebtedness here guaranteed. In the event any person other than Lessor shall become a holder of any of the Indebtedness, each reference to Lessor shall be construed to refer to each such holder.

8. If applicable, Guarantor represents and warrants to Lessor that all financial statements concerning Guarantor's financial condition are true and correct in all material respects as of the date of such statements and, if such statements are not current, that there has been no material adverse change in the financial condition of Guarantor from the date of such statement to the date of delivery of this Guaranty to Lessor. Guarantor acknowledges that in accepting this Guaranty, Lessor has relied upon such financial statements and Guarantor agrees to provide Lessor with a statement of Guarantor's current financial condition, in form satisfactory to Lessor, at least annually and within thirty (30) days after Lessor's request. Guarantor further warrants that none of Guarantor's assets has been placed in a trust that is not subject to the claims of Guarantor's Lessors and Guarantor agrees that until Lessee's Indebtedness to Lessor is paid in full, Guarantor will not, without Lessor's prior written consent, make any voluntary transfer of any of Guarantor's assets into a trust or otherwise would have the effect of materially diminishing Guarantor's present net worth and, without Lessor's prior written consent, will not guaranty the debts or obligations of any other person or entity.

9. This Guaranty and all rights and obligations hereunder, including matters of construction, validity, and performance, shall be governed by the laws of the State of Michigan, and Guarantor consents to both jurisdiction and venue in the Michigan courts.

10. The term "Guarantor" shall mean, if applicable, all and each one of the persons and/or entities executing this Guaranty Agreement or another Guaranty of the Indebtedness. Each one of multiple Guarantors is fully responsible for all Guarantor obligations under this Guaranty.

11. The term "Guaranty" or "Guaranty Agreement" means this Guaranty of Lease Obligations.

12. The performance of Guarantor's obligations under this Guaranty is unsecured.

13. This Guaranty Agreement and all other written agreements executed by Guarantor as a part of any financing agreement between Lessee (Franchisee) and Lessor constitute Guarantor's entire agreement with Lessor, and there are no oral agreements that modify or supplement Guarantor's said agreement(s) with Lessor.

14. This Guaranty may be executed in counterparts, all of which shall constitute one agreement, binding on all parties notwithstanding that all the parties are not signatories to the same counterpart. This Guaranty may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, "electronic signature" shall include faxed versions of an original signature or electronically scanned and transmitted versions (e.g., via pdf) of an original signature.

15. THIS GUARANTY HAS BEEN FREELY AND VOLUNTARILY EXECUTED BY GUARANTOR, WITHOUT DURESS OR COERCION, AND AFTER GUARANTOR HAS EITHER CONSULTED WITH COMPETENT LEGAL COUNSEL OR HAS BEEN GIVEN AN OPPORTUNITY TO DO SO, AND GUARANTOR HAS FULLY AND CAREFULLY READ AND UNDERSTANDS ALL OF THE TERMS AND PROVISIONS OF THIS GUARANTY.

16. GUARANTOR KNOWINGLY, VOLUNTARILY, AND INTELLIGENTLY WAIVES GUARANTOR'S CONSTITUTIONAL RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, DISPUTE, CONFLICT, OR CONTENTION, IF ANY, AS MAY ARISE UNDER THIS GUARANTY, AND AGREES THAT ANY LITIGATION BETWEEN THE PARTIES CONCERNING THIS GUARANTY SHALL BE HEARD BY A COURT OF COMPETENT JURISDICTION SITTING WITHOUT A JURY. GUARANTOR HEREBY CONFIRMS TO LESSOR THAT GUARANTOR HAS REVIEWED THE EFFECT OF THIS WAIVER OF JURY TRIAL WITH COMPETENT LEGAL COUNSEL, OR HAS BEEN AFFORDED THE OPPORTUNITY TO DO SO, PRIOR TO SIGNING THIS GUARANTY AND ACKNOWLEDGES AND AGREES THAT LESSOR IS RELYING UPON THIS WAIVER.

WITNESSES:

PERSONAL GUARANTOR(S):

_____

By: ____
Costa Oil Franchise Coordinator

_____

By: __, Personally

_____

By: _____
Title: _____
Costa Franchising, LLC

_____

By: __, Personally

EXHIBIT C

SITE PLAN

To be added when finalized

EXHIBIT D

SAMPLE BUILDING PLANS ATTACHED
To be updated when finalized

EXHIBIT E

DESCRIPTION OF LESSOR'S SHELL BUILDING PACKAGE

The Building Shell Package includes the following:

Design, construction, manufacturing, delivery and erection of the building shell, with insulated exterior walls and roof, ready for exterior finishes.

Exterior steel siding, installed

Four 10' x 10' garage doors with ¼" safety glass, installed

One Steel and safety glass entry door with louver above, installed

One Exterior Window, installed

Blocking and Framing of doors and window

Two Precast Concrete Pits pits with steps, rails, safety net and vapor barrier (not installed)

Restroom walls and ceiling constructed with wood door hung

Priming and painting of all interior walls

Installation of water resistant material in restroom walls

Note 1: Pit Delivery cost is additional-see allowances
Note 2 : Pit and pit equipment installation is additional-see allowances
Note 3: Lessor reserves the right to pass through additional delivery, food and lodging costs for the Building Package delivery and installation crew if farther than 500 miles from Grand Rapids Michigan.
Note 3: All materials and labor for sitework, utility extensions and hook ups, foundation, plumbing rough in and finish, electric rough in and finish, concrete floor, roof material covering, pit and pit kit installation and other labor, materials and Soft Costs not listed in the Building Package are NOT included in the Building Package price and shall be handled by local contractors, hired by the Project Manager.

EXHIBIT E-1

PHOTO OF RECENT NEW COSTA BUILDING COMPLETED BY LESSOR
AND FINISHED WITH TENANT SIGNAGE, EQUIPMENT & INVENTORY

EXHIBIT E-2

TOTAL PROJECT COST ALLOWANCES (AS OF 5-15-23)
To be replaced with updated version if there are any changes made

New Costa 10 Minute Oil Change 2 Bay Building Project in a Parking Lot
Allowances for Total Project Cost as of May 15, 2023 (subject to change)

Site-ology Project and Construction Management		
Entitlements, Planning and Zoning Management	Included	
Utility Coordination	Included	
Permitting: Site Civil and Utilities	Included	
Permitting: Building, Health, & Fire	Included	
Program Management	Included	
Project & Vendor Coordination	Included	
Construction Management	Included	
Siteology Project Management Cost	$ 25,000	$ 25,000
Preliminary Costs		
Test Fit Plan	$ 700	
Rough Site Plan for approvals	$ 1,300	
Phase 1, ALTA Survey, Flood Map, Zoning Letter	$ 10,000	
Building Plans by WACM	$ 10,000	
Electrical & Mechanical Plans	$ 8,000	
Civil Engineering Plans	$ 10,000	
	$ 40,000	$ 40,000
By Colvin Team Real Estate via WACM		
Building package installed	$ 250,000	$ 250,000
By Local Contractors (via Site-Ology)		
Estimated Excavation & Backfill for utilities, foundation & Pits	$ 15,000	
Estimated Utility Extensions	$ 20,000	
Estimated Foundation	$ 15,000	
Estimated Pit Set, crane and pit equipment install	$ 5,000	
Estimated Concrete Floor pour & seal	$ 15,000	
Estimated TPO Roofing	$ 15,000	
Estimated Electrical Rough in and finish	$ 20,000	
Estimated Plumbing Rough in and finish	$ 15,000	
Estimated Repair to asphalt	$ 2,500	
Estimated Landscaping	$ 2,500	
	$ 125,000	$ 125,000
Est Soft Costs		
General Conditions (fencing, dumpster, porta john, rainwater mgmt)	$ 6,000	
Interest to Investor during construction	$ 8,000	
State Taxes on materials and/or labor (paid by owner)	$ 8,000	
Easy Leasebacks/Colvin Team Fee	$ 20,000	
Building Permit and Progress Inspections	$ 5,000	
Delivery of Precast Concrete Pits (varies per mileage)	$ 3,000	
Misc	$ 5,000	
	$ 55,000	$ 55,000
Allowance for Total Project Cost		**$ 495,000**

END OF LEASE EXHIBITS

EXHIBIT M

CREDIT CARD/ACH AUTHORIZATION FORM

CREDIT CARD / ACH AUTHORIZATION

You authorize a single (1) **or** regularly scheduled charge to your credit card or bank account. You will be charged the amount indicated below each billing period. A receipt for each payment will be provided to you and the charge will appear on your credit card or bank statement. You agree that no prior notification will be provided unless the date or amount changes, in which case you will receive notice from us at least ten (10) days prior to the payment being collected.

I, [FRANCHISEE NAME] (FRANCHISEE), authorize Costa Franchising, LLC (Merchant) to charge my (check one)
☐ - Credit Card | ☐ - Bank Account for $[AMOUNT] on the following basis: (check one)

☐ - ONE-TIME (Single Transaction)
☐ - RECURRING on the [#] day of each: ☐ - Week | ☐ - Month | ☐ - Year

This authorization is for payment of weekly and ongoing Royalty Fees, Technology Fees, Brand Fund Contributions, and other fees or amounts owed by me to Merchant on a weekly, monthly, or other recurring basis.

BILLING INFORMATION

Billing Address: [FRANCHISEE BILLING ADDRESS]

Phone #: [FRANCHISEE PHONE NUMBER] Email: [FRANCHISEE EMAIL ADDRESS]

PAYMENT INFORMATION (Check One)

☐ - CREDIT CARD

Card Type: ☐ Mastercard | ☐ VISA | ☐ Discover | ☐ AMEX | ☐ Other [OTHER TYPE]

Card Number (#): [FRANCHISEE CREDIT CARD NUMBER]

Expiration: [EXPIRATION] (mm/yy) CVV: [CVV NUMBER] Cardholder ZIP: [ZIP CODE]

☐ - BANK (ACH)

Account Type: ☐ Checking | ☐ Savings

Name on Acct: [NAME ON ACCOUNT] Bank Name: [NAME OF BANK]

Routing #: [ROUTING NUMBER (9 DIGITS)] Account #: [ACCOUNT NUMBER (10-12 DIGITS)]

FRANCHISEE SIGNATURE: _____ Date: [MM/DD/YYYY]

Printed Name: [FRANCHISEE PRINTED NAME]

EXHIBIT N

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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 document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	May 23, 2023
Maryland	
Michigan	May 18, 2023
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	May 23, 2023
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Costa Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Costa Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Constantine Kapothanasis	316 Broadway, Hanover, PA 17331	717-698-3260
Michael Tillbrooke	9820 Northcross Center Ct., Ste. 200, Huntersville NC 28078	425-470-4415
Kris Longmore	9820 Northcross Center Ct., Ste. 200, Huntersville NC 28078	425-321-1166
Brandon Wilson	9820 Northcross Center Ct., Ste. 200, Huntersville NC 28078	704-251-7804

Issuance Date: May 12, 2023, as amended January 3, 2024

I received a disclosure document dated as indicated above, that included the following Exhibits:

A. State Administrators and Agents for Service of Process
B. Franchise Agreement (with Attachments)
C. Multi-Unit Development Agreement
D. Rider to Lease Agreement
E. Form of General Release
F. Financial Statements
G. Brand Standards Manual Table of Contents
H. Current and Former Franchisees
I. Confirmation of Additional Terms and Representations Addendum
J. Multi-State Addendum
K. SBA Addendum to Franchise Agreement
L. Kiosk Lease Form
M. Credit Card/ACH Authorization Form
N. State Effective Dates
Receipts

Signature: _____
Print Name: _____
Date Received: _____

Keep This Copy For Your Records

RECEIPT

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L. Kiosk Lease Form
M. Credit Card/ACH Authorization Form
N. State Effective Dates
Receipts

Signature: _____
Print Name: _____
Date Received: _____

Return This Copy To Us-Costa Franchising, LLC - 316 Broadway, Hanover, PA 17331