



MIDAS INTERNATIONAL CORPORATION

FRANCHISE DISCLOSURE
DOCUMENT

March 28, 2011,
Amended January 23, 2012

FRANCHISE DISCLOSURE DOCUMENT

MIDAS INTERNATIONAL CORPORATION

A Delaware Corporation

1300 Arlington Heights Road, Itasca, Illinois 60143

(630) 438-3000

midasfranchise@midas.com www.midas.com



The franchise is to operate an automotive maintenance and service center called a **Midas Shop**, which sells and installs, at retail, motor vehicle exhaust systems, brake components, suspension parts, heating and cooling system parts, tires and batteries and other motor vehicle parts, performs services in connection with these sales, and performs general and scheduled vehicle maintenance services.

The total investment necessary to begin operation of a new 8-bay Midas Shop franchise ranges between \$296,500 and \$390,970, exclusive of the purchase of any real estate or the cost of building and leasehold improvements, including up to \$244,800 that may be paid to the franchisor or its affiliates prior to or upon opening. The total investment necessary to convert an operating or previously operated automotive repair facility to a Midas Shop ranges between \$88,500 and \$390,970, exclusive of the purchase of any real estate or the cost of building and leasehold improvements, including up to \$244,800 that may be paid to the franchisor or its affiliates.

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 Disclosure Document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Franchise Development Department at 1300 Arlington Heights Road, Itasca, Illinois 60143, (630) 438-3000.

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 contracts carefully. Show your contracts 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 of this Franchise Disclosure Document: March 28, 2011, as amended January 23, 2012

STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit G for information about the franchisor, or about franchising in your state.

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE CERTAIN DISPUTES WITH US BY ARBITRATION ONLY IN CHICAGO, ILLINOIS. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CHICAGO, ILLINOIS THAN IN YOUR OWN STATE.
2. THE ACCEPTANCE OF YOUR APPLICATION DOES NOT GUARANTY YOU WILL BE AWARDED A FRANCHISE. THE FRANCHISE AGREEMENT WILL NOT BE SIGNED UNTIL YOU HAVE COMPLETED OUR TRAINING PROGRAM TO OUR SATISFACTION AND THE CONSTRUCTION OF THE LOCATION IS SUBSTANTIALLY COMPLETE.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

The effective dates of our franchise registration in the various registration states are listed on the following page.

MIDAS INTERNATIONAL CORPORATION
STATE REGISTRATIONS

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

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

California	Effective date: March 28, 2011
Hawaii	Effective date: April 25, 2011
Illinois	Effective date: March 28, 2011
Indiana	Effective date: March 28, 2011
Maryland	Effective date: March 31, 2011
Michigan	Effective date: March 28, 2011
Minnesota	Effective date: March 30, 2011
New York	Effective date: March 28, 2011
North Dakota	Effective date: March 29, 2011
Rhode Island	Effective date: April 6, 2011
South Dakota	Effective date: March 29, 2011
Virginia	Effective date: March 29, 2011
Washington	Effective date: March 29, 2011
Wisconsin	Effective date: March 28, 2011

In all other states, this Franchise Disclosure Document's effective date is the original issuance date of March 28, 2011.

**THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY
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.

- (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 protections provided in the Michigan Franchise Investment 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 subfranchisor.

(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 franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations 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 ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

Note: Despite paragraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions.

**MIDAS INTERNATIONAL CORPORATION
FRANCHISE DISCLOSURE DOCUMENT**

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Exhibit I	Additional State Disclosures & Riders

APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT, AND MIGHT REQUIRE A RIDER TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES AND RIDERS, IF ANY, WILL APPEAR IN EXHIBIT I TO THIS DISCLOSURE DOCUMENT.

ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is MIDAS INTERNATIONAL CORPORATION (“Midas”). To simplify the language in this Franchise Disclosure Document (this “Disclosure Document”), we will use certain terms. Midas is referred to as “we,” “us,” and “our.” “You” means the person, corporation, partnership, limited liability company or other business entity and the individual owners of any business entity to whom we grant a franchise. If you are a corporation, partnership, limited liability company, or other business entity, your owners must sign an owner undertaking and our Personal Guaranty, which means that all of the provisions of our Midas Franchise and Trademark Agreement (“Franchise Agreement”) (Exhibit D-1) will also apply to your owners (See Item 15). When this Disclosure Document makes reference to our Franchise Agreement and related agreements, the reference is to the standard forms we currently offer for the operation of a franchised Midas Shop (“Midas Shop”). If you are purchasing a Midas franchise for an operating Shop from an existing Midas franchisee, both you and the selling franchisee will execute the Assignment of Midas Franchise and Trademark Agreement (the “Assignment of Franchise”) (Exhibit D-7) in addition to other related franchise documents. Under the Assignment of Franchise, a purchaser/transferee of an existing Midas franchise will be subject to the terms and conditions of the selling franchisee’s Franchise Agreement which may be in a form different than the form currently offered. However, upon our request, the purchaser of the existing franchise may be required to amend and restate the selling franchisee’s Franchise Agreement to be consistent with the terms and conditions of our then-current Franchise Agreement. In addition, the forms of agreements we previously offered and the forms you actually execute may differ. The terms of franchises we offer in the future may also differ. The terms of franchises that we separately offer to our co-branding concept franchise system (as described below) may also differ.

We conduct business under the name “Midas” and the other trademarks listed in Item 13 (the “Marks”). We do not, and do not intend to, do business under any other name; however, we reserve the right to do so in the future.

If we have an agent in your state for service of process, we disclose that agent in Exhibit G.

The Franchisor and our Parent

We incorporated in Delaware on September 11, 1959. From January 1972 through January 29, 1998, we were a wholly-owned subsidiary of Whitman Corporation (originally IC Industries, Inc.). Effective January 30, 1998, we were spun-off from Whitman as part of a dividend distribution to Whitman shareholders and are now a wholly-owned subsidiary of Midas, Inc. Midas, Inc. is a Delaware corporation which is publicly traded on the New York Stock Exchange under the symbol MDS.

For reference purposes in this Disclosure Document, we call the shops in the Midas franchise system (the “Franchised System”) “Midas Shops” and we call the Midas Shop that you will operate the “Franchised Unit”.

Our principal business is the franchising of Midas Shops and Co-Branding Shops (as defined below) located in the United States. We, through a predecessor entity, have been engaged in the automotive exhaust business since 1954 and, since 1956, we (through a predecessor entity) have granted franchises for and, in the past, have operated Midas Shops. A Midas Shop sells and installs automotive parts, including: brake shoes, pads, drums, rotors, calipers, wheel cylinders and other brake system parts, tires, mufflers, catalytic converters, exhaust pipes, tail pipes, exhaust system hardware, shock absorbers and struts, suspension and steering, batteries, filters, belts, wiper blades and hoses, and renders the following services: brake system repair and replacement, tire mounting, balancing, installation and repair and other tire related services, scheduled and general maintenance services, exhaust system services, suspension services, wheel alignment services, installation of batteries, starting and charging services,

heating and cooling system services, and CV joints and drive shaft services. As of January 1, 2011, there were 1,210 franchised Midas Shops in the United States. We or our affiliate, Midas Canada Inc., also franchise retail automotive repair shops internationally in the Bahamas, Canada, Costa Rica and Honduras, and Midas has licensed the use of the Midas trademarks for the operation of Midas Shops in Australia, Austria, Belgium, France, Italy, Mexico, Morocco, New Zealand, Portugal and Spain. As of January 1, 2011 there were 933 Midas shops located internationally. Midas does not currently operate any Midas Shops of the type being franchised under the Franchise Agreement. However, COSMIC Holdings, LLC, our wholly-owned subsidiary (“COSMIC”) has operated Midas shops on a company-owned basis since 2001 as described below.

In addition, our wholly-owned subsidiary, SpeeDee Worldwide Corporation (“SpeeDee”), and we offer co-branding franchises under a separate Franchise Disclosure Document and different franchise agreement for a Midas/SpeeDee co-branding shop (“Co-Branding Shop”). Co-branding involves the operation of two or more brands at one location. The Midas/SpeeDee co-branding franchise offered by SpeeDee and us consists of a distinctive combined business system for the operation of a blended automotive car care service center under the Marks and the SpeeDee names and trademarks. The Co-Branding Shops offer most of the services available at either a stand-alone SpeeDee shop or stand-alone Midas Shop, as described in this Disclosure Document, but at one location and according to the co-branding franchise agreement and co-branding operations and training manuals. The Midas/SpeeDee co-branding concept was new in 2008. As of January 1, 2011 there were 20 franchised Co-Branding Shops operating under the co-branding franchise agreement. COSMIC has operated, on a company-owned basis, Co-Branding shops since October 2008 as described below.

Except as described in this Disclosure Document, Midas does not offer, nor has Midas ever offered, franchises in any other line of business.

We also sell equipment, tires and batteries to Midas Shops, SpeeDee shops and Co-Branding Shops. We previously engaged in the manufacture and/or sale of mufflers, exhaust and tail pipes and other exhaust system components; shock absorbers and struts; brake pads, shoes, calipers, rotors, drums and other brake system components; suspension, steering and limited driveline parts; heating and cooling system parts; wiper blades; engine belts and hoses; filters and other parts under various trademarks, including the Marks, to Midas Shops.

Our principal business and the principal business address of Midas, Inc. and all of our affiliates described below is 1300 Arlington Heights Road, Itasca, Illinois 60143.

Our Affiliates

Midas Canada Inc., a subsidiary of ours (“Midas Canada”), has granted franchises for the operation of Midas Shops located in Canada since 1961. As of January 1, 2011, there were 151 franchised Midas Shops operating in Canada. From 1969 to 2000, Midas Canada, through an affiliated company, Midas Automotive Ltd., operated a number of Midas Shops on a company-owned basis in Canada. Since June 15, 2007, Midas Canada has been engaged in the business of owning and operating Midas shops in Canada. As of January 1, 2011 Midas Canada owned and operated 5 Midas shops located in British Columbia and Ontario.

COSMIC Holdings, LLC, our wholly-owned subsidiary (“COSMIC”), has been engaged in the business of owning and operating company-owned Midas shops in the United States. COSMIC does not offer, nor has it ever offered, franchises in any line of business. As of January 1, 2011, COSMIC owned and operated 70 company-owned Midas shops located in California, Colorado, Connecticut, Delaware, Florida, Illinois, Indiana, New Jersey, Pennsylvania and Wisconsin. Since October 2008, COSMIC has been engaged in the business of owning and operating Co-Branding Shops. As of January 1, 2011,

COSMIC owned and operated 26 company-owned Co-Branding Shops located in California, Florida, Illinois and Indiana, which were converted from stand-alone Midas Shops that it owned.

Midas Realty Corporation (“MRC”) and Midas Properties, Inc. (“MPI”), both our subsidiaries, may select, purchase, lease and develop Midas Shops and Co-Branding Shops and lease/sublease them to franchisees. MRC and MPI have been engaged in the business of owning, leasing and managing real estate for the purpose of operating Midas Shops since 1959 and 1974, respectively. Both MRC and MPI have been engaged in the business of owning, leasing and managing real estate for the purpose of operating Co-Branding Shops since March 2008. Neither MRC nor MPI offer, nor have they ever offered, franchises in any line of business.

Progressive Automotive Systems, Inc., our wholly-owned subsidiary (“PAS”), owns and licenses point-of-sale software called R.O. Writer® for use in Midas Shops and Co-Branding Shops (each through a license between us and the franchisee) and by third parties. (See Item 11.) PAS does not offer, nor has it ever offered, franchises in any line of business.

SpeeDee Worldwide Corporation, our wholly-owned subsidiary (“SpeeDee”), has been engaged in the car care business since March 2008. SpeeDee is the franchisor of stand-alone “SpeeDee Oil Change & Tune-up” franchises and the SpeeDee side of the Midas/SpeeDee co-branding franchises (as described above). SpeeDee owns the “SpeeDee” mark and related marks (“SpeeDee Marks”). A SpeeDee shop (“SpeeDee Shop”) provides car care services, including oil changes, tune-ups, factory scheduled maintenance, transmission services, radiator flushes, brake system repair and replacement services, air conditioner recharges, emission control system services, replacement of filters, fuel systems cleaning, replacement of wiper blades, radiator caps and other automotive care services. As of January 1, 2011, there were 67 franchised stand-alone SpeeDee shops in the United States. On March 30, 2008, SpeeDee assumed two separate master franchise agreements with sub-franchisors in New England and Mexico, granting each sub-franchisor the right to use the SpeeDee Marks for the operation of SpeeDee shops in those territories. As of January 1, 2011, there were 16 SpeeDee Shops in New England and 65 SpeeDee Shops in Mexico operated by these third party sub-franchisors under the separate master franchise agreements with SpeeDee. SpeeDee does not currently operate nor has it ever operated Midas Shops or Co-Branding Shops. Except as described in this Disclosure Document, SpeeDee does not offer, nor has SpeeDee ever offered, franchises in any other line of business. However, COSSI Holdings, LLC, SpeeDee’s wholly-owned subsidiary, has operated SpeeDee Shops on a company-owned basis since March 2008 as described below.

COSSI Holdings, LLC (“COSSI”), SpeeDee’s wholly-owned subsidiary, has been engaged in the business of owning and operating company-owned SpeeDee shops in the United States since March 30, 2008. COSSI does not offer, nor has it ever offered, franchises in any line of business. As of January 1, 2011, COSSI owned and operated 6 company-owned SpeeDee shops located in North Carolina, South Carolina and Texas.

The Franchise Offered

As described above, the franchise offered under this Disclosure Document is a “Midas Shop” and is offered under the terms of the Franchise Agreement. The Franchised System consists of a distinctive business system for the operation of automotive repair and maintenance service centers under the Marks. A Midas Shop sells and installs automotive parts, including: brake shoes, pads, drums, rotors, calipers, wheel cylinders and other brake system parts, tires, mufflers, catalytic converters, exhaust pipes, tail pipes, exhaust system hardware, shock absorbers and struts, suspension and steering, batteries, filters, belts, wiper blades and hoses, and renders the following services: brake system repair and replacement, tire mounting, balancing, installation and repair and other tire related services, scheduled and general maintenance services, exhaust system services, suspension services, wheel alignment services, installation

of batteries, starting and charging services, heating and cooling system services, and CV joints and drive shaft services as specified in the Midas Policy Manual (the "Manual"). However, we may periodically add or eliminate additional products and services. You may not offer at your Franchised Unit any goods or services that we have not approved. (See Item 16.)

Competition and Industry Specific Laws

You will sell our recommended automotive products and our approved services to the general public from your Franchised Unit. The primary markets for our products and services include customers of all income levels who own vehicles. The auto repair and maintenance business is somewhat seasonal, especially in the northern states where driving is reduced in the winter months. In addition, the automobile maintenance and repair market is well developed and highly competitive. Midas Shops will compete with individual and chain automotive service centers that offer similar automobile services, as well as other Midas Shops, Co-Branding Shops and Speedee Shops, including those which Midas, Speedee or our affiliates may own and operate, other specialty exhaust and brake shops, quick lube shops, tire shops (many of which are franchised), service stations, general garages, new car dealers, and the automotive repair facilities of mass merchandisers and department stores. The demand for the products and services offered by Midas Shops could be adversely affected by continuing developments in automotive technology, including the improvement in original equipment manufacturers' parts quality, as well as longer and more inclusive manufacturers' warranty periods.

In addition to laws that apply to all businesses, you must comply with all laws and regulations specific to the car care and oil change and tune-up industry and those that apply to the operation of motor vehicle repair and maintenance shops, including, but not limited, to consumer-orientated legislation. Some states require special licenses to operate car repair facilities. Various federal, state and local environmental laws and regulations apply to the use, handling, treatment, storage, disposal and recycling of tires, oil, used oil, oil filters and other substances, materials and wastes considered hazardous. You may need to obtain state and other certifications that the Franchised Unit is an approved waste oil and filter remover/handler/disposer. In addition, if you utilize underground or on-site storage tanks, they must pass any required local environmental quality inspections. We are not obligated to provide you with guidance about these laws and regulations, and you are solely responsible for knowing about and complying with all laws and regulations applicable to your Franchised Unit. As such, it is important that you consult your legal advisor to determine what laws apply to your Franchised Unit.

ITEM 2: BUSINESS EXPERIENCE

President, Chief Executive Officer and Director: Alan D. Feldman

Mr. Feldman was appointed to these positions effective January 9, 2003.

Executive Vice President, Chief Financial Officer and Director: William M. Guzik

Mr. Guzik was appointed to the positions of Senior Vice President, Chief Financial Officer and Director in May 2001. In November 2006, he was promoted to Executive Vice President.

Senior Vice President and Chief Marketing Officer: Frederick W. Dow, Jr.

Mr. Dow joined Midas in June 2003 as Senior Vice President and Chief Marketing Officer.

Senior Vice President, General Counsel, Secretary and Director: Alvin K. Marr

Mr. Marr was appointed to the positions of Vice President, General Counsel, Secretary and Director in June 2001. Mr. Marr was promoted from Vice President to Senior Vice President in March 2005.

Senior Vice President, Franchise Operations: Michael J. Gould

Mr. Gould served as Vice President, Franchise Operations from August 16, 2007 to December 31, 2008. On January 1, 2009, his position was changed to Vice President, Retail Operations. On March 17, 2009, he was promoted to Senior Vice President, Franchise Operations. In addition, from January 1, 2005 to August 15, 2007, Mr. Gould served as Vice President, COSMIC.

Vice President, Development: Peter D. Cooke

Mr. Cooke was appointed to this position in November 2003.

Vice President and Controller: Audrey L. Gualandri

Ms. Gualandri was appointed to these positions in August 2010. Ms. Gualandri joined the Company in June 2004 as the Director of Internal Audit. From November 2009 to August 2010, she held the position of Director of Accounting.

Vice President, Finance and Planning: John E. Brisson, Jr.

Mr. Brisson served as the Vice President, Financial Planning and Analysis from February 2004 to February 2006. In February 2006, he was promoted to his current position.

Vice President, Information Services: Bennett Z. Ciko

Mr. Ciko has served in his current position since January 2006.

Vice President, COSMIC: David W. Fisher

Mr. Fisher was appointed to this position in September 2007. From July 2005 to August 2007, Mr. Fisher served as Regional Manager, South Central Region located in St. Louis, Missouri.

Regional Manager, North Eastern Region: Gerald V. Schwall

On June 1, 2006, Mr. Schwall was appointed to this position located in Rehoboth, Massachusetts. Mr. Schwall served as Regional Operations Manager, North East Region located in Riverside, Rhode Island from October 2003 through May 2006.

Regional Manager, South Region: Joseph R. Vought

On January 1, 2010, Mr. Vought was transitioned to this position located in Mooresville, North Carolina. Mr. Vought served as Regional Manager, South East Region, located in Mooresville, North Carolina, from June 1, 2006 through December 2009. Mr. Vought served as Regional Vice President, Eastern Region located in Riverside, Rhode Island from October 2003 through May 2006.

Regional Manager, Central Region: Darrell R. Fisher

On January 1, 2010, Mr. Fisher was transitioned to this position. Mr. Fisher served as Regional Manager, North Central Region from July 2005 through December 2009.

Regional Manager, West Region: Philip P. Hultquist

On January 1, 2010, Mr. Hultquist was transitioned to this position located in Dallas, Texas. Mr. Hultquist served as Regional Manager, South Central Region, located in Dallas, Texas, from September 2007 through December 2009. From September 2006 to August 2007, Mr. Hultquist served as the Director of Operations Development located in Itasca, Illinois. From March 2005 to August 2006, Mr. Hultquist served as the South Central Territory Manager located in Dallas, Texas.

ITEM 3: LITIGATION

Concluded:

New Jersey Compliance Program. On August 1, 1996, we and our former wholly-owned subsidiary, Cosmic Enterprises, Inc., contracted with the State of New Jersey to establish a one year pilot program involving supervised self-regulation of its company-operated and franchisee-operated shops in New Jersey. This innovative program involves, among other things: (i) the establishment of an ombudsman to oversee our operations in New Jersey to facilitate compliance with New Jersey laws and regulations and to oversee the handling of consumer complaints, (ii) joint development with the State of a mechanical inspection protocol to serve as a basis for State-conducted quarterly inspections of Midas Shops in New Jersey, (iii) the development and implementation of a brochure, video and other programs and campaigns designed to better educate the consuming public concerning motor vehicle repairs, and (iv) a funding contribution in the amount of \$175,000. The contract was the culmination of joint discussions with the State arising out of the State's preliminary inquiry into motor vehicle repair practices generally and our practices in particular. The State's inquiry was terminated without any findings of violations of laws or regulations. The pilot program was renewed in January 1998, again in May 1999, and remains in effect today.

Donmyer Investments LLC v. Midas International Corporation et. al. (bankruptcy case no. 00-87854, adversarial proceeding no. 800-8480-511, United States Bankruptcy Court, Eastern District of New York). In February 1999, following negotiations which commenced in the fall of 1998, we sold and franchised to Donmyer 11 Midas Shops located on Long Island, New York, which we had previously owned and operated. On November 30, 2000, the franchisee filed a petition under Chapter 11 of the United States Bankruptcy Code. On December 18, 2000, the franchisee/debtor-in-possession filed an adversarial proceeding against us, Midas, Inc., and a number of our and its individual officers and employees, alleging (i) violation of the New York State Franchise Sales Act, (ii) violation of the United States RICO statute, (iii) breach of warranty, and (iv) common law fraud, all based upon allegations of pre-sale misrepresentations and omissions of facts relating to operations of the Midas Shops before the sale and conduct after the sale. The complaint sought rescission of the agreement for the sale of the Midas Shops, together with the franchise agreements and real estate agreements pertaining to the Midas Shops, and consequential damages of \$1.2 million for the purchase price of the Midas Shops, \$5.1 million for losses incurred, \$25 million for future lost profits, as well as treble damages, interest and attorneys' fees. On February 15, 2001, we filed a motion to dismiss all counts of the complaint for failure to state causes of action, failure to plead the allegations with the requisite particularity, and, with respect to certain of the individual defendants, lack of personal jurisdiction. On April 10, 2002, Donmyer agreed to dismiss all counts of the complaint without prejudice in consideration of MRC's agreement to grant rent concessions requested by Donmyer under certain Midas Shop leases.

Steven Katz, et. al. v. Midas International Corporation and Midas, Inc., (original case no. CAL 01-29305, Circuit Court for Prince George's County, Maryland; new case number 238185-V, Circuit Court for Montgomery County, Maryland). We previously issued lifetime warranties on brake shoes and pads, as well as exhaust products, which included both the cost of the replacement product and the cost of its installation. We subsequently changed prospectively both warranties to exclude from their scope the cost of labor to install replacement pads or shoes. In December 2001, the plaintiffs filed a class action suit alleging that we, together with all of our franchisees, had conspired against all customers who had received an original brake or exhaust warranty by either charging them for labor in connection with warranty work (in violation of the terms of the original warranty) and/or issuing them the new, more restrictive warranty in substitution of the original warranty.

On October 10, 2002, the Prince George's County Circuit Court transferred this case to the Circuit Court of Montgomery County, Maryland. After the transfer, the plaintiffs filed a motion to certify a Maryland statewide class, which was denied on mootness grounds. On September 12, 2005, the Maryland Court of Special Appeals reversed the order in relevant part and remanded for a hearing on the merits regarding plaintiffs' motion for class certification. On May 24, 2006, the motion for class certification was denied on the merits. The parties then entered into a settlement agreement as of November 22, 2006. Under this settlement, we agreed to pay: (1) \$500 to each of the four plaintiffs; (2) refunds totaling \$1,644.19 to certain non-plaintiff customers; and (3) \$40,000 to plaintiffs' lawyers as reimbursement for legal fees incurred. Co-defendant Harford Car Care Inc., a Midas franchisee, agreed to pay \$5,000 to plaintiffs' lawyers, also as reimbursement for legal fees incurred. The case was dismissed with prejudice on December 13, 2006.

Independent Warehouse Distributors, LLC v. Midas, Inc., Midas International Corporation, et al. (case no. 304CV0292, United States District Court for the District of Connecticut). In March 2004, Independent Warehouse Distributors, LLC, an independent third party, filed suit against us, Midas, Inc., Vicco Management, Inc. d/b/a Midas Muffler Shop, and Copeland Muffler Corporation d/b/a Midas Muffler. Subsequently, the plaintiff amended its complaint to properly name Copeland Muffler Corporation as Systems Engineering Whitney, LLC d/b/a Midas Muffler, and to add COSMIC as a defendant. Plaintiff alleged federal trademark infringement, false designation of origin, unfair competition, dilution, false advertising, two state common law claims and one state statutory violation. The allegations claimed that defendants' use of the phrase "Auto Service Experts" constituted trademark infringement and other violations of the Lanham Act, state common law and state statutory law. The defendants answered the suit by denying all of the allegations. In February 2005, the parties entered into a settlement agreement under which the plaintiff dismissed the lawsuit with prejudice. Also as part of the settlement, we paid the plaintiff the sum of \$250,000 for past use, and the parties agreed to a license arrangement whereby we will pay to the plaintiff an annual license fee (\$25,000 per year for the first five years and \$50,000 per year for the second five years, with incremental increases of \$5,000 every five years thereafter) for the future use of the phrase for an indefinite period of time. We have the option to terminate this arrangement at any time and without penalty. Neither party admitted any liability or wrongdoing as part of the settlement.

Bassie Ribiat et al. v. Midas International Corporation et al., (case no. BC338836, Superior Court of the State of California for the County of Los Angeles). On August 24, 2005, the plaintiff, a Midas Shop customer, filed a consumer class action lawsuit against us alleging violations of the Consumers Legal Remedies Act ("CLRA") and Sections 17200 and 17500 of the California Business and Professions Code. On June 1, 2006, the plaintiff amended the complaint to also include false advertising allegations. The plaintiff alleged that a franchisee-owned Midas Shop wrongfully charged the plaintiff a \$2.00 disposal fee (plus tax) in connection with an oil change performed on plaintiff's vehicle. In addition, the complaint alleged that, in violation of the CLRA and Sections 17200 and 17500 of the California Business and Professions Code, certain consumers who purchased an advertised auto service from Midas Shops were not properly informed of all applicable charges and taxes. The plaintiff claimed that these business practices were unlawful, deceptive, fraudulent and caused economic harm to plaintiff and the putative class members. The plaintiff sought, among other things: (a) certification of each count as a class action, (b) compensatory and punitive damages, (c) restitution and disgorgement, (d) costs, attorneys' fees and interest, and (e) a declaratory order and/or injunctive relief.

A thorough investigation revealed that certain franchisees in California may have mistakenly charged sales tax on disposal fees to certain customers, despite our long-standing policy prohibiting the charging of any disposal fees. On August 28, 2006, we filed a motion to dismiss the entire complaint on the grounds that the claims were baseless. We also filed a motion to strike certain allegations of the complaint related to plaintiff's prayer for relief.

Before our motions were heard, the parties entered into a settlement agreement on October 27, 2006. Under this settlement, we agreed to: (1) make a reasonable effort to reimburse all customers who paid sales tax on disposal fees for oil services at any California Midas Shop since August 24, 2001, and provide each such customer with a coupon for \$3.00 off his or her next oil service at any participating Midas Shop in California; (2) pay \$500 to plaintiff; and (3) pay \$25,000 to plaintiff's counsel as reimbursement for legal fees incurred. The case was dismissed with prejudice as to plaintiff and without prejudice as to the putative class members.

Midas International Corporation v. Morco Enterprises, Inc., Joseph R. Morneau and Patricia H.S. Morneau, (Civil Action No. 1:08-cv-10647-DPW, United States District Court for the District of Massachusetts). On April 16, 2008, we filed suit against the defendants, who were prior Midas franchisees, to recover unpaid royalties and other debts owed to us by the defendants and to enforce our rights under the Franchise Agreement. On or about June 17, 2008, defendants filed counterclaims against us alleging breach of contract and unfair and deceptive acts prohibited by G.L. c. 93A. Defendants sought monetary damages. On or about August 11, 2008, we filed an Answer to Counterclaims denying defendants' allegations. On or about September 25, 2008, we and the defendants settled the litigation. Under the terms of the settlement, defendants paid us the sum of \$15,000 and fully complied with the post-termination obligations as required in the Franchise Agreement, including, without limitation, transferring to us the telephone number used by defendants when they were Midas franchisees. The suit was dismissed with prejudice on or about October 10, 2008.

Midas International Corporation and Midas Realty Corporation v. Double A & B Management, Inc., Frederick S. Sullivan and Joseph R. Morneau, (Civil Action No. 1:09-cv-10368-MLW, United States District Court for the District of Massachusetts). On March 11, 2009, Midas Realty Corporation ("MRC") and we filed suit against Double A & B Management, Inc., who was our prior tenant and franchisee, and Joseph R. Morneau and Frederick S. Sullivan, guarantors of Double A & B Management, Inc., to recover unpaid royalties, rents and other debts owed to MRC and us by the defendants and to enforce our rights under the Franchise Agreement and MRC's rights under the Lease. On or about April 6, 2009, defendants filed counterclaims against us alleging breach of contract and unfair and deceptive acts prohibited by M.G.L. c. 93A. Defendants sought unspecified monetary damages. On or about April 9, 2009, MRC and we filed an Emergency *Ex Parte* Motion For Trustee Process Attachments, General Writ Of Attachment, And Temporary Restraining Orders seeking an attachment and trustee process in the amount of \$133,257.73 of certain assets of defendants and an injunction preventing the defendants from transferring funds, up to the amount of \$133,257.73, for any purpose, until further order of the Court. On April 15, 2009, the Court issued an Order allowing the attachment and trustee process in the total amount of \$95,000. On or about April 27, 2009, we filed an Answer to Counterclaims denying defendants' allegations. At a September 11, 2009 conference, the parties agreed that judgment in the amount of \$95,000 would be entered in favor of MRC and Midas and against the defendants. Morneau agreed to make an initial payment in an amount equal to all of his assets restrained by Trustee Process, excluding any assets in his IRA funds, with the remainder to be paid in installments. Upon full payment of these amounts, MRC and Midas will release the defendants. On September 16, 2009, a court order reflecting the above was entered.

Midas Canada Inc. and Midas Realty Corporation of Canada Inc. v. Okanagan Muffler Centre Ltd., R. Ray Holdings Ltd., Richard Raymond Livingstone, Freshfield Developments Ltd., Southgate Automotive Ltd., and RJ Tech. Systems Ltd. (case no. S070732, Supreme Court of British Columbia). On February 2, 2007, Midas Canada and MRCC filed suit against the defendants with respect to four Canadian franchises. Midas Canada and MRCC sought a declaration that the four Canadian franchise agreements are terminated, judgment with respect to unpaid royalties and damages, an order of possession with respect to a Midas Shop, and injunctive relief with respect to intellectual property including trademarks, customer data and telephone numbers. The defendants filed a statement of defence on February 23, 2007 disputing the amounts owed, the plaintiffs' right to the Midas Shop in question and denying breach of

intellectual property rights. The plaintiffs obtained an order by consent on March 13, 2007 granting the plaintiffs' interlocutory relief with respect to customer data and telephone numbers including orders that the defendants transfer and assign telephone numbers to the plaintiffs and provide customer data. It is admitted by the parties that the four Canadian franchise agreements are terminated. The plaintiffs took possession of 2 of the defendants' former Midas Shops. The defendants voluntarily took steps to comply with their obligations regarding intellectual property. On March 7, 2008, the defendants filed a counterclaim alleging breaches of contractual, statutory and other duties owed by Midas Canada to the defendants. The alleged breaches relate to the supply, distribution and pricing of Midas products sold to the defendant franchisees, including the decision of Midas Canada to cease directly supplying products to franchisees and to instead engage a third party product supplier. The counterclaim also alleged that Midas Canada was the agent for its franchisees with respect to negotiations with the third party supplier and breached obligations owed as an agent, disputes the entitlement of Midas Canada to receive rebates and alleges breach in relation to such rebates and alleges a breach of a North American Supply Chain Counsel Charter. The counterclaim further alleged that Ontario franchise legislation is applicable and that Midas Canada has breached that Ontario franchise legislation, namely the Arthur Wishart Act (Franchise Disclosure), 2000, S.O. 2000, c.3, in addition to alleging breach of fiduciary duty, statutory and common law duties of good faith and fair dealing, breach of contract and unjust enrichment. The counterclaim claimed unspecified damages, restitution, and royalty abatement as well as punitive, exemplary and aggravated damages, interest and costs. Midas Canada filed a Statement of Defence to Counterclaim. The parties have now settled all of the remaining claims between them on the basis that Midas Canada has released the defendants from claims for unpaid royalties of approximately Cdn. \$150,000 and Midas Canada and MRCC have, in turn, been released from all claims in the counterclaim and, also, from an existing 10 year lease of unused commercial premises in Vernon, British Columbia, which was to run until February 28, 2018 and which call for rent of Cdn. \$50,000 for the first 5 years and market rent after that plus triple net obligations. The settlement has been put in place and the case was dismissed on May 3, 2010.

Robin Dawson and Chasity Luty v. Midas International Corporation and J&A Automotive LLC, (case no. 10-2-09459-8 SEA, Superior Court of Washington in and for the County of King). This case was filed on March 5, 2010 by two Midas Shop customers. This is a putative consumer class action alleging that Midas and its franchisee failed to honor a lifetime oil change program. The Complaint asserts causes of action for (i) breach of contract, (ii) unjust enrichment, and (iii) violation of the Washington Consumer Protection Act (RCW 19.86.020). The Complaint sought, among other things: (a) declaratory relief under the Uniform Declaratory Judgment Act (RCW 7.24.010), (b) certification of a class, (c) extraordinary, equitable, and/or injunctive relief, (d) losses resulting from breach, (e) three times the alleged damages to plaintiffs and class members, and (f) costs and fees, including attorney's fees and expert witnesses. We answered the Complaint on April 16, 2010, denying the substantive allegations of the Complaint, denying the plaintiffs' claims for relief, and denying that a class action can be certified based on the allegations of the Complaint. The parties executed a confidential settlement agreement in July 2010, which settlement was approved by the judge on October 1, 2010. As part of the settlement, Midas and two of its franchisees in Washington agreed to honor the lifetime oil change agreements until December 31, 2015. We also agreed to pay \$32,500 in fees to plaintiffs' counsel and \$2,000 in aggregate costs for participation awards to the named plaintiffs. To inform the class members of the settlement, we caused notices to be mailed to individual class members, posted a classified notice in the Seattle Times, and created a website concerning information about the settlement. The franchise named in the litigation must also post a flyer in its shops informing customers that previously sold lifetime oil change agreements will be honored until December 15, 2015. As a result of the final approval of the settlement, the case has now been dismissed and the litigation is concluded.

Pending:

Angela Morales and Randy Hoover v. United Autocare Center, LLC et al., (case no. BC354587, Superior Court of California for the County of Los Angeles)(the “Morales/Hoover Litigation”). On June 27, 2006, this lawsuit was commenced by the initial named plaintiff Steven Saucedo, a Midas Shop customer, who filed a consumer class action complaint against seven defendants, including Midas and Midas, Inc. (collectively, the "Midas Companies"), alleging that the Midas Companies and their franchisees advertised and sold brake pads in an unlawful manner. On January 26, 2007, the plaintiff filed a First Amended Complaint, which included claims for (i) unlawful business practices arising from the alleged substitution of inferior brake pads in place of the Midas-brand brake pads listed on the customer invoices, (ii) unfair and deceptive business practices arising from the alleged brake substitution, (iii) false advertising in connection with the alleged brake substitution, (iv) fraud and deceit, (v) negligent misrepresentation, (vi) breach of contract, (vii) breach of the implied covenant of good faith and fair dealing, (viii) breach of implied warranties, (ix) breach of express warranties, (x) negligent supervision, and (xi) negligence. The First Amended Complaint sought, among other things: (a) certification of a class and subclass, (b) compensatory and punitive damages, (c) restitution and disgorgement, (d) costs, attorneys' fees and interest, and (e) injunctive relief. On March 5, 2007, the Midas Companies filed a demurrer to the First Amended Complaint and a motion to strike allegations and prayer for improper remedies from the First Amended Complaint. On April 10, 2007, the court granted, in part, and denied, in part, the Midas Companies' demurrer to the First Amended Complaint. The ruling struck the plaintiff's causes of action for breach of the implied covenant of good faith and fair dealing and negligent supervision. On March 26, 2008, plaintiffs filed their Second Amended Complaint adding the new named plaintiffs Angela Morales and Randy Hoover. Former plaintiff Steven Saucedo was dismissed and the Second Amended Complaint dropped claims against the Midas Companies for breach of implied covenant of good faith and fair dealing, breach of implied warranties, breach of express warranties and negligent supervision. On April 25, 2008, the Midas Companies filed a demurrer to the Second Amended Complaint and a motion to strike the claim for compensatory and punitive damages under the California Consumer Legal Remedies Act (Cal Civ Code Sections 1750 et seq). The Court issued an Opinion and Order on October 14, 2008 granting the motion to strike and sustaining the demurrer to the Second Amended Complaint.

On November 7, 2008, the plaintiffs filed a Third Amended Complaint in which they attempted to cure the deficiencies noted in the Court's Opinion and Order. On December 19, 2008, the Midas Companies filed their demurrer and motion to strike in response to the Third Amended Complaint. On February 4, 2009, the Court issued an order sustaining the demurrer in its entirety and dismissing the Third Amended Complaint. The claims of Plaintiffs Morales and Hoover that were dismissed in the Third Amended Complaint included claims for (i) unlawful business practices arising from the alleged substitution of inferior brake pads in place of the Midas-brand brake pads listed on the customer invoices, (ii) unfair and deceptive business practices arising from the alleged brake substitution, (iii) false advertising in connection with the alleged brake substitution, (iv) fraud and deceit, (v) negligent misrepresentation, and (vi) breach of contract. On May 11, 2009, the plaintiffs filed a Fourth Amended Complaint. The Fourth Amended Complaint reasserts all the same claims as were contained in the dismissed Third Amended Complaint. Based on new allegations made in the Fourth Amended Complaint, the Court, on August 18, 2009, overruled Midas' demurrer to the Fourth Amended Complaint. On January 14, 2010, the Court lifted the stay on discovery and ordered the parties to meet and confer regarding the discovery that each side requires.

On September 2, 2011, the Court heard oral argument on the Plaintiffs' motion for class certification and issued a tentative ruling denying class certification. On December 19, 2011, the Court rendered a final order denying class certification and also denied Midas' dispositive motions. The Court stayed the matter until March 23, 2012 pending Plaintiffs' decision as to whether they will appeal the denial of class certification.

Judy McCormack v. United Autocare Center, LLC, Mirnat Inc, Midas Inc, Midas International Corporation and Shahram Nateghi, (case no.00252746, Superior Court of California for the County of Orange). This case was filed on March 17, 2009 by Judy McCormack, a Midas Shop customer. This is a consumer class action alleging that the Midas Companies and their franchisee advertised and sold brake pads in an unlawful manner. The Complaint includes claims for (i) unfair and deceptive business practices arising from the alleged brake substitution and (ii) unlawful business practices arising from the the alleged substitution of inferior brake pads in place of the Midas-brand brake pads listed on the customer invoices. The Complaint seeks, among other things: (a) certification of a class, (b) compensatory and punitive damages, (c) restitution and disgorgement, (d) costs, attorneys' fees and interest, and (e) injunctive relief. Plaintiff filed a First Amended Complaint for the sole purpose of redacting confidential information from the original complaint. On June 3, 2009, Midas filed a Petition for Judicial Coordination with the California Judicial Council, as ordered by the Court in the related case of Angela Morales and Randy Hoover v. United Autocare Center, LLC et al., (case no. BC354587, Superior Court of California for the County of Los Angeles), which was granted on September 18, 2009. The coordinated cases were assigned for all purposes to the Los Angeles Superior Court. On January 14, 2010, the Court lifted a stay on discovery and ordered the parties to meet and confer regarding the discovery that each side requires.

On September 2, 2011, the Court heard oral argument on the Plaintiffs' motion for class certification and issued a tentative ruling denying class certification. On December 19, 2011, the Court rendered a final order denying class certification and also denied Midas' dispositive motions. The Court stayed the matter until March 23, 2012 pending Plaintiffs' decision as to whether they will appeal the denial of class certification.

405341 Ontario Limited v. Midas Canada Inc. (formerly Landsbridge Auto Corp. and 405341 Ontario Limited v. Midas Canada Inc. and Midas International Corporation) (Court File No. 07-CV-333934 CP, Ontario Superior Court of Justice). An action was commenced in the Ontario Superior Court of Justice by Notice of Action issued May 31, 2007 and Statement of Claim dated June 29, 2007 (Court File No. 07-CV-333934 CP) by two franchisees, Landsbridge Auto Corp. ("Landsbridge") and 405341 Ontario Limited, against Midas and Midas Canada seeking, among other things, damages for breach of contract, derogation from the grant, breach of the duty of fair dealing in the amount of Cdn. \$75 million and in the alternative, compensation and restitution for unjust enrichment in the amount of Cdn. \$75 million. In addition, the Statement of Claim seeks an abatement of royalties payable under the Midas Canada franchise agreement and other declaratory and injunctive relief as well as punitive damages, interest and legal costs. The plaintiffs sought to have the court certify the claim as a class proceeding with the proposed members of the class being any Midas franchisee carrying on business in Canada and having a valid franchise agreement on or after May 31, 2007.

On March 26, 2009, the action was dismissed as against Midas International Corporation. The same Order dismissed the claims of Landsbridge Auto Corp., but otherwise certified the action as a class proceeding against Midas Canada. The Court has ruled that the only claims that the plaintiffs will be allowed to advance as a class are with respect to whether Midas Canada breached its common law and statutory duties of good faith/fair dealing when Midas Canada implemented its new supply chain in 2003, and, if so, whether Midas Canada could properly maintain the same royalty structure after ceasing to supply products to its franchisees. All other causes of action against Midas Canada and Midas, and proposed common issues based on those causes of action, were rejected by the court. In its decision, the court ruled that Midas Canada did not breach its franchise agreement when it closed its manufacturing and distribution operations in 2003 or accepted rebates from its supplier. The Order certifying the class proceeding dismissed the action against Midas International Corporation. Eight of the class members opted out of the class proceeding.

Midas Canada filed its Statement of Defence on October 17, 2008, in which it denied the allegations made in the Statement of Claim and denied that it is liable to the plaintiffs or members of the class. The plaintiff made a motion for a declaration that, for the purposes of this proceeding, releases executed by members of the class on renewal or assignment of their respective franchise agreements are void under Ontario law. The motion was granted on October 16, 2009 with costs in favor of the plaintiff. Midas Canada appealed this Order to the Court of Appeal for Ontario. On July 6, 2010, the Court of Appeal for Ontario dismissed Midas Canada's appeal. No trial date is scheduled and the discovery process is continuing.

Alchemy Systems (#2) Limited Partnership and Surrey Mufflers Ltd. v. Midas Canada Inc. and Midas Realty Corporation of Canada Inc. (case no. S-071451, Supreme Court of British Columbia). On March 2, 2007, plaintiffs, the former owners of Midas Shops in British Columbia, Canada filed suit against Midas Canada and Midas Realty Corporation of Canada, a wholly-owned subsidiary of Midas Canada ("MRCC"). The plaintiffs alleged that they were damaged as a result of Midas Canada's decision to cease directly supplying products to the Canadian Midas Shops and to instead engage a third party product supplier. In addition, the plaintiffs claimed that rebates received by Midas Canada constitute "secret profits" and that Midas Canada did not carry out its advertising obligations properly. The plaintiffs' claims against Midas Canada included breach of the duty of good faith owed by Midas Canada and breach of the applicable franchise agreements. In addition, plaintiffs alleged that MRCC holds leasehold interests for two of the Midas Shops' premises in trust for the plaintiffs. The plaintiffs also alleged that real estate documents entered into with MRCC for two other Midas Shop premises are invalid and unenforceable because they are unconscionable and without consideration. The plaintiffs sought rescission of their franchise agreements, damages for breach of contract and breach of the duty of good faith, interest, costs, a declaration of trust with respect to the two Midas Shop premises, a declaration that the two real estate documents referenced above are void and unenforceable, and any further relief that may be sought by the plaintiffs and granted by the court. Midas Canada filed a Statement of Defence and Counterclaim on March 30, 2007. The counterclaim claimed unpaid royalties, damages, declaratory relief with respect to the termination of franchise agreements and subleases, orders for possession of the Midas Shops and injunctive relief with respect to intellectual property including trademarks, a website, customer data and telephone numbers. The parties have reached a settlement of this dispute, which involved Midas Canada taking ownership of six of the plaintiffs' Midas Shops in British Columbia together with all assets on site and all other claims being released. The final adjustments regarding the transfer of two Midas shops to Midas are still outstanding. Once those adjustments are finalized, the action and counterclaim will be settled and dismissed with prejudice.

Midas Canada Inc. v. Cranbrook Muffler Ltd., Brian James Toth and Deborah Marie Toth (case no. S074943, Supreme Court of British Columbia). On July 20, 2007, Midas Canada filed suit against the defendants with respect to one franchise location in Cranbrook, British Columbia. Midas Canada seeks a declaration that the Canadian franchise agreement is terminated, judgment against all 3 defendants for unpaid royalties and damages and injunctive relief with respect to intellectual property including telephone numbers and customer data. The defendants filed a Statement of Defence and counterclaim on August 17, 2007 denying liability and alleging damage as a result of Midas Canada's decision to cease directly supplying products to the Midas Shop and to instead engage a third party product supplier for the Midas Shops. In addition, the defendants claim that rebates received by Midas Canada constitute "secret profits" and that Midas Canada did not carry out its advertising obligations properly. The defendants counterclaimed against Midas Canada for fundamental breach of the franchise agreement and breach of the duty of good faith and seek a rescission of the franchise agreement, damages, interests, costs and an order that all "secret profits" be disgorged. The defendants acknowledged that the franchise agreement is terminated and have taken steps to comply with their obligations to cease using the Midas Canada's intellectual property and provide the telephone numbers and customer data. Midas Canada is claiming Cdn. \$125,628.43 plus interest and costs from the defendants. The counterclaim is for general damages and no amount is given or easily quantifiable. Midas Canada filed a response to the counterclaim on June

23, 2011. Documentary discovery has occurred. Midas Canada is moving forward with this litigation and is bringing on an application for judgment.

Midas Canada Inc. v. Corona Systems LP, 0277278 B.C. Ltd. formerly known as 277278 B.C. Ltd. and Larry O'Doherty (Case No. VLCS S 097225, Supreme Court of British Columbia). On October 1, 2009, Midas Canada filed suit against the defendants with respect to one franchise location in Port Coquitlam, British Columbia. Midas Canada seeks a declaration that the Midas franchise agreement is terminated, judgment against Corona Systems and 0277278 B.C. Ltd., for unpaid royalties of approximately Cdn. \$40,000 plus unspecified damages and injunctive relief with respect to intellectual property including a telephone number and customer data. The defendants filed an Amended Statement of Defence and Counterclaim on May 5, 2010 denying liability and seeking damages and set off as a result of Midas Canada's decision to cease directly supplying products to the Midas Shop and instead engage a third party product supplier for the Midas Shop. In addition, the defendants claim that rebates received by Midas Canada constitute "secret profits" and that Midas Canada did not carry out its advertising obligations properly. The defendants counterclaimed against Midas Canada for rescission of the franchise agreement and breach of the duty of good faith and seek return of royalties paid, unspecified damages, punitive or aggravated damages, an accounting of the alleged secret profits, interest and costs. Midas Canada filed a Defence to the Counterclaim on January 19, 2010. The defendants acknowledge that the franchise agreement is terminated and have ceased using Midas Canada's intellectual property. Documentary discovery and examinations for discovery have occurred. Midas Canada is moving forward with this litigation and is bringing on an application for judgment.

Midas International Corporation v. Executive Management Group, Inc. F/K/A KNK Auto Service & Sales, Inc., and Shawn Ferguson, (Case PC 08-0052, State of Rhode Island, Providence, Superior Court). On January 7, 2008, we filed suit against the defendants, who were our prior franchisees, to recover unpaid royalties and other debts owed to us by defendants in the amount of \$35,247.49. On or about February 11, 2008, defendant Shawn Ferguson filed counterclaims against us claiming that damages resulted from our alleged termination of manufacturing, distribution, training and market specific advertising programs. The defendant seeks monetary damages in the amount of \$2.4 million. We are defending this lawsuit and in February 2008 filed an answer denying the defendant's allegations. Although this matter remains open, there have been no subsequent actions, court dates or other proceedings since we filed our answer.

MESA S.p.A. v. Midas International Corporation, (case no.: not applicable, Court of Appeal, Milan, Italy). MESA S.p.A. ("MESA") is an Italian company which operates the Midas system in Europe under a License Agreement ("License Agreement") and an Agreement of Strategic Alliance (together, the "Agreements") with Midas. On January 3, 2012, Midas received notice that on December 28, 2011 MESA filed suit claiming that Midas is in breach of the Agreements due to its alleged failure to cooperate with MESA to improve the Midas system in Europe. MESA seeks damages for the alleged breach of up to €5,782,000, representing a portion of the royalties MESA paid to Midas for the period from June 2009 through October 2011. MESA also seeks declaratory judgment suspending MESA's obligation to pay 80% of its future royalty payments owed to Midas under the License Agreement and litigation costs. Midas has until September 28, 2012 to appear before the Court of Appeal in Milan, Italy, regarding the claims.

Actions Filed Against Franchisees or Former Franchisees in 2010 to Recover Royalties, Trade Account Debts or Rental Obligations and Honor Post-Termination Obligations:

Midas International Corporation v. James Gittemeier, Circuit Court of St. Louis County, Missouri, Case #10SL-CC02635, Filed July 1, 2010.

Midas International Corporation and Midas Properties, Inc. v. L.H. Haxton, Inc., Circuit Court of Cook County, Illinois, Case #10 CH 35438, Filed August 17, 2010.

Midas International Corporation v. Go Blue Inc. and James E. Halbeisen, District Court of Mecklenburg County, North Carolina, Case #1-CVD-018607, Filed September 7, 2010.

Midas International Corporation v. Eli Friedlich and Lydia Friedlich, Superior Court of California, County of Los Angeles, Central District, Case #BC445865, Filed September 17, 2010.

Midas International Corporation v. Kimba Corp., United States District Court, Northern District of Illinois, Eastern Division, Case #1:10-cv-06112, Filed September 23, 2010.

Midas International Corporation and Midas Realty Corporation v. D.M. Samuels, Inc., United States District Court, Northern District of Illinois, Eastern Division, Case #1:10-cv-7683, Filed December 2, 2010.

Midas International Corporation, Midas Realty Corporation, Midas Properties, Inc. v. Mallard Group, Ltd., Benjamin F. Balme, M.D., Gregory G. Cremarosa, Robert G. Elam and Louis R. Muller, United States District Court, Eastern District of California, Sacramento Division, Case #2:10-CV-03232-LKK-GGH, Filed December 3, 2010.

Midas International Corporation v. Collerville Group, LLC and Russell F. Gordon, Circuit Court of Shelby County, Tennessee, Case #CT-006051, Filed December 16, 2010.

Other than the cases described above, no litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

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

ITEM 5: INITIAL FEES

Application Deposit

You must complete and submit an Application for Midas Shop Franchise (an “Application”) (Exhibit C-1) and other related informational documents pertaining to your operational background, credit history and financial resources to be considered for a franchise. This is also the case if you are already a Midas franchisee and would like to open another Midas Shop. Except as noted below, you must remit a \$5,000 deposit in a lump sum with your Application. This deposit is applied toward payment of the initial franchise fee (described below). If you are purchasing an operating Midas franchise from an existing Midas franchisee, you will not be required to remit a deposit. **YOUR APPLICATION WILL NOT BE PROCESSED UNTIL ALL REQUIRED ASSOCIATED DOCUMENTS AND INFORMATION HAVE BEEN SUBMITTED AND VERIFIED.**

The Application may be terminated by either party at any time before the execution of the Franchise Agreement and any lease documents by giving written notice to the other party. If we do not accept your Application or you cancel your Application for any reason within 30 days of our acceptance of your Application, your deposit will be refunded to you. However, if your Application is terminated after this 30-day time period for any reason, we have the right to retain your deposit as compensation for expenses (including broker’s fees) incurred in connection with the Application and in this case, no portion of your deposit will be refunded to you. Your Application will automatically terminate if you have not received approval from us for the site from which you will operate your Franchised Unit within 12 months after we have accepted your Application. We may terminate your Application at any time, including under the following circumstances: (1) if we propose one or more sites and you do not accept a proposed site within 20 days of receiving our proposal; or (2) if you do not execute and return the required franchise documents to us within 30 days of your receipt. However, you may stop this termination by returning the executed documents to us within 10 days of our notice to terminate the Application. If the Application is terminated: (a) all of your rights provided in the Application and rights to the market area described in the Application will automatically terminate; and (b) we will have no further obligations to you under the Application or in connection with the described market area (except for refunding the deposit in those specific circumstances expressly provided for in the Application).

Site Selection Fee

Except as noted below, you must pay to MRC a one-time site selection, review and approval fee (the “Site Selection Fee”). If you acquire an acceptable site without the assistance of MRC, the Site Selection Fee will be \$1,000, payable by you to MRC. However, if MRC identifies the site, the Site Selection Fee will be \$2,500, payable by you to MRC. The applicable Site Selection Fee is fully earned when charged and is due in its entirety upon the execution of the Franchise Agreement and other related documents. No portion of the Site Selection Fee is refundable under any circumstance. However, if you are purchasing a Midas franchise for an operating Midas Shop from an existing Midas franchisee, you will not be required to remit a Site Selection Fee. Also, if you are reopening a previously operated Midas Shop or purchasing a company-owned Midas Shop, you will not be required to remit a Site Selection Fee.

Initial Franchise Fee

When you sign the Midas Franchise and Trademark Agreement (the “Franchise Agreement”) (Exhibit D-1), you must pay our standard initial franchise fee of \$30,000 (off-set by the \$5,000 deposit described above). However, you may qualify for a lower initial franchise fee. If you own one Other Shop (defined below) and meet the criteria below, the initial franchise fee is \$25,000. If you own more than one Other Shop and meet the criteria below, the initial franchise fee is \$20,000. You will qualify for the lower initial franchise fee if you satisfy all of the following criteria: (1) you own (as verified by our

records) at least 51% of the Franchised Unit and also own at least 51% of at least one other Midas Shop (the "Other Shop(s)"); (2) the Other Shops are currently, and have been for at least one year, open for business and are being operated under a valid Franchise Agreement; (3) you (or any franchisee entity of which you own any percentage interest) are not in default under any Franchise Agreement or any other agreement with (or obligation to) us or any of our affiliates or any policy (including, but not limited to, any real estate policy) of ours or any of our affiliates; and (4) you have previously completed our Operations Training Program (described in Item 11) in connection with the Other Shop(s). Other Shop(s) do not include Speedee Shops or Co-Branding Shops. If you do not meet these criteria, the initial franchise fee is \$30,000. This arrangement does not mean that we are obligated to grant you additional franchises and we may decline to offer or sell you an additional franchise in our sole discretion.

Except as described in the "Incentive Programs" section below and for the deposit described above, the initial franchise fee must be paid in a lump sum upon the execution of the Franchise Agreement and other related documents by wire transfer, cashier's check, money order or other certified funds. The initial franchise fee is fully earned when charged and is non-refundable under any circumstance. However, in fiscal year 2010, in certain circumstances where the franchisee either: reopened a previously operated Midas Shop, purchased a company-owned Midas Shop or converted his or her operating automotive repair facility to a Midas Shop, we accepted a promissory note for a portion of the initial franchise fee. These promissory notes permitted the franchisee to remit the remaining balance of the initial franchise fee over various periods, from 3 to 20 months. We do not always permit a franchisee to remit the balance of the initial franchise fee over time even for franchisees in these types of circumstances, and we may freely choose not to do so with you, even if you are purchasing a franchise for a Midas Shop that falls into one of these categories. Currently, we are offering the incentive programs described below.

If you are purchasing a Midas franchise for an operating Midas Shop from an existing Midas franchisee after we have notified the existing Midas franchisee that we will not extend the franchise relationship (renew the franchise) at the expiration of the term of the existing Franchise Agreement or that we will do so only upon the existing Midas franchisee complying with special conditions, you will enter into a new 20-year Franchise Agreement and will be required to pay us a franchise fee in the amount of one-half of the standard initial franchise fee we charge new franchisees (who own no other Midas Shops) at the time of the sale.

Incentive Programs

Periodically and at our sole and absolute discretion, we may offer qualified prospective franchisees incentives to purchase or develop Midas Shops, to reopen previously operated Midas Shops, to convert their operating automotive repair business to a Midas Shop or to purchase a company-owned and operated Midas Shop. These incentives may include, but are not limited to, reduced or deferred payment of the initial franchise fee and/or contributions toward the purchase of marketing, equipment or signage. Incentives are not offered to all franchisees nor for all Midas Shops. We will select the franchisees and Midas Shops to offer these incentive programs based on then-current market conditions.

Veterans' Incentive Program

We offer financial incentives to qualified U.S. veterans and individuals currently serving or who have served in the U.S. Armed Forces under our Veterans' Incentive Program (the "Veterans' Incentive Program"). Under the Veterans' Incentive Program, we offer a discount on the initial franchise fee as described below. If you are a U.S. veteran and qualify for the Veterans' Incentive Program, you will receive a \$5,000 discount on the initial franchise fee for your first Midas Shop, thus reducing the initial franchise fee for your first Midas Shop from \$30,000 to \$25,000. The Veteran's Incentive Program is not available if you or a business entity of which you are at least a 50% owner of, already owns a Midas

Shop, SpeeDee Shop or Co-Branding Shop. Except as described in the “Deferral Incentive Program” section below, this initial franchise fee is payable as follows: \$5,000 remitted with your Application and \$20,000 when you sign your Franchise Agreement and other related documents. The initial franchise fee is fully earned when charged and is non-refundable under any circumstances. The Veterans’ Incentive Program is available to all qualified individuals who either have received an honorable discharge from one of the U.S. Armed Forces (i.e., Army, Navy, Air Force, Coast Guard or Marine Corps) or are currently serving in one of the U.S. Armed Forces and are eligible to receive an honorable discharge. If the franchisee is a legal entity and not an individual, an individual meeting these eligibility requirements must own at least 50% of the entity. We reserve the right to extend, change or discontinue the Veterans’ Incentive Program at any time.

Deferral Incentive Program

Currently we are offering an incentive program to qualified prospective franchisees who open a new Midas Shop, reopen a previously operated Midas Shop or convert their operating automotive repair business to a Midas Shop (the “Deferral Incentive Program”) provided that the Franchise Agreement for the Franchised Unit is signed on or before March 31, 2012. Under the Deferral Incentive Program, instead of paying the entire initial franchise fee as described above, you will be permitted to pay the initial franchise fee as follows: (1) \$5,000 lump sum deposit with the submission of your Application, (2) \$5,000 lump sum payment upon the execution of the Franchise Agreement and other related documents, and (3) the remaining balance paid in 20 equal monthly installments via ACH Debit (defined below) commencing on the twenty-first day of the month following the month in which the term of the Franchise Agreement commences. If you also qualify for the Veterans’ Incentive Program, you will not be required to make the second \$5,000 payment upon the execution of the Franchise Agreement and other related documents. To evidence this deferred payment obligation, you will sign, concurrently with the execution of the Franchise Agreement, a promissory note for the remaining balance of the initial franchise fee (Exhibit D-12). We have no obligation to refund any portion of the initial franchise fee if the Franchise Agreement is terminated at any time. Furthermore, if the Franchise Agreement is terminated, you will continue to be obligated to pay the outstanding balance due under the promissory note. Pursuant to paragraph 6 of the promissory note, you are also obligated to pay us interest for any monetary obligations under the note which are not paid when due at a rate equal to three percentage points over the prime lending rate then used by JP Morgan Chase Bank, or its successor. In addition, if you qualify to participate in the Deferral Incentive Program and elect to use the R.O. Writer point-of-sale software program (See Items 8 and 11 for more information), PAS will waive the first 3 monthly R.O. Writer Software Support fees. We reserve the right to extend, change or discontinue the Deferral Incentive Program at any time. The Deferral Incentive Program is not available for prospective franchisees who purchase company-owned and operated Midas Shops. See Item 10 of this Disclosure Document.

Transfer Fee

Upon the transfer or assignment of the Franchise Agreement, the selling Midas franchisee is required to pay to us a non-refundable transfer fee (the “Transfer Fee”) to cover our expenses incurred in connection with the transfer of Midas Shop, including, but not limited to, administration, orientation and training. The Transfer Fee is due upon the consummation of the transfer of the Franchise Agreement. For all Franchise Agreements entered into on or after April 1, 2010, the Transfer Fee is the amount that is the greater of (a) \$5,000 or (b) fifteen percent (15%) of the standard initial franchise fee charged to new franchisees (franchisees who own no other Midas Shops). For Franchise Agreements entered into prior to April 1, 2010, the Transfer Fee is the amount equal to one-half of one percent (0.5%) of the sales price of the business (excluding that part of the price, if any, fairly attributable to the sale of the real estate).

If you are the purchaser of a Midas Shop franchise for an operating Shop from an existing Midas franchisee, in addition to the other Franchise Documents (including without limitation, Personal

Guarantee and Subordination Agreement), you and the selling franchisee will be required to execute an Assignment of Midas Franchise Agreement (the "Assignment of Franchise Agreement")(Exhibit D-7). Under the Assignment of Franchise Agreement, the purchaser will assume all obligations of the selling franchisee under the existing Franchise Agreement and agree to be bound by all the terms of the existing Franchise Agreement, which may be different from those described in this Disclosure Document. However, upon our request, the purchaser of the existing franchise may be required to amend and restate the selling franchisee's Franchise Agreement to be consistent with the terms and conditions of our then-current Franchise Agreement. Under the Assignment of Franchise agreement, the selling franchisee will provide us a general release and agree to remain responsible for all obligations under the Franchise Agreement.

Marketing Support Program

We are currently offering a Marketing Support Program for all franchisees who sign a Franchise Agreement for a new Midas Shop (not renewal), the reopening of a previously operated Midas Shop or convert their operating automotive repair business to a Midas Shop on or prior to March 31, 2012 (the "Marketing Support Program"). Under this program we will match up to \$5,000 of your contributions made under this program to be used for marketing purposes. Under the Marketing Support Program, you are required to contribute up to \$5,000, with the exact amount being determined by mutual agreement (the "Franchisee Commitment Funds"), for consumer targeted advertising, merchandising, public relations programs and other marketing activities intended to directly benefit your Franchised Unit ("Shop Marketing Activities"). You will pay the Franchisee Commitment Funds to us in 6 equal installments during the first 6 months of the term of your Franchise Agreement. The Franchisee Commitment Funds are non-refundable under any circumstance. Under the Marketing Support Program, we will allocate the same amount, on a dollar-for-dollar basis, to the Shop Marketing Activities as you contribute as Franchisee Commitment Funds ("Matching Funds") from the amount we collect from Midas and Co-Branding franchisees and allocate to advertising and promotion (See Item 11 "Advertising Programs"). The Franchisee Commitment Funds and the Matching Funds allocated to your Franchised Unit must be spent within the first 6 months of the opening date of your Franchised Unit. Either we will expend the funds under this program on your behalf or we will reimburse you for funds you properly disbursed under the program when you supply written evidence of the purchase of approved Shop Marketing Activities (by means of cancelled checks, paid invoices, copies of advertisements or otherwise). If this program is available to you, to demonstrate your commitment to participate in this program, you are required to execute the Matching Marketing Funds Agreement. (See Exhibit D-11.) We reserve the right to extend, change or discontinue the Marketing Support Program at any time.

Furniture, Fixtures, Machinery, Equipment and Signage

Furniture, fixtures, machinery, equipment and building signs, including installation and freight charges (collectively, "Operating Assets") needed to operate a new Midas Shop, that may be purchased from us are estimated to cost between \$180,000 and \$183,000 (excluding applicable sales and use tax, if any). The Operating Assets needed to reopen a previously operating Midas Shop or to convert an operating automotive repair facility to a Midas Shop, that may be purchased from us are estimated to cost between \$2,000 and \$183,000 (excluding applicable sales and use tax, if any). If the Operating Assets are purchased from us, you will receive a monthly trade account statement, which encompasses, approximately, a 30-day billing period (the "Trade Account Statement"). The Trade Account Statement reflects all open invoices and credit memos and indicates the date by which the net balance is due for payment, which is, in most cases (depending on the billing cycle), by the 17th day of the month. Otherwise, payment will be made directly to the third party or vendor according to its payment terms. Generally, this expenditure is not refundable nor do we finance it. However, we may assist you in locating financing opportunities from third parties for this expenditure.

Inventory

The cost of initial product inventory that may be purchased from us (consisting of tires and batteries) is estimated to be \$12,000 (excluding applicable sales and use tax, if any). Items purchased from us will be included on the Trade Account Statement, which net balance is due for payment, in most cases (depending on the billing cycle), by the 17th day of the month. For items purchased from third party vendors, payment will be due according to the vendors' credit terms. This expenditure is non-refundable and we do not finance it. However, we may assist you in locating financing opportunities from third parties for this expenditure.

Rental Payments

Typically, you will enter into a third party lease for the property of the Franchised Unit and negotiate your own terms, or you may acquire the land and construct the building and improvements yourself. Alternatively, when MRC or MPI own the premises or lease it from a third party, MRC or MPI, as applicable, will lease or sublease the Franchised Unit's premises to you on a so-called "triple-net" basis. Under a triple-net lease or sublease, the tenant (in addition to paying the fixed and percentage rent) pays all real estate taxes and assessments and any common area charges and is obligated to perform all maintenance, repairs and replacements of the premises (non-structural, structural, interior, exterior), to provide all required insurance and to pay all other costs associated with the use, occupancy, leasing and ownership of the premises. When you lease or sublease the property from MRC or MPI, the first month's rent and taxes must be paid when your Franchised Unit opens. The rent and taxes typically range from \$4,000 to \$10,500 per month. These expenditures are non-refundable and they are not financed by us, MRC or MPI (except to the extent described in Item 10).

R.O. Writer[®] Software Set-Up Fee

You are required to purchase a point-of-sale software system for your Franchised Unit (Items 8 and 11). We recommend that you use the R.O. Writer[®] point-of-sale system in your Franchised Unit. The R.O. Writer point-of-sale software is owned by PAS, our subsidiary. In addition to providing the functions we require, R.O. Writer software offers an integrated customer management and marketing tool as well as an external accounting system interface and data management application. Currently, you may, in your sole discretion, hire PAS to install the R.O. Writer software for a fee of approximately \$500 to \$1,800 for each location, depending upon the complexity of and time required for the installation. If the Franchise Unit you are purchasing currently uses R.O. Writer software, you may, at your discretion, hire PAS for \$500 to upgrade the system to a current release and configure the system for optimal usage, including enabling the software's newer features.

ITEM 6: OTHER FEES

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Royalty	2-10% of Net Revenue - see Note A	Payable on the 10 th of each month via ACH debit - see Note B	Net Revenue includes all revenue from the Franchised Unit, exclusive of sales, use or gross receipts taxes.
Marketing/Advertising	- see Note A	- see Note A	
Warranty Registration Fee (See Note C)	For warranty registration in 2011: Brake pads or shoes: \$2.65 per axle Mufflers: \$5.10 each Shocks and Struts: \$0.75 each	The fee is added to the Franchised Unit's Trade Account Statement upon warranty registration, which payment is due, generally, by the 17 th day of the month.	Payable to us. Fees collected will be used to redeem future warranty claims on parts originally installed on or after the effective date of the program.
Rent, Taxes & Insurance	If the property is leased from MRC or MPI: the greater of fixed minimum rent (\$3,500 - \$8,500 per month) or 7% of Gross Sales, plus real estate taxes (\$500 - \$2,000 per month) and insurance. - see Note B	Fixed minimum rent and monthly tax deposit payable the first of each month; plus any gross sales rent in excess of annual fixed minimum rent payable by March 1 st of the succeeding year. Monthly payments made via ACH Debit.	If the premises is leased or subleased from MRC or MPI, then payable to MRC or MPI. Fixed minimum rent under a MRC or MPI lease increases by 2% each year over the 20-year lease term. - see Note B
Transfer Fee	For Franchise Agreements dated April 1, 2010 or after, the greater of: (a) \$5,000 or (b) 15% of the initial franchise fee charged to new franchisees who own no other Midas Shops. For Franchise Agreements dated before April 1, 2010, 0.5% of the sales price of the business (excluding real estate).	Prior to consummation of transfer	Payable when the Franchise Agreement or a controlling interest in the Franchise Agreement is transferred. No charge if transfer is to an entity you own or control.
Renewal Fee	One-half of the initial franchise fee charged to franchisees who own three or more Midas Shops at the time of renewal. The current Renewal Fee is \$10,000.	Two equal installments -- the first on the date of extension and the second on the one year anniversary	You may be required to expend additional funds as a condition of renewal for things like shop renovation or relocation.

Audit Fee	Cost of audit plus actual additional royalties found to be due by the audit	30 days after billing	Costs of audit payable only if audit shows an understatement of more than 5% of Net Revenues during any consecutive 12-month period.
Interest Charge on Late Royalty Payments	3% above the prime rate at JP Morgan Chase Bank	Due 30 days after billing only if payments are overdue	Assessed on past due obligations beginning the 10th day after applicable due date, or beginning on the due date if not paid within 30 days.
Late Charge on Electronic Submission of Monthly Sales Report	\$20 per month	The fee is added to the Franchised Unit's Trade Account Statement, which payment is due, generally, by the 17 th day of the month	
Promotional Material and Supplies	Will vary based upon what you purchase; may be provided free of charge in conjunction with advertising promotions	30 days after billing	We supply promotional materials, such as banners, posters, brochures, and supplies (such as estimate and invoice forms) for purchase by you.
Costs and Attorneys' Fees	Will vary under Circumstances	As incurred	Payable upon failure to comply with the Franchise Agreement or other situations.
Fleet Program Processing Fee	Maximum of 2% of sales transaction to National Fleet Customers - see Note D	Approximately 7 business days from transaction date	Paid as a reduction to the fleet credit posted to your trade account.
R.O. Writer Software Support Fee	\$110 per month	Monthly, via credit card	Payable to PAS if you use the R.O. Writer Point-of-Sale System.
R.O. Writer Express Support Fee	\$30 per month	Monthly	Payable to PAS if you use the R.O. Writer Point-of-Sale System.
Technical Information Systems - Activant Parts Catalog	\$90 per month	Monthly	We recommend use of this catalog, although it is not required. Payable to PAS.
Relocation Expenses	\$1,000 application fee plus the cost of relocation	Application fee due upon submission of Application for Relocation; other costs due as incurred	You must reimburse us for any costs we incur if relocation of the Franchised Unit becomes necessary or is otherwise approved by us.

Liquidated Damages	\$100/day	As incurred and billed	Payable during any period you are in breach of non-monetary provisions of the Franchise Agreement.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us for all loss, damage, and claims for damage arising out of your operation of the Franchised Unit.
Insurance	Will vary under the circumstances	As incurred	If you fail to obtain and/or maintain the insurance coverage required, we may, but are not required to, obtain the insurance on your behalf. If we obtain the required insurance coverage for you, you must reimburse us for the cost of this insurance.

NOTES:

General Note: Unless otherwise noted, all fees in this Item 6 are imposed and payable to us or our affiliates, MRC, MPI or PAS. **All fees payable to us, MRC, MPI and PAS are non-refundable, unless otherwise provided.** Except as described in this Disclosure Document, these fees are currently uniform as to all franchisees who receive this offer. In selected markets, we may, periodically, offer qualified prospective franchisees incentives to develop Midas Shops. See the “Incentive Programs” section of Item 5 for a description of these incentives. We reserve the right to change the type and amount of fees offered to new or renewing franchisees in the future, but have no immediate plans to do so.

- A. Except as described below, you are required to pay to us, within 10 days after the close of each calendar month a royalty in the amount of ten percent (10%) of the Franchised Unit’s Net Revenues from the preceding month. Net Revenue includes all revenue from the Franchised Unit, exclusive of sales, use or gross receipts taxes. Except as described below, each calendar year, we will expend an amount equal to not less than one-half of the royalties we actually receive from our Midas franchisees for media costs, commissions and fees, production and other associated costs for advertising and promoting the products and services sold and performed by Midas Shops. (See “Advertising Program” in Item 11.)

Under the Franchise Agreement (Exhibit D-1): (a) the royalty applicable to sales of motor vehicle tires and certain tire-related products and services (as described in the Franchise Agreement) is at a reduced rate of 6%; (b) the royalty applicable to sales of batteries (excluding related products and starting and charging services, including cables, mounting plates and brackets, installation, labor, diagnostic testing, road service and all other battery-related products, labor and services) is at a reduced rate of 2%; and (c) the royalty applicable to all “Exempt Sales” is at a rate of 0%. Under the Franchise Agreement, “Exempt Sales” means and is limited solely to the following: third party towing, third party rental car services and the cost of state inspection stickers. The reduced rate for Exempt Sales is expressly contingent upon you charging the applicable customer only an amount equal to your actual cost of providing the Exempt Sale in question. If you elect to charge a fee or other amount in excess of your actual cost of providing the Exempt Sale in question, the fee or other amount will be subject to the standard 10% royalty rate. In addition to the Franchise Agreement, you may, at your option, participate in the Fleet Program by signing the Fleet Program Participation Amendment (the “Fleet Amendment”) (Exhibit D-6). Under the Fleet Amendment, during the period from execution of the Fleet Amendment through January 31, 2015, the royalty percentage applicable to all fleet sales to “Qualifying Fleet Customers” is at a reduced rate of 7%. Under the Fleet Amendment, “Qualifying Fleet Customers” means any national or local fleet customer who

participates in the Fleet Program and whose sales are processed by our designated transaction processor(s)/service provider(s). All other fleet transactions are subject to the royalty rates as described in the Franchise Agreement. The reduced fleet royalty will be effectuated through a two-step process. First, you will pay the full 10% royalty on your Net Revenue from Qualifying Fleet Customers. Next, we will, in a subsequent month, issue a corresponding credit to your trade account in an amount equal to 3% of your Net Revenue from Qualifying Fleet Customers for the applicable month. Under the Fleet Amendment, we will only be required to expend 2% of the Net Revenue from Qualifying Fleet Customers for the advertising described above during the period from execution of the Fleet Amendment through January 31, 2015. See the "Fleet Program" section in Item 8 for more information on the Fleet Program.

- B. You must pay the royalties on or before the 10th day of each month for the preceding month throughout the term and any renewal of the Franchise Agreement. You are required to pay the royalties by electronic payment transactions through automated clearing house debits ("ACH Debit"). At the same time you sign the Franchise Agreement or Assignment of Franchise (and at any other time during the term of the Franchise Agreement upon our request), you will be required to execute the "Authorization for Automated Clearing House Debits" (the "ACH Agreement") (Exhibit D-5). Under the ACH Agreement, you authorize us to debit funds from your bank account on or after the 10th day of each month for the amount of each monthly royalty due to us. The ACH Agreement also authorizes MRC and MPI to debit from your account, on or after the first day of each month, the amount of rent, real estate taxes and other monetary obligations owed by you. Under the ACH Agreement, you will submit your monthly M2 sales report, as required by Section 4.2 of the Franchise Agreement, by the 5th day of each month.
- C. These warranty registration fees are required under the warranty registration program that became effective January 1, 2008. The current warranty program provides that we will assess a warranty registration fee against each Midas Shop's trade account in each instance that a Midas lifetime muffler, brake shoe, brake pad, shock or strut is installed and the corresponding warranty is registered with us. Under this warranty program, each Midas Shop's warranty registration expense will be clearly and separately identified on the Midas Shop's Trade Account Statement. See the "Midas Warranty Program and Registration Fees" section in Item 8 below.
- D. In addition to the Franchise Agreement, you may, at your option, participate in the Fleet Program by signing the Fleet Amendment. If you choose to participate in the Fleet Program, we will retain a service provider processing fee of up to 2% of the sales transactions billed to National Fleet Customers (defined in the Fleet Amendment). We use this amount to offset the administrative expenses related to the Fleet Program. We may remit a portion of this fee to one or more additional service providers we engage to provide processing services under the program. See the "Fleet Program" section in Item 8 for more information on the Fleet Program.

ITEM 7: ESTIMATED INITIAL INVESTMENT

**YOUR ESTIMATED INITIAL INVESTMENT
FOR A NEW (8-Bay) MIDAS SHOP**

(1) Type of Expenditure	(2) Estimated Amount or Low- High Range	(3) Method of Payment	(4) When Due	(5) To Whom Payment Is To Be Made
Initial Franchise Fee	\$20,000 - \$30,000 - see Note A	Generally, lump sum - see Note A	\$5,000 with Application and balance paid at the time of execution of Franchise Agreement - see Note A for a description of the Deferral Incentive Program	Us
Site Selection Fee	\$1,000 - \$2,500	Lump sum	At the time of execution of Franchise Agreement	MRC
Marketing Support Program	\$0 - \$5,000 -See Note B	6 equal monthly installments	First 6 months of term of Franchise Agreement	Us
Travel & Living Expenses while Training	\$1,500 - \$4,500 - see Note C	As incurred	Before opening, as incurred	Airlines, Hotels & Restaurants
Security Deposit, Licenses & Permits	\$0 - \$10,500 - see Note D	Lump sum	Before occupancy and/or at signing of lease or sublease	Third Party Lessor, Utilities and/or Government Agencies
Rent and Real Estate Taxes (3 months)	\$12,000 - \$31,500 - see Note E	As arranged - see Note E	First month's rent is due before occupancy and/or at signing of lease or sublease, then monthly	MRC, MPI or Lessor
Warranty Registration Fee (3 months)	\$500 - \$3,000 - see Note F	As incurred	The fee is added to the Franchised Unit's Trade Account Statement upon warranty registration, which payment is due, generally, by the 17 th day of the month.	Us
Equipment & Tools	\$127,000 - see Note G	As arranged	Before opening	Third Parties or Us and Third Parties
Shipping and Installation Costs - Equipment	\$11,000	As incurred	Before opening	Third Parties or Us and Third Parties

(1) Type of Expenditure	(2) Estimated Amount or Low- High Range	(3) Method of Payment	(4) When Due	(5) To Whom Payment Is To Be Made
Computer, Hardware & Telephone System	\$6,000	As arranged	Before opening	Third Parties
Office & Waiting Room Furniture & Point of Purchase Materials	\$16,000 - see Note H	As arranged	Before opening	Third Parties and/or Us
Signage	\$20,000 - see Note I	As incurred	Before opening	Third Parties and/or Us
Shipping and Installation Costs - Signage	\$6,000 - \$9,000	As incurred	Before opening	Third Parties and/or Us
Initial Inventory & Supplies	\$25,000 - see Note J	As arranged	Before opening	Third Parties, Designated Suppliers and/or Us
Grand Opening Promotion	\$3,000 - \$5,000	As incurred	Before opening	Third Parties
R.O. Writer Software Installation	\$0 - \$1,800	As incurred	Before opening	PAS or its Designated Suppliers (See Item 11)
R.O. Writer Software Support Fee (3 months)	\$0 - \$330	As incurred	Monthly, via credit card	PAS (See Item 11)
R.O. Writer Express Software Support Fee (3 months)	\$0 - \$90	As incurred	Monthly	PAS (See Item 11)
Technical Information Systems (3 months)	\$750 - \$1,000 - see Note K	As incurred	Monthly	Third Parties, PAS and/or Us
Insurance (3 months)	\$1,500 - \$4,500 -see Note L	As arranged	Before opening	Insurance Companies, Agent or Broker
Telephone Directory Expense (3 months)	\$1,250 - \$3,750 - see Note M	As incurred	Installment payment plan as selected by franchisee: 6 or 3 monthly payments or 1 upfront payment	Third Party

(1) Type of Expenditure	(2) Estimated Amount or Low- High Range	(3) Method of Payment	(4) When Due	(5) To Whom Payment Is To Be Made
Legal & Accounting	\$1,000 - \$3,500 - see Note N	As arranged	As incurred	Third Parties
Additional Funds (3 months)	\$40,000 - \$65,000 - see Note O	As needed	As incurred	Third Parties, Employees
Miscellaneous	\$3,000 - \$5,000 - see Note P	As needed	As incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT	\$296,500 - \$390,970 - see Note Q			

NOTES: General Note: We are relying on our years of experience in the automotive repair and service business to compile these estimates. It is impossible to provide the exact investment required of each Midas franchisee due to the many factors that influence the total project cost, such as location, amount of space leased, cost of land and building and other costs peculiar to a specific site. The initial investment, as well as the availability and terms of financing, will vary considerably depending on the methods and amount of financing, your creditworthiness, collateral you may have and lending policies of financial institutions. The equipment and other items are shown in full, although they may be financed or leased. You are encouraged to discuss the operations of the Midas Shop with Midas franchisees. (See Exhibits A-1 and A-2 for lists of current and former Midas franchisees.) You should also review these figures carefully with a business advisor before making any decision to purchase the Midas Shop franchise. Except as described under the Deferral Incentive Program in Items 5 and 10, we do not offer financing, either directly or indirectly, in connection with the initial investment, but may assist you in locating financing. **None of the fees listed in this Item are refundable, unless otherwise provided.**

- A. **Initial Franchise Fee.** See Item 5 for a description of the range of initial franchise fees and the refundability of the \$5,000 deposit. See the “Deferral Incentive Program” section in Item 5 for a description of the Deferral Incentive Program. Under the Deferral Incentive Program, qualified prospective franchisees who open a new Midas Shop, reopen a previously operated Midas Shop or convert their operating automotive repair business to a Midas Shop (provided that the Franchise Agreement for the Franchised Unit is signed on or before March 31, 2012), instead of paying the entire initial franchise fee as described above, will be permitted to pay the initial franchise fee as follows: (1) \$5,000 lump sum deposit with the submission of your Application, (2) \$5,000 lump sum payment upon execution of the Franchise Agreement and other related documents, and (3) the remaining balance paid in 20 equal monthly installments via ACH Debit commencing on the twenty-first day of the month following the month in which the term of the Franchise Agreement commences.
- B. **Marketing Support Program.** If applicable, you will be required to pay the Franchisee Commitment Funds as described in the “Marketing Support Program” section in Item 5.
- C. **Travel & Living Expenses While Training.** You are responsible for all transportation, lodging, meals and other expenses associated with the Operations Training Program for you and your managers and employees. There is no charge for the training itself. The expenses estimated in this Item are for 1 person to attend training. The amount will vary depending on travel distance and mode of travel, lodging requirements, and other related personal costs.

- D. **Security Deposit, Licenses & Permits.** You may be required to pay a security deposit for the leased premises. Typically, a security deposit will be equal to the amount of one month's rent and taxes, but this amount may vary depending upon negotiations with the landlord. Generally, the security deposit is refundable to the extent it is not applied. Various permits may be required and may include building inspection fees and occupational license fees. Utility companies may also require a deposit before the installation of utilities and telephones. We cannot provide a meaningful estimate of these expenses, as these fees depend on local market conditions unknown to us.
- E. **Rent and Real Estate Taxes.** Typically, you will enter into a third party lease for the property of your Franchised Unit and negotiate your own payment terms, or you may acquire the land and construct the building and improvements yourself. Alternatively when MRC or MPI own or lease the property, MRC or MPI may lease or sublease the Franchised Unit to you. When you lease or sublease the property from MRC or MPI, the first month's rent and taxes must be paid when the Franchised Unit opens. In most cases when you lease or sublease from a third party landlord, you will also be required to remit a security deposit that is equal to one month's rent and taxes. In addition, MRC or MPI may acquire the land through purchase or lease, construct the improvements and then lease or sublease it to you or you may acquire the land and construct the improvements yourself. Typical locations for Midas Shops are in retail and commercial areas. The typical Midas Shop (8-bay) has 4,500 to 5,500 square feet. The cost of acceptably located real estate is estimated to be between \$300,000 and \$600,000. The cost of constructing a typical Midas Shop is estimated to range between \$500,000 and \$600,000. Your monthly rent and real estate taxes for a new Midas Shop will typically range between \$4,000 and \$10,500 depending on factors such as size, condition and location of the leased premises. Provided, however, if you lease or sublease the property from MRC or MPI, your actual rent will be the greater of the fixed minimum rent (\$3,500 - \$8,500 per month) or 7% of the Franchised Unit's Gross Sales. Any difference in rent based on the Franchised Unit's Gross Sales is calculated after calendar year end and is due by March 1st of the succeeding year. Under the ACH Agreement, you will authorize MRC and MPI to debit the amount of rent, real estate taxes and other monetary obligations from your account on or after the first of each month. You may also be required to pay property taxes and other leasehold costs. These amounts may vary depending upon the location of the retail space, local market conditions, and other factors.
- F. **Warranty Registration Fee.** These warranty registration fees are required under the warranty registration program that became effective January 1, 2008. The current warranty program provides that we will assess a warranty registration fee against each Midas Shop's trade account in each instance that a Midas lifetime muffler, brake shoe, brake pad, shock or strut is installed and the corresponding warranty is registered with us. Under this warranty program, each Midas Shop's warranty registration expense will be clearly and separately identified on the Midas Shop's Trade Account Statement. See the "Midas Warranty Program and Registration Fees" section in Item 8 below.
- G. **Equipment & Tools.** You must have the following equipment for the operation of your Franchised Unit: oil lubrication and dispensing, tune-up, brake lathes and accessories, air conditioning, radiator flush, lifts, transmission flush, alignment, fluid maintenance, exhaust, compressors, tire machines, tools and other miscellaneous equipment. The cost of this equipment may vary depending upon whether the equipment is purchased new, purchased used or leased. The cost estimates shown here assume the equipment is purchased new. The equipment cost estimates do not include applicable sales and use tax, if any. If the equipment is purchased from us, you will receive a monthly Trade Account Statement, which encompasses, approximately, a 30-day billing, and reflects all open invoices and credit memos and indicates the date by which the net balance is due for payment, which is, in most cases (depending on the billing cycle), by the 17th day of the month. Otherwise, payment will be made directly to the third party or vendor according to their payment terms. We do not

finance any of these costs. However, we may assist you in locating financing opportunities from third party vendors.

- H. **Office & Waiting Room Furniture.** You must purchase or lease furniture for your business office and customer lounge and fixtures as well as point-of-sale materials according to our specifications, as described in the Manual or other written communications. The amount in the tables includes shipping and installation.
- I. **Signage.** You must purchase certain interior and exterior signs for the identification of your Franchised Unit according to our specifications, as described in the Manual or other written communications.
- J. **Initial Inventory & Supplies.** You must purchase initial inventory and supplies for the operation of the Franchised Unit. Items purchased from us will be included on the Trade Account Statement, the net balance of which is due for payment, in most cases (depending on the billing cycle), by the 17th day of the month. For items purchased from third party vendors, payment will be due according to the vendors' credit terms.
- K. **Technical Information Systems.** We recommend that you use either ALLDATA or Mitchell as your computer-based auto repair information system and Activant as your electronic parts catalog.
- L. **Insurance.** This is the estimated cost for three months of general liability insurance (\$2 million minimum requirement), garage keeper liability insurance (\$50,000 minimum requirement), employer liability insurance (\$1 million minimum requirement), and auto insurance (\$2 million minimum requirement). This estimate does not include workers' compensation insurance coverage, as required by state law. In addition, you must maintain insurance on the property as required by the real estate documents you execute. During the term of the Franchise Agreement and any renewal term, you are responsible for all insurance premiums specified in the Franchise Agreement and in the Manual. You must name us as an additional insured, at your expense, and furnish us with certificates providing that the insurance is not cancelable without 10 days' prior notice to us, along with evidence that the premiums have been paid. You are liable for any expense, including attorneys' fees, which we incur in connection with the insurance required under the Franchise Agreement. Some lenders may require you to provide life insurance on your principal owners to get financing.
- M. **Telephone Directory Expense.** You may enter into contracts for advertisements in one or more local yellow pages telephone directories. You are encouraged to engage an outside telephone directory vendor that we approve - currently AdVentures. AdVentures specializes in arranging yellow pages advertising. However, you may contract for telephone directory advertisements with whomever you choose, including local phone companies. The amount presented in the table is an estimate only as the yellow pages advertising expense varies widely depending on the size of the market and the number of books in which you advertise.
- N. **Legal & Accounting.** This item is the estimated cost of basic legal and accounting services provided to you by legal and accounting firms and includes legal and administrative fees and costs for corporate or other business entity organization start-up.
- O. **Additional Funds.** This entry estimates additional funds you may need for the first 3 months of operation, including payroll costs (but not including any draw or salary for you) and working capital for other expenses that could exceed receipts. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the Franchised Unit. Your costs will depend on factors such as: to what extent you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for our services; the

prevailing wage rate; competition; and the sales level reached during the initial period. This amount does not represent a “break even” estimate or a representation that you will attain any level of profitability by a certain stage of your operation.

- P. **Miscellaneous.** You may incur other expenses due to local requirements and/or to purchase additional items of equipment.
- Q. **Total Estimated Initial Investment.** This table does not include royalties. This total assumes that the real property and building for the Franchised Unit will be leased by you. Amounts for the lease depend on factors such as rental rates and land and building costs in your area, and whether or not the landlord requires you to pay first and last month's rent in advance. These figures also do not include the cost of any investigation into or compliance with various Federal, state or local environmental laws, statutes, regulations or ordinances relating to the use, handling, treatment, storage, disposal and recycling of oil, used oil, oil filters and other substances which are designated to be hazardous.

**YOUR ESTIMATED INITIAL INVESTMENT
TO CONVERT AN OPERATING OR PREVIOUSLY OPERATED
AUTOMOTIVE REPAIR FACILITY TO A MIDAS SHOP**

(1) Type of Expenditure	(2) Estimated Amount or Low- High Range	(3) Method of Payment	(4) When Due	(5) To Whom Payment Is To Be Made
Initial Franchise Fee	\$20,000 - \$30,000 - see Note A	Generally, lump sum - See Note A	\$5,000 with Application and balance paid at the time of execution of the Franchise Agreement - See Note A for a description of the Deferral Incentive Program	Us
Site Selection Fee	\$0 - \$2,500	Lump sum	At the time of execution of Franchise Agreement	MRC
Marketing Support Program	\$0 - \$5,000 -See Note B	6 equal monthly installments	First 6 months of term of Franchise Agreement	Us
Travel & Living Expenses while Training	\$1,500 - \$4,500 - see Note C	As incurred	Before opening, as incurred	Airlines, Hotels & Restaurants
Security Deposit, Licenses & Permits	\$0 - \$10,500 - see Note D	Lump sum	Before occupancy and/or at signing of lease or sublease	Third Party Lessor, Utilities and/or Government Agencies
Rent and Real Estate Taxes (3 months)	\$12,000 - \$31,500 - see Note E	As arranged - see Note E	First month's rent is due before occupancy and/or at signing of lease or sublease, then monthly	MRC, MPI or Lessor
Warranty Registration Fee (3 months)	\$500 - \$3,000 - see Note F	As incurred	The fee is added to the Franchised Unit's Trade Account Statement upon warranty registration, which payment is due, generally, by the 17 th day of the month.	Us
Equipment & Tools	\$0- \$127,000 - see Note G	As arranged	Before opening	Third Parties or Us and Third Parties
Shipping and Installation Costs - Equipment	\$0- \$11,000	As incurred	Before opening	Third Parties or Us and Third Parties

(1) Type of Expenditure	(2) Estimated Amount or Low- High Range	(3) Method of Payment	(4) When Due	(5) To Whom Payment Is To Be Made
Computer, Hardware & Telephone System	\$2,000-\$6,000	As arranged	Before opening	Third Parties
Office & Waiting Room Furniture & Point of Purchase Materials	\$2,000-\$16,000 - see Note H	As arranged	Before opening	Third Parties and/or Us
Signage	\$0- \$20,000 - see Note I	As incurred	Before opening	Third Parties and/or Us
Shipping and Installation Costs - Signage	\$0- \$9,000	As incurred	Before opening	Third Parties and/or Us
Initial Inventory & Supplies	\$0 - \$25,000 - see Note J	As arranged	Before opening	Third Parties, Designated Suppliers and/or Us
Grand Opening Promotion	\$3,000 - \$5,000	As incurred	Before opening	Third Parties
R.O. Writer Software Installation	\$0 - \$1,800	As incurred	Before opening	PAS or its Designated Suppliers (See Item 11)
R.O. Writer Software Support Fee (3 months)	\$0 - \$330 - see Note K	As incurred	Monthly, via credit card	PAS (See Item 11)
R.O. Writer Express Software Support Fee (3 months)	\$0 - \$90	As incurred	Monthly	PAS (See Item 11)
Technical Information Systems (3 months)	\$750 - \$1,000 - see Note L	As incurred	Monthly	Third Parties, PAS and/or Us
Insurance (3 months)	\$1,500 - \$4,500 -see Note M	As arranged	Before opening	Insurance Companies, Agent or Broker
Telephone Directory Expense (3 months)	\$1,250 - \$3,750 - see Note N	As incurred	Installment payment plan as selected by franchisee: 6 or 3 monthly payments or 1 upfront payment	Third Party

(1) Type of Expenditure	(2) Estimated Amount or Low- High Range	(3) Method of Payment	(4) When Due	(5) To Whom Payment Is To Be Made
Legal & Accounting	\$1,000 - \$3,500 - see Note O	As arranged	As incurred	Third Parties
Additional Funds (3 months)	\$40,000 - \$65,000 - see Note P	As needed	As incurred	Third Parties, Employees
Miscellaneous	\$3,000 - \$5,000 - see Note Q	As needed	As incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT	\$88,500 - \$390,970 - see Note R			

NOTES: General Note: We are relying on our years of experience in the automotive repair and service business to compile these estimates. It is impossible to provide the exact investment required of each Midas franchisee due to the many factors that influence the total project cost, such as location, amount of space leased, cost of land and building, the amount, types and condition of the equipment that is already on the premises, and other costs peculiar to a specific site. The initial investment, as well as the availability and terms of financing, will vary considerably depending on the methods and amount of financing, your creditworthiness, collateral you may have and lending policies of financial institutions. The equipment and other items are shown in full, although they may be financed or leased. You are encouraged to discuss the operations of the Midas Shop with Midas franchisees. (See Exhibits A-1 and A-2 for lists of current and former Midas franchisees.) You should also review these figures carefully with a business advisor before making any decision to purchase the Midas Shop franchise. Except as described under the Deferral Incentive Program in Items 5 and 10, we do not offer financing, either directly or indirectly in connection with the initial investment, but may assist you in locating financing. **None of the fees listed in this Item are refundable, unless otherwise provided.**

- A. **Initial Franchise Fee.** See Item 5 for a description of the range of initial franchise fees and the refundability of the \$5,000 deposit. See the “Deferral Incentive Program” section in Item 5 for a description of the Deferral Incentive Program. Under the Deferral Incentive Program, qualified prospective franchisees who open a new Midas Shop, reopen a previously operated Midas Shop or convert their operating automotive repair business to a Midas Shop (provided that the Franchise Agreement for the Franchised Unit is signed on or before March 31, 2012), instead of paying the entire initial franchise fee as described above, will be permitted to pay the initial franchise fee as follows: (1) \$5,000 lump sum deposit with the submission of your Application, (2) \$5,000 lump sum payment upon execution of the Franchise Agreement and other related documents, and (3) the remaining balance paid in 20 equal monthly installments via ACH Debit commencing on the twenty-first day of the month following the month in which the term of the Franchise Agreement commences.
- B. **Marketing Support Program.** If applicable, you will be required to pay the Franchisee Commitment Funds as described in the “Marketing Support Program” section in Item 5.

- C. **Travel & Living Expenses While Training.** You are responsible for all transportation, lodging, meals and other expenses associated with the Operations Training Program for you and your managers and employees. There is no charge for the training itself. The expenses estimated in this Item are for 1 person to attend training. The amount will vary depending on travel distance and mode of travel, lodging requirements, and other related personal costs.
- D. **Security Deposit, Licenses & Permits.** You may be required to pay a security deposit for the leased premises. Typically, a security deposit will be equal to the amount of one month's rent and taxes, but this amount may vary depending upon negotiations with the landlord. Generally, the security deposit is refundable to the extent it is not applied. Various permits may be required and may include building inspection fees and occupational license fees. Utility companies may also require a deposit before the installation of utilities and telephones. We cannot provide a meaningful estimate of these expenses, as these fees depend on local market conditions unknown to us.
- E. **Rent and Real Estate Taxes.** Typically, you will enter into a third party lease for the property of your Franchised Unit and negotiate your own payment terms, or you may acquire (or already own) the land and construct the building and improvements yourself. Alternatively when MRC or MPI own or lease the property, MRC or MPI may lease or sublease the Franchised Unit to you. When you lease or sublease the property from MRC or MPI, the first month's rent and taxes must be paid when the Franchised Unit opens. Typical locations for Midas Shops are in retail and commercial areas. The typical Midas Shop (8-bay) has 4,500 to 5,500 square feet. Your monthly rent and real estate taxes for a Midas Shop will typically range between \$4,000 and \$10,500 depending on factors such as size, condition and location of the leased premises. Provided, however, if you lease or sublease the property from MRC or MPI, your actual rent will be the greater of the fixed minimum rent (\$3,500 - \$8,500 per month) or 7% of the Franchised Unit's Gross Sales. Any difference in rent based on the Franchised Unit's Gross Sales is calculated after calendar year end and is due by March 1st of the succeeding year. Under the ACH Agreement, you will authorize MRC and MPI to debit the amount of rent, real estate taxes and other monetary obligations from your account on or after the first of each month. You may also be required to pay property taxes and other leasehold costs. These amounts may vary depending upon the location of the retail space, local market conditions, and other factors.
- F. **Warranty Registration Fee.** These warranty registration fees are required under the warranty registration program that became effective January 1, 2008. The current warranty program provides that we will assess a warranty registration fee against each Midas Shop's trade account in each instance that a Midas lifetime muffler, brake shoe, brake pad, shock or strut is installed and the corresponding warranty is registered with us. Under this warranty program, each Midas Shop's warranty registration expense will be clearly and separately identified on the Midas Shop's Trade Account Statement. See the "Midas Warranty Program and Registration Fees" section in Item 8 below.
- G. **Equipment & Tools.** You must have the following equipment for the operation of your Franchised Unit: oil lubrication and dispensing, tune-up, brake lathes and accessories, air conditioning, radiator flush, lifts, transmission flush, alignment, fluid maintenance, exhaust, compressors, tire machines, tools and other miscellaneous equipment. The cost of this equipment may vary depending upon whether you already have some or all of this equipment or if the equipment is purchased new, purchased used or leased. The cost estimates shown here assume the equipment is purchased new. The equipment cost estimates do not include applicable sales and use tax, if any. If the equipment is purchased from us, you will receive a monthly Trade Account Statement, which encompasses, approximately, a 30-day billing, and reflects all open invoices and credit memos and indicates the date by which the net balance is due for payment, which is, in most cases (depending on the billing cycle), by the 17th day of the month. If purchased used from a third party, the equipment cost may be between \$10,000 to \$50,000. Payment to a third party or vendor will be made directly to the third

party or vendor according to its payment terms. We do not finance any of these costs. However, we may assist you in locating financing opportunities from third party vendors.

- H. **Office & Waiting Room Furniture.** You must purchase or lease furniture for your business office and customer lounge and fixtures as well as point-of-sale materials according to our specifications, as described in the Manual or other written communications. The amount in the tables includes shipping and installation.
- I. **Signage.** You must purchase certain interior and exterior signs for the identification of your Franchised Unit according to our specifications, as described in the Manual or other written communications.
- J. **Initial Inventory & Supplies.** You must have an adequate amount of inventory and supplies for the operation of the Franchised Unit. Items purchased from us will be included on the Trade Account Statement, the net balance of which is due for payment, in most cases (depending on the billing cycle), by the 17th day of the month. For items purchased from third party vendors, payment will be due according to the vendors' credit terms.
- K. **R.O. Writer Software Support Fee.** Under the Deferral Incentive Program, PAS will waive the first 3 monthly R.O. Writer Software Support fees for prospective franchisees who qualify under the program (See Items 5 and 10).
- L. **Technical Information Systems.** We recommend that you use either ALLDATA or Mitchell as your computer-based auto repair information system and Activant as your electronic parts catalog.
- M. **Insurance.** This is the estimated cost for three months of general liability insurance (\$2 million minimum requirement), garage keeper liability insurance (\$50,000 minimum requirement), employer liability insurance (\$1 million minimum requirement), and auto insurance (\$2 million minimum requirement). This estimate does not include workers' compensation insurance coverage, as required by state law. In addition, you must maintain insurance on the property as required by the real estate documents you execute. During the term of the Franchise Agreement and any renewal term, you are responsible for all insurance premiums specified in the Franchise Agreement and in the Manual. You must name us as an additional insured, at your expense, and furnish us with certificates providing that the insurance is not cancelable without 10 days' prior notice to us, along with evidence that the premiums have been paid. You are liable for any expense, including attorneys' fees, which we incur in connection with the insurance required under the Franchise Agreement. Some lenders may require you to provide life insurance on your principal owners to get financing.
- N. **Telephone Directory Expense.** You may enter into contracts for advertisements in one or more local yellow pages telephone directories. You are encouraged to engage an outside telephone directory vendor that we approve - currently AdVentures. AdVentures specializes in arranging yellow pages advertising. However, you may contract for telephone directory advertisements with whomever you choose, including local phone companies. The amount presented in the table is an estimate only as the yellow pages advertising expense varies widely depending on the size of the market and the number of books in which you advertise.
- O. **Legal & Accounting.** This item is the estimated cost of basic legal and accounting services provided to you by legal and accounting firms and includes legal and administrative fees and costs for corporate or other business entity organization start-up.
- P. **Additional Funds.** This entry estimates additional funds you may need for the first 3 months of operation, including payroll costs (but not including any draw or salary for you) and working capital

for other expenses that could exceed receipts. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the Franchised Unit. Your costs will depend on factors such as: to what extent you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for our services; the prevailing wage rate; competition; and the sales level reached during the initial period. This amount does not represent a “break even” estimate or a representation that you will attain any level of profitability by a certain stage of your operation.

Q. **Miscellaneous.** You may incur other expenses due to local requirements and/or to purchase additional items of equipment.

R. **Total Estimated Initial Investment.** This table does not include royalties. This total assumes that the real property and building for the Franchised Unit will be leased by you. Amounts for the lease depend on factors such as rental rates and land and building costs in your area, and whether or not the landlord requires you to pay first and last month's rent in advance. These figures also do not include the cost of any investigation into or compliance with various Federal, state or local environmental laws, statutes, regulations or ordinances relating to the use, handling, treatment, storage, disposal and recycling of oil, used oil, oil filters and other substances which are designated to be hazardous.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to maintain the reputation, goodwill, high standards, quality and uniformity of the Franchised System, there are certain goods, services, supplies, fixtures, equipment, inventory, computer hardware and software and real estate (“Products & Services”) that you are required to purchase or lease directly from us, from our designated sources, from our approved suppliers or according to our specifications.

We issue specifications regarding certain Products & Services that you are required to purchase or lease to operate your Franchised Unit (“Required Products & Services”). Our specifications may include minimum requirements or standards for building size and style, zoning, signs, equipment, quality, quantity, delivery, performance, design, appearance, durability, style, warranties, price range and other related restrictions. We consider these specifications to be of critical importance to the success of the Franchise System. The specifications we issue on Required Products & Services are described in the Manual or other written communications. We may periodically update these specifications as described below. The current list of Required Products & Services is described in this Item 8.

Except as noted below and for your warranty registration fees and Fleet Program processing fees, you can purchase Required Products & Services from any supplier (the exclusive providers for your warranty registration fees and Fleet Program processing fees are described below). However, to ensure quality control, uniformity, marketing, and obtain advertising contribution benefits, we reserve the right to require that in the future you purchase or lease certain Required Products & Services from us, our affiliate, designee, named supplier or according to other restrictions we may place on suppliers. In the event we designate an approved supplier and that supplier agrees to make advertising contributions and/or other payments with respect to the approved product, conditioned on use, sales or otherwise, all payments will be made to us or an entity approved by us and will be spent by us in a manner consistent with restrictions or conditions imposed by the approved supplier. We may also benefit from the advertising contribution and other programs of approved suppliers.

We will periodically issue and modify our specifications applicable to Products & Services and any restrictions applicable to your purchase of Required Products & Services from suppliers in the Manual, other written communications or upon the request of a franchisee.

If you propose to purchase or lease any Products & Services that we have not approved in writing or if you propose that we designate your proposed supplier as an approved supplier, because you believe they meet our specifications, you must first notify us of your proposal in writing and provide us information we may require to determine whether the proposed Products & Services and/or supplier meet our specifications. We may require that your proposal include, among other things, submission of sufficient specifications, photographs, drawings, samples, financial information, delivery capabilities, integrity of ownership and other related information we may request to determine whether the Products & Services and/or supplier meets our specifications. We may also require, as part of our evaluation process, that the supplier or manufacturer of your proposed Products & Services or your proposed supplier meet with us at one of our corporate offices. These costs will typically be borne by the supplier or manufacturer. If you use Products & Services that do not meet our specifications, we may force you to stop using them.

We will advise you within a reasonable time, which will typically be within 30 days of our receipt of all of the information that we request, whether the proposed Products & Services and/or supplier meets our specifications. If approved, Products & Services and/or designated suppliers must maintain our standards in accordance with written specifications and any modifications to the specifications. Failure to correct a deviation from our specifications will result in the termination of status as approved Products & Services and/or designated supplier. You will be notified, in writing, of our approval or disapproval of the proposed Products & Services and/or supplier and of revocation of any approved Products & Services and/or designated suppliers.

Neither we nor our affiliates derive revenue from the sale of the Required Products & Services, except as described in this Disclosure Document.

Equipment and Inventory. You are required to purchase certain equipment and inventory to operate your Franchised Unit. Currently, the types of equipment you are required to purchase are as follows: oil lubrication and dispensing, tune-up, brake lathes and accessories, air conditioning, radiator flush, lifts, computer hardware and software, transmission flush, alignment, fluid maintenance, exhaust, compressors, tire machines, tools and other miscellaneous equipment. You are also required to purchase the types of inventory necessary for you to sell the products and services described in the Franchise Agreement and in the Manual, including but not limited to, those products and services listed on Schedule A to the Franchise Agreement, including brake system services, exhaust system services, suspension services, wheel alignment, starting and charging services, heating and cooling services, tire related services, and scheduled and general maintenance services. At the present time, you may purchase the required equipment and inventory from any supplier, including, for certain equipment and inventory, from us. We can recommend suppliers for certain equipment and inventory. We evaluate these recommended suppliers by reviewing their product quality, product pricing, product performance, product availability, services provided, product guarantees and through internal and external referrals. If we or our affiliates sell or lease equipment and inventory to you, we or our affiliates may mark-up the prices charged to franchisees and derive a reasonable amount of income from these transactions. We may negotiate for discounted prices for equipment and inventory with suppliers, and you may, in that event, purchase at the discounted price.

Midas Products. You are required to purchase Midas-brand and Midas-warranted products, principally mufflers, shock absorbers, struts, brake pads and brake shoes according to our specifications. We issue and periodically modify these specifications and the names of approved products or preferred suppliers in the Manual or other written communications. You may purchase the Midas-brand and Midas-warranted products from any supplier as long as they meet our specifications.

In February 2008, we began marketing a high quality brake service that will only be available at Midas Shops and Co-Branding Shops. You are required to participate in this program

and comply with its terms and requirements. To be able to make the high quality claims, all Midas Shops and Co-Branding Shops must sell only Midas-approved high quality brake pads. Therefore, we have expanded and may continue to expand the number of approved brake pad lines. Our approval of brake pad lines is based on the representations from suppliers and/or manufacturers regarding the quality of the brake pads. You may purchase these approved brake pads from any supplier. To demonstrate each franchisee's commitment to participate in this program, each new franchisee is required to execute the Participation Commitment and Agreement acknowledging his or her obligation to purchase and install only approved brake pads, as required under this program. (Exhibit D-4.)

Point-of-Sale System and Technical Information Systems. To promote uniformity and quality in your operations and services you render, we require you to use certain designated computer components. You are required to purchase hardware according to our specifications to operate a point-of-sale software system and perform certain functions at your Franchised Unit. You are required to purchase a point-of-sale software system for your Franchised Unit that can perform the functions that we require (as described in Item 11).

You may purchase the hardware and software from any supplier. However, we recommend that you use the R.O. Writer point-of-sale system in your Franchised Unit. In addition to providing the functions we require, R.O. Writer software offers an integrated customer management and marketing tool as well as an external accounting system interface and data management application. The R.O. Writer point-of-sale software is owned by PAS, our subsidiary, and we will license it to you. Currently the R.O. Writer point-of-sale software system is comprised of the R.O. Writer software, R.O. Writer Central Service, an Internet-based management reporting system, and remote central office functionality. We license the R.O. Writer System to new Midas franchisees and franchisees in good standing for no initial licensing fee under our End User License Agreements (Exhibits E-1 and E-3). However, we or PAS may charge license fees for the R.O. Writer software and/or Central Service reporting system in the future.

You may, in your sole discretion, hire PAS or any other supplier approved by PAS, to install the R.O. Writer software for you. If you hire PAS to install the R.O. Writer software, there is an installation fee of approximately \$500 to \$1,800 for each location, depending upon the complexity of and time required for the installation. If the Franchise Unit you are purchasing currently uses R.O. Writer software, you may, at your discretion, hire PAS for \$500 to upgrade the system to a current release and configure the system for optimal usage, including enabling its newer features.

If you use the R.O. Writer point-of-sale system, you are required to purchase software support from PAS, which includes periodic software updates, and execute the R.O. Writer Software Maintenance Program Agreement (Exhibit E-2). Currently, the PAS software support fee is \$110 per month for each Franchised Unit. However, if you qualify to participate in the Deferral Incentive Program described in Item 5 and elect to use the R.O. Writer point-of-sale software program, PAS will waive the first 3 monthly R.O. Writer Software Support fees. In addition, we recommend, but not require, that you to purchase the R.O. Writer Express module, when available, for \$30 per month, which will include access to Motor/Chek-Chart data and support for accessing this data. You are required to have high-speed Internet access to receive software updates. We reserve the right to increase these fees in the future.

We recommend that you use a computer-based auto repair information system and electronic parts catalog. We recommend, but do not require, that you utilize either ALLDATA or Mitchell as your computer-based auto repair information system and Activant as your electronic parts catalog. You can purchase ALLDATA and Mitchell or other programs from any supplier. However, if you use Activant, you are required to purchase it from PAS. The only approved supplier of Activant is PAS. PAS may derive a reasonable amount of income from the reselling of Activant to franchisees. In addition, PAS

negotiates for discounted prices for the software from the supplier, and, in turn, PAS may license this software to you at a discounted price.

Regardless of the point-of-sale software system you choose, you are also solely responsible for updating the system in a timely manner, as we require and/or as new electronic parts catalogs, pricing and/or software updates become available. In addition, we may, from time to time and at any time, change the software and hardware specifications and require that you purchase or license other products.

Midas Warranty Program and Registration Fees. An important feature of the Franchised System is the requirement that the retail customer be provided a written warranty on certain products which will be honored at all Midas Shops and Co-Branding Shops. You are required to honor these warranties, regardless of who issues the warranties, in accordance with their terms and with the policies we periodically issue in the Manual or other written communications. For example, the current warranty on most Midas-lifetime warranted mufflers provides for free replacement of the muffler (labor charges extra after the first year) for as long as the customer owns the vehicle on which it was installed. Under the Midas warranty program, you are reimbursed for replacement parts provided to customers under properly registered warranties. Under our current policy, we credit you with 100% of the cost* of the current equivalent of the replaced muffler removed from the vehicle, but only if the product is an approved product purchased from an approved vendor, properly registered with us on or after January 1, 2008 and the request for warranty reimbursement is submitted in the proper manner following the applicable manufacturers' 12-month defective product warranty period. This credit is 83% of the cost* of the current equivalent of the replaced muffler removed from the vehicle if the product meets the above criteria but was properly registered with us prior to January 1, 2008. A similar warranty program exists with respect to brake shoes, brake pads, shocks and struts, except that we credit you with 100% of the cost* of the current equivalent of the replaced product removed from the vehicle if the request for warranty reimbursement is submitted in the proper manner following the applicable manufacturers' 12-month defective warranty period. The initial registration of the warranted product and all requests for credit under these warranty programs are required to be submitted electronically in order to qualify for reimbursement. (See Item 11.) We may periodically, on a prospective basis, modify, add to, or discontinue our product warranties and our policy with respect to warranty reimbursement without liability to our franchisees.

* The cost amount you will be reimbursed is the then-current cost of purchasing Midas Secure Stop brake pads or shoes, Response shocks or struts or Super C mufflers, or their successor products as we designate, from our primary supplier under the supplier's stocking program. Currently, our primary supplier for brake pads, brake shoes, shocks and struts is NAPA and our primary supplier for Super C mufflers is Maremont.

Effective January 1, 2008, we modified our warranty program, and, in turn, the method of funding franchisee warranty reimbursements. Under the new program, we assess and you are required to pay us a warranty registration fee that is charged against your Franchised Unit's trade account each time a lifetime guaranteed muffler, brake shoe, brake pad, shock or strut is installed and the corresponding warranty is registered with us. Under this program, your Franchised Unit's warranty registration expense will be clearly and separately identified on your Trade Account Statement. The warranty registration fees we collect from Midas and Co-Branding franchisees will be used to redeem future warranty claims on parts originally installed on or after January 1, 2008. We will set the warranty registration fee for each lifetime product category annually at the beginning of each year in consultation with the International Midas Dealers Association, a North American Midas franchisee association. The warranty registration fees for 2011 are:

	<u>2011</u>
Brake pads or shoes:	\$2.65 per axle
Mufflers	\$5.10 each
Shocks and Struts	\$0.75 each

Insurance. You are required to obtain and maintain, at your own expense, general liability insurance (\$2 million minimum requirement), garage keeper liability insurance (\$50,000 minimum requirement), employer liability insurance (\$1 million minimum requirement), and auto insurance (\$2 million minimum requirement). You are also required to obtain and maintain workers' compensation insurance coverage as required by state law. In addition, you must maintain insurance on the property where the Franchised Unit is located as required by the real estate documents you execute. We require that the insurance you procure be with an insurance company rated A- with a financial size of VI or better by Best Key Rating Guide and authorized to do business in the jurisdiction where your Franchised Unit is located. During the term of the Franchise Agreement and any renewal term, you are responsible for all insurance premiums specified in the Franchise Agreement and in the Manual. However, you can purchase the required insurance from any reputable insurance agent. You must name us as an additional insured, at your expense, and furnish us with certificates providing that the insurance is not cancelable without 10 days' prior notice to us, along with evidence that the premiums have been paid. You are liable for any expense, including attorneys' fees, which we incur in connection with the insurance required under the Franchise Agreement. Some lenders may require you to provide life insurance on your principal owners to get financing.

Real Estate Documents. You are not required to purchase, lease or sublease any real property or equipment from us or any of our affiliates that has an economic involvement or interest or to utilize our services or the services of any real estate brokers with which we have an economic relationship, *except* in those instances where the franchise location and/or business is owned by or leased to us or one of our affiliates. However, we require that you sign one of the real estate documents described below (the "Real Estate Documents") with MRC or MPI giving MRC or MPI, as applicable, the ability to occupy the Franchised Unit's premises in the event of termination or expiration of the Franchise Agreement (or in the event you default or fail to exercise a renewal option under your lease) in order to ensure that the premises may continue to be operated as a Midas Shop if we choose. If MRC or MPI owns the real estate or has the head lease on the Franchised Unit's premises, you will be required to lease or sublease the Franchised Unit from MRC or MPI, as applicable. The form of lease and sublease currently used by MRC and MPI are attached as Exhibits F-1 and F-2, respectively. (See Item 10 of this Disclosure Document.) If you own the real estate on which the Franchised Unit is located, you will be required to enter into an Option and Shop Lease with MRC (Exhibit F-3). The Option and Shop Lease permits MRC to lease the Franchised Unit's premises in the event that the Franchise Agreement is terminated or expires and MRC chooses to exercise its option. If you lease the real estate upon which the Franchised Unit is located from a third party, we will require that you grant to MRC a Conditional Assignment of Lease (Exhibit F-4) to take effect upon the termination or expiration of the Franchise Agreement, your default under the lease, or your failure to exercise a renewal option under the lease, if exercised by us. In addition, if you are the purchaser of an existing Midas Shop franchise for an operating Shop from an existing Midas franchisee and the Franchised Unit's premises is leased or subleased from MRC or MPI, you will be required to execute an Assignment of Midas Lease/Sublease (the "Assignment of Lease/Sublease") (Exhibit F-5). Under the Assignment of Lease/Sublease you will assume and agree to perform and keep all agreements, conditions and obligations of, as well as assume responsibility for any uncured breaches and defaults by the tenant/subtenant under the lease or sublease. However, if you are the purchaser of an existing Midas Shop franchise for an operating Shop from an existing Midas franchisee and the Franchised Unit's premises is subject to an Option and Shop Lease or Conditional Assignment of Lease, you will be required to either execute a new similar document or an acknowledgement of the existing document.

Shop Design and Appearance. Because the design and appearance of both the exterior and interior of the Franchised Unit is an integral part of the Franchise System and the Marks, and because a large degree of uniformity must be maintained among Midas franchisees, you must purchase and maintain exterior building facades, signage, painting, paneling, office and waiting room furniture, and other items

of interior and exterior décor and image, according to our specifications. You can purchase these products and services from any supplier, including, for certain products and services, from us. We can recommend suppliers for certain of these products and services. You will make no change, addition or alteration of any kind to the Franchised Unit's structural elements of the building or to adjacent areas without our prior consent. You are also required to change, at your expense, exterior building facades, signage, painting, paneling, office and waiting room furniture, and other items of interior and exterior decor and image, as we periodically require. You must also follow the reasonable instructions as to floor layout and character of interior furnishings, and may display only the signs, emblems, logos, lettering and pictorial materials we periodically prescribe.

In the past few years, we have implemented a re-imaging program called "Project Beacon". Under Project Beacon, certain portions of the exterior and interior of each Midas Shop were remodeled according to our specifications. Under Project Beacon, the exterior of the Midas Shop was painted a combination of bright red and light grey and an architectural appliqué called a "swoop" was installed. Also under Project Beacon, the customer courtesy area inside the Midas Shop was repainted and a new menu board and point-of-purchase materials was installed. If your Franchised Unit has not been reimaged under the Project Beacon program, you are required to purchase the swoop and point-of-purchase materials from our designated exclusive supplier, Stout Industries, Inc. You are also required to purchase certain paint according to our specifications. However, you can purchase the remaining products and services to complete the reimaging program from any supplier, although Stout is our preferred contractor and supplier. The cost to repaint a Midas Shop is approximately \$8,000, the cost to purchase and install a swoop is approximately \$2,000 and the cost of related point-of-sale materials is \$1,800.

Fleet Program. National fleet management companies direct thousands of vehicles to their participating national account providers. Under the Fleet Program, we are a national account provider for many national fleet management companies for which franchisees participating in the Fleet Program may benefit. In order to attract more national fleet management companies as customers to your Franchised Unit, you may voluntarily choose to participate in the Fleet Program. If you do choose to participate in the Fleet Program and sign the Fleet Program Participation Amendment to the Franchise Agreement (the "Fleet Amendment") (Exhibit D-6), you agree to offer and make available to all National Fleet Customers (defined in the Fleet Amendment) (i.e. those fleet customers whose business operations are conducted in more than one designated marketing area) the standard menu of services and prices listed on Exhibit B to the Fleet Amendment, as well as any additional menu items we designate. We have the right, in our sole discretion, to make reasonable changes to the menu items and designated prices. You may purchase the necessary inventory from any supplier, including, for certain inventory, from us. In addition, if you sign the Fleet Amendment, you will enter into one or more separate agreements with one or more processor(s)/service provider(s) that we designate. At the present time, we serve as one of the processors/service providers. To offset the administrative expenses related to the Fleet Program, we retain a service provider processing fee of up to 2% of the sales transactions billed to National Fleet Customers. Currently, we remit a portion of this fee (i.e., 0.5% of the sales transaction) to an additional service provider we engage to provide processing services under the Fleet Program. In the future, we may elect to cease serving as a service provider under the Fleet Program or we may engage processors/service providers to also serve in that capacity. Furthermore, your agreement to participate in the Fleet Program includes your agreement to fully comply with all of the Fleet Program requirements, policies and procedures as we designate periodically. Currently, these policies include the offering of specific warranties for parts purchased by National Fleet Customers. (Exhibit A to the Fleet Amendment). At the present time, if you participate in the Fleet Program, you are not required to purchase additional types of products to service the fleet customers. Your decision to sign the Fleet Amendment and participate in the Fleet Program is in your sole and absolute discretion and is totally voluntary. You will not be subject to any penalty or other adverse action by us if you elect not to sign the Fleet Amendment and participate in the Fleet Program.

Material Benefits. We may derive revenues from purchases by franchisees from us or companies affiliated with us as follows:

Our officers may have minority ownership interests in a variety of publicly traded companies (including Midas, Inc., our parent company). Some of these publicly traded companies or their affiliates could be approved or designated suppliers to our franchisees. Other than this type of minority ownership, no current officer of ours has any ownership interest in any of your suppliers or any franchisor affiliate that provides products and services to franchisees.

In addition, in the past, we have, and in the future, we and our affiliates may enter into agreements with suppliers of Products & Services. As part of these arrangements, we have, in the past, and we and our affiliates may, in the future, receive early payment discounts, revenues, rebates and other material consideration from suppliers, including on account of purchases or leases by franchisees. We and our affiliates reserve the right to receive these payments in the future. These arrangements vary over time and we cannot guaranty that they will be in place at the time you sign the Franchise Agreement or throughout the term of your Franchise Agreement.

Currently, Midas has supplier arrangements under which we receive discounts/rebates from the vendors. We currently receive discounts/rebates in amounts ranging from three percent (3%) to nine percent (9%) of products and services purchased by us, Midas, SpeeDee and Co-Branding franchisees and/or company-owned Midas, SpeeDee and Co-Branding Shops from certain battery, uniform and automotive parts vendors. The rebates are calculated based upon an agreed upon percentage with the vendor and the amount of certain products and services purchased.

Cooperatives and Negotiated Prices. There are currently no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price terms) for the benefit of the Franchised System. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or the use of particular suppliers.

Estimated Expenditures. Collectively, the source restricted purchases and leases described above that are required to be purchased from us, one of our affiliates, one of our approved suppliers or according to our specifications comprise approximately 10% to 30% of your overall required purchases and leases in establishing a new Franchised Unit. The source restricted purchases and leases described above that are required to be purchased from us, one of our affiliates, one of our approved suppliers or according to our specifications comprise 10% to 60% of your overall required purchases and leases in operating the Franchised Unit. However, these amounts may vary.

Revenue from Franchisee Purchases of Required Products & Services. In the fiscal year ending January 1, 2011, our total revenue was \$86.1 million, including \$18.6 million (includes purchases of equipment, inventory, warranty registration and Fleet Program processing) received by us from Midas franchisees' purchases of Required Products & Services, as described above. This amount was 21.6% of our revenues. During that same period, rental income received by MRC or MPI from real estate leases for affiliated-owned or affiliated-leased properties leased to Midas franchisees located in the United States was \$26.1 million. In addition, PAS received \$1.9 million in revenues from Midas franchisees related to the licensing of the R.O. Writer Software program and Activant.

Except as described above in this Item 8, there are no other requirements for you to purchase or lease from us, one of our affiliates, one of our approved suppliers or according to our specifications.

ITEM 9: FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and other agreements.* It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 1.1 of Franchise Agreement, Sections 4, 5, 6 and 7 of Application for Midas Shop Franchise	Items 7 and 11
b. Pre-opening purchases/leases	Sections 6.3, 6.5 and 6.15 of Franchise Agreement	Items 8 and 10
c. Site development and other pre-opening requirements	Sections 6.5 and 6.15 of Franchise Agreement, Sections 4, 5, 6, 7, 8, 9 and 10 of Application for Midas Shop Franchise	Items 6, 7 and 11
d. Initial and ongoing training	Section 3.1 of Franchise Agreement, Exhibit A of Fleet Amendment	Item 11
e. Opening	Section 6.1 of Franchise Agreement	Item 11
f. Fees	Article 4 and Sections 1.4, 7.4(g), 8.6 and 9.4 of Franchise Agreement, Sections 2, 9 and 10 of Application for Midas Shop Franchise, Sections 3, 9, 11 and 26 of Lease, Sections 4, 13 and 20 of Sublease, Sections M.3 and 6 of the Option and Shop Lease, Paragraph 2 of the Assignment of Lease/Sublease, Section I.C. of Software Maintenance Program Agreement, Section 10 of Fleet Amendment, Section 1 of the Matching Marketing Funds Agreement, Sections F and P of Central Service Agreement	Items 5, 6, 7 and 10
g. Compliance with standards and policies/Operating Manual	Sections 2.4, 6.7 and 6.15 of Franchise Agreement, Sections 3 and 4 and Exhibit A of Fleet Amendment, Section 2 of Participation Commitment and Agreement	Item 11
h. Trademarks and proprietary information	Article 2 and Section 6.17 of Franchise Agreement, Section B of End User License Agreement, Section C of Central Service Agreement	Items 13 and 14

i.	Restrictions on products/services offered	Section 6.2 and Schedule A of Franchise Agreement, Sections 4 and 5 and Exhibit B of Fleet Amendment, Sections 5 and 25 of Lease, Sections 6 and 17 of Sublease, Section M.4 and 25 of Option and Shop Lease, Section 2 of Participation Commitment and Agreement, Section A of End User License Agreement, Section D of Central Service Agreement	Items 8, 11 and 16
j.	Warranty and customer service requirements	Article 5 and Sections 6.7 and 6.15 of Franchise Agreement, Sections J, K and L of End User License Agreement, Section IV of Software Maintenance Program Agreement, Exhibit A of Fleet Amendment, Section 4 of Assignment of Franchise, Section 2 of Renewal Agreements, Assumption of Shop Obligations, Sections L and M of Central Service Agreement	Items 8 and 11
k.	Territorial development and sales quotas	Sections 1.2, 6.1, 6.2 and 6.3 of Franchise Agreement	Item 12
l.	Ongoing product/service purchases	Section 6.3 of Franchise Agreement	Items 8 and 11
m.	Maintenance, appearance and remodeling requirements	Section 6.5 and 6.6 of Franchise Agreement, Sections 6, 8, 14 and 21 of Lease, Section 5 of Sublease, Sections M.5, 11, 12, 15 and 22 of the Option and Shop Lease	Items 10 and 11
n.	Insurance	Section 6.9 of Franchise Agreement, Section 11 of Lease, Section 11 of Sublease	Items 6, 7 and 8
o.	Advertising	Section 6.8 of Franchise Agreement; Section 2 of Matching Marketing Funds Agreement, Section 3 of Assignment of Franchise	Items 6 and 11
p.	Indemnification	Section 6.9 of Franchise Agreement, Sections 10, 11, 12 and 25 of Lease, Sections 9, 11, 12 and 17 of Sublease, Sections C and M. 7, 8 and 25 of Option and Shop Lease, Section 4 of Conditional Assignment of Lease, Section M of End User License Agreement, Section III.H. of Software Maintenance Program Agreement, Section 11 of Fleet Amendment, Sections 4 and 5 of Assignment of Franchise, Section 4 of Participation Commitment and Agreement, Section 1 of Renewal Agreements, Assumption of Shop Obligations, Section O of Central Service Agreement	Item 6

q.	Owner's participation/management/staffing	Section 6.4 of Franchise Agreement	Items 11 and 15
r.	Records and reports	Sections 4.2 and 6.15 of Franchise Agreement, Section E of Central Service Agreement	Items 6 and 14
s.	Inspections and audits	Sections 4.2 and 6.16 of Franchise Agreement, Section E of End User License Agreement	Items 6 and 11
t.	Transfer	Article 7 of Franchise Agreement, Section F of End User License Agreement, Section III.A. of Software Maintenance Program Agreement; Section 6 of Matching Marketing Funds Agreement; Section 20 of Lease, Section 16 of Sublease, Sections J and M.13, 14 and 28 of Option and Shop Lease	Items 6 and 17
u.	Renewal	Article 9 of Franchise Agreement, Section I.B. of Software Maintenance Program Agreement, Section 2 of Fleet Amendment, Section 6 of Participation Commitment and Agreement, Renewal Agreements	Items 6 and 17
v.	Post-termination obligations	Section 8.7 of Franchise Agreement, Section I of End User License Agreement, Section 7 of Fleet Amendment, Sections 6 and 23 of Lease, Sections 5, 13, 19 and 21 of Sublease, Sections M.27 and 33 of Option and Shop Lease, Sections 3, 4, and 5 of Incentive Program Promissory Note	Item 17
w.	Non-competition covenants	Section 2.4 of Franchise Agreement	Item 17
x.	Dispute resolution	Sections 7.11, 8.2(e) and 9.7 of Franchise Agreement, Section P of End User License Agreement, Section III.G. of Software Maintenance Program Agreement, Section M.3 of Option and Shop Lease, Section Q of Central Service Agreement	Item 17
y.	Other – Real estate obligations	*See Footnote below	Item 10

*You must sign a Lease (if MRC or MPI owns the property), Sublease (if MRC or MPI leases the property from a third party), Option and Shop Lease (if you, directly or indirectly, own the property), or Conditional Assignment of Lease (if you lease the property from a third party) covering the Franchised Unit. Depending on the form of lease, your obligation to obtain the site, develop it, and pay rent will vary. The other obligations will not be affected.

ITEM 10: FINANCING

We are unable to estimate whether you will be able to procure financing from third parties or upon what terms. However, we may refer you to a lending institution or leasing company under which credit-qualified franchisees may be granted loans and/or leases for certain equipment for use in your Franchised Unit. Generally, these lending institutions require that the Franchised Unit's assets secure the loans. They may also require that you secure the loan with your residence. Currently, we do not receive any fees for the placement of loans.

Except for the Deferral Incentive Program described below and in Item 5, we do not offer direct or indirect financing from other sources, nor do we guarantee your note, lease or other obligations. Except as noted below and as provided under the Personal Guaranty (Exhibit D-2), we do not currently offer financing that requires you to waive notice, confess judgment or waive a defense against us. We have not and do not plan on selling or assigning to anyone any promissory notes from franchisees.

Deferral Incentive Program

Currently we are offering an incentive program to qualified prospective franchisees who open a new Midas Shop, reopen a previously operated Midas Shop or convert their operating automotive repair business to a Midas Shop (the "Deferral Incentive Program") provided that the Franchise Agreement for the Franchised Unit is signed on or before March 31, 2012. Under the Deferral Incentive Program, instead of paying the entire initial franchise fee as described in Item 5, you will be permitted to pay the initial franchise fee as follows: (1) \$5,000 lump sum deposit with the submission of your Application, (2) \$5,000 lump sum payment upon the execution of the Franchise Agreement and other related documents, and (3) the remaining balance paid in 20 equal monthly installments via ACH Debit commencing on the twenty-first day of the month following the month in which the term of the Franchise Agreement commences. If you also qualify for the Veterans' Incentive Program, you will not be required to make the second \$5,000 payment upon the execution of the Franchise Agreement and other related documents. To evidence this deferred payment obligation, you will sign, concurrently with the execution of the Franchise Agreement, a promissory note for the remaining balance of the initial franchise fee (Exhibit D-12). We have no obligation to refund any portion of the initial franchise fee if the Franchise Agreement is terminated at any time. Furthermore, if the Franchise Agreement is terminated, you will continue to be obligated to pay the outstanding balance due under the promissory note. Pursuant to paragraph 6 of the promissory note, you are also obligated to pay us interest for any monetary obligations under the note which are not paid when due at a rate equal to three percentage points over the prime lending rate then used by JP Morgan Chase Bank, or its successor. Pursuant to paragraph 7 of the promissory note, any default under the terms of the promissory note shall also constitute a default under Section 8.2(a) of the Franchise Agreement. If you do not make scheduled payments under the promissory note when due, transfer your interest or a controlling interest in the Franchise Agreement or terminate the Franchise Agreement, then we can accelerate and demand immediate payment of the full outstanding balance under the promissory note as well as obtain court costs and attorneys' fees if a collection action is necessary. You will not incur a prepayment penalty under the promissory note for making early payments. In addition, if you qualify to participate in the Deferral Incentive Program and elect to use the R.O. Writer point-of-sale software program (See Items 8 and 11 for more information), PAS will waive the first 3 monthly R.O. Writer Software Support fees. We reserve the right to extend, change or discontinue the Deferral Incentive Program at any time. The Deferral Incentive Program is not available for prospective franchisees who purchase company-owned and operated Midas Shops. See Item 5 of this Disclosure Document.

Small Business Administration Franchise Registry Program

We participate in the Small Business Administration (“SBA”) Franchise Registry Program. This program can expedite the processing of your SBA loan request. By registering our key franchise program details in advance with the SBA, we have shortened the length of time it takes for an SBA lender to review our documents and to qualify you for an SBA loan. We do not guarantee any note, lease or other agreement or document that you may execute through the SBA.

Real Estate Documents

Except as described below, you are not required to lease the property where your Franchised Unit is located from MRC or MPI. In the event MRC or MPI acquires a site for a Midas Shop, either through purchase or lease, and constructs a new building or converts an existing one, you will be required to lease (Exhibit F-1) or sublease (Exhibit F-2) the Franchised Unit from MRC or MPI, as applicable. In these instances, the amount financed will, in the case of a lease, be the costs associated with acquiring the site plus the costs of constructing the building plus all related project costs and will be payable over the term of the lease as a portion of the rent. Your annual fixed minimum rent for the first year of the 20-year lease term will be calculated by multiplying this total project cost by MRC or MPI’s, as applicable, then-current rental constant (currently .1000). In the case of a sublease, the fixed minimum rent will be the rent payable by MRC or MPI under the third-party head lease marked up by twelve percent (12%) plus the amount of any construction or renovation costs multiplied by MRC or MPI’s then-current rental constant for the length of the sublease term. The term of the sublease will vary depending upon the term of the third-party head lease. Fixed minimum rent is payable in equal monthly installments by ACH Debit. Also, if you are required to pay rent, real estate taxes and other monetary obligations under a lease or sublease to MRC or MPI, the ACH Agreement authorizes MRC or MPI, as applicable, to debit these amounts from your account on or after the 1st day of each month.

In addition, if you lease or sublease the premises from MRC or MPI, the current form leases and subleases have the following other provisions and requirements:

- (a) Security Deposit: None required.
- (b) Rent: In the case of both the lease and sublease, your rent will be either the fixed minimum rent calculated in the manner described above or 7% of Gross Sales, whichever is greater. Under the lease, each year the fixed minimum rent will be increased by 2%. Under the sublease, the fixed minimum rent will increase in accordance with increases in the third party head lease rent and the amortization schedule for any construction or renovation costs. You must submit by March 1st of each year a statement of annual gross revenues for the preceding year, certified to be correct by you and signed by your accountant. Records supporting each statement must be preserved for 3 years after delivery of the annual statement. (Lease Section 3; Sublease Section 4.)
- (c) Other Monetary Obligations: The lease and sublease require you to pay for real estate taxes, utilities, public liability and building insurance coverage, and the costs associated with maintaining your Franchised Unit and its premises. (Lease Sections 6, 9, 11 and 30; Sublease Sections 4, 5, 13, 14 and 20.)
- (d) Term: In the case of a lease, 20 years. In the case of a sublease, the same as the term of the third-party head lease (less one day), but not including options to extend the term. (Lease Section 2; Sublease Section 3.)
- (e) Prepayment Penalty: None.

(f) Guaranty: The personal guarantee of you and other partners, or shareholders if you operate as a corporation, or members if you operate as a limited liability company, will be required. (Lease Section 22; Sublease Section 22.)

(g) Consequences of Default: If (a) you fail to cure a default in the payment of rent within 15 days after receipt of written notice, (b) you fail to cure any other default within 30 days after receipt of written notice, (c) you engage in a pattern of repeated defaults (i.e. any four defaults during twelve consecutive months or any three defaults occurring in three consecutive months), (d) there is an insolvency filing against you, (e) you vacate or abandon the premises, (f) you willfully falsify any statement or report submitted to MRC or MPI, as applicable, or (f) your Franchise Agreement is in default or an event which constitutes immediate and automatic termination has occurred, MRC or MPI, as applicable, has the right to terminate the lease or sublease and your right to occupy your Franchised Unit's premises, or, without terminating the lease or sublease, terminate your right to occupy your Franchised Unit's premises, take over possession, terminate your Franchise Agreement, and hold you liable for rent for the remainder of the lease or sublease term. You are also obligated to pay MRC or MPI, as applicable, interest for any rent or other monetary obligations not paid when due at a rate equal to 3% above the prime lending rate then used by JP Morgan Chase Bank. (Lease Sections 23 and 30; Sublease Sections 20 and 21.)

(h) Waivers: The lease and sublease contain a waiver by you of any notices regarding default and termination other than those expressly provided for in the lease and sublease themselves. (Lease Section 23; Sublease Section 21.)

Note: If you are the purchaser of an existing Midas Shop franchise for an operating Midas Shop from an existing Midas franchisee and you enter into an Assignment of Midas Lease/Sublease, the terms and conditions of the underlying lease or sublease that you assume and agree to may be different than those described above.

ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Pre-Opening Obligations

Before you open your Franchised Unit, we will:

1. Assist you in the location and development of a site on which your Franchised Unit will be located, or within a specified area, or approve or disapprove of a site identified by you, based upon our review and analysis of the demographic characteristics of the site, traffic counts and patterns, population patterns, income statistics, general location and character of the neighborhood, parking, size, physical characteristics of existing buildings, lease terms, competition, proximity of other businesses and other commercial criteria. MRC or MPI may own the site and lease it to you or lease the site and sublease it to you. Regardless of whether you or MRC or MPI owns or leases the site, you must sign the appropriate Real Estate Documents with MRC or MPI. You will have 12 months after we accept your Application to obtain our approval of a specific location for your Franchised Unit. If you do not find an acceptable site within this time period, your Application will automatically terminate without further obligation of us. (Section 5 of Application for Midas Shop Franchise.)

2. Recommend sources for the machinery, equipment, inventory, furniture, signage and fixtures necessary to outfit the Franchised Unit for operation, which you may purchase from us or any other source. If you choose to purchase these items from us, they will be delivered and installed by our agent or the individual vendors, as the case may be, at your expense. (See Items 5, 7 and 8.)

3. Make available training programs for you and your managing shareholder, member or partner, as well as others we may designate. We do not currently charge for this training, but you must pay the travel and living expenses for you and others in your organization who attend. This training is described in detail later in this Item 11. We reserve the right to impose a charge for this initial training at any time in the future. (Article 3.1(a) of Franchise Agreement.) (See Item 7.)

Continuing Obligations

During your operation of the Franchised Unit, we will:

1. Make available to you all improvements and additions to the Franchised System. (Section 3.1(b) of Franchise Agreement.)

2. Counsel with and assist you from time to time with respect to the management and operation of your Franchised Unit. (Section 3.1(c) of Franchise Agreement.)

3. Make available to you the benefits of our information, experience, advice, guidance and know-how in connection with the management of your Franchised Unit. (Section 3.1(c) of Franchise Agreement.)

4. Have the right, at reasonable times, to visit your Franchised Unit, to inspect the merchandise, equipment and nature of the goods sold and services rendered, to examine your books and records, to observe generally the manner and method of operation of the Franchised Unit, and to address operating problems. (Section 6.16 of Franchise Agreement.)

5. Reimburse you (or otherwise ensure that you are reimbursed) in part or in full for the cost of a part used by you to replace a product which is covered by a valid Midas warranty, if applicable, subject to submission by you of the proper data through the point-of-sale computer system discussed below and in Item 8. (Section 5.3(f) of Franchise Agreement.)

6. Purchase and place advertising for the products and services sold by you and other franchisees. Except as described in the “Advertising Program” section below, we will spend an amount equal to at least one-half of the royalties collected from our franchisees for the cost of this advertising (which includes media costs, commissions and fees, production costs, and other associated costs of the advertising) during the calendar year in which the royalties are received or during the following calendar year. (Section 3.1(d) of Franchise Agreement.)

7. Generate certain data summaries and compilations, and generate comparative market-level data compilations which specifically relate to the Franchised Unit and make these summaries and compilations available to you as and when reasonably requested. (Section 6.17 of Franchise Agreement.)

8. Let you use our confidential information (Article 2 of the Franchise Agreement.)

9. Let you use the Marks (Article 2 of the Franchise Agreement.)

Advertising Program

Except as provided under the Fleet Amendment and as described below, each calendar year, we will expend an amount not less than one-half of the royalties we actually receive from our Midas franchisees for media costs, commissions and fees, production and other associated costs for advertising and promoting the products and services sold and performed by Midas franchisees. Under the Fleet Amendment, we will only be required to expend 2% of Net Revenue from Qualifying Fleet Customers for the advertising described below during the period from execution of the Fleet Amendment through January 31, 2015. (Section 10 of the Fleet Amendment.)

As described in this Disclosure Document, Midas also licenses the Marks to Co-Branding franchisees under a separate Midas/Speedee Franchise Agreement. According to the Midas/Speedee Franchise Agreement, except as stated below, each Co-Branding franchisee is required to pay a “Midas Advertising Fee” in the amount equal to 5% of the Midas Net Revenues. “Midas Net Revenues” means the total gross revenues derived by the Co-Branding franchisee from the sale of Midas Approved Products & Services (which are designated in the Midas/Speedee Franchise Agreement) at the Co-Branding Shop including sales for cash, credit or barter (and irrespective of the collectability) as permitted under the terms of the Midas/Speedee Franchise Agreement and applicable policies and procedures, but exclusive of all sales taxes, use taxes, gross receipts taxes and other similar taxes added to the sales price and collected from the customer, and less any bona fide refunds, rebates and discounts. For Co-Branding franchisees that are in compliance with the requirements for transmission of Data as required under Section 6.20 of the Midas/Speedee Franchise Agreement, the Midas Advertising Fee is at reduced rates of: (a) 3% for sales of motor vehicle tires and certain tire-related products and services (as described in the Midas/Speedee Franchise Agreement); (b) 1% for sales of batteries (excluding related products and starting and charging services, including cables, mounting plates and brackets, installation, labor, diagnostic testing, road service and all other battery-related products, labor and services); and (c) 0% for “Exempt Sales”. “Exempt Sales” means and is limited solely to the following: third party vehicle towing, third party rental car services and the cost of State inspection stickers. Also, for Co-Branding franchisees who participate in the Fleet Program (which has similar terms to the Midas Fleet Program), through January 31, 2015 (unless extended), the Midas Advertising Fee applicable to all Midas Approved Products & Services fleet sales to Qualifying Fleet Customers (described in Item 6 above) is at a reduced

rate of 2%. All other fleet transactions are subject to the Midas Advertising Fee rates as described above. We reserve the right to modify the advertising rates paid by Co-Branding Franchisees in the future.

The royalty amounts collected by Midas from Midas franchisees that are allocated to advertising as described above and in the Franchise Agreement will be combined with the Midas Advertising Fees Midas actually receives from Co-Branding franchisees. The combined amounts will be used by Midas as described below. In addition, company-owned Midas shops and company-owned Co-Branding shops contribute to amounts spent on advertising on the same basis as their respective franchisees.

We direct all use of the advertising and promotional budget, and all decisions regarding the creative concepts and materials used, whether national, regional or local advertising, or some combination. The particular media and advertising content are within our sole discretion. We may use video, audio, and written materials and electronic media; develop, implement and maintain a Website and/or related strategies; administer regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising; use advertising, promotion and marketing agencies and other advisors to provide assistance; and support public relations, market research, and other advertising, promotion, and marketing activities. We may utilize national and regional advertising agencies, media-buying agencies, our own in-house creative department and other outside sources for the creation and dissemination of these advertising and promotional materials. We may advertise locally, regionally, and/or nationally in printed materials, on radio or television, and/or on the Internet, whatever we think is best. We may provide you with samples of advertising, marketing and promotional formats and materials at no cost. Additional copies of these materials are available to purchase from our catalog.

We pay for the costs associated with these services out of our general business operating account. These costs are counted toward the amount required to be spent each year for advertising and promoting the products and services sold and performed by franchisees. We are not required to spend a minimum dollar amount in any area or territory where a particular franchisee is located. If we spend an amount in excess of one-half of the royalties actually received during any year for advertising, the excess may be applied toward the next year's minimum spending requirement.

Periodic Reporting: The royalties received by Midas franchisees that are allocated to advertising are audited annually. By May 1st of each year, we will provide you with a certificate signed by one of our officers stating the amount of royalties actually received from Midas franchisees and the amount spent for advertising and promotions in the preceding year that was collected from Midas franchisees. We will also provide you with details of the amounts collected from Midas franchisees and expended for media costs, commissions and fees, and production costs relating to the advertising. (Section 3.1(e) of Franchise Agreement.)

In fiscal year 2010, Midas spent a total of \$39.8 million, which was collected from Co-Branding Franchisees, Midas Franchisees, company-owned Midas shops and company-owned Co-Branding shops. These funds were spent as follows: 79.5% on media placement, 6.8% on production (which included talent costs, prints, tapes, shipping, research and network integration), 10.9% on administrative expenses, and 2.8% on other expenses. Other expenses in 2010 included travel and entertainment expenses.

Franchisee Marketing and Advertising: You may also conduct advertising and marketing promotions of your Franchised Unit at your own expense and without deduction or credit from royalties or other monies due to us. Your advertising must be conducted in a dignified manner and conform to our standards and requirements. We or our advertising agencies will provide samples of advertising, promotional and marketing materials to you for this purpose. Any advertising, promotional or marketing

materials not provided by us or our advertising agencies, nor previously approved by us, must be submitted to us for approval before you use them. (Section 6.8 of the Franchise Agreement.)

See also a description of the Marketing Support Program in Item 5 above.

Advertising Counsels and Committee: The International Midas Dealers Association (“IMDA”) has a marketing committee made up of Midas franchisees representing various geographic areas of the United States. This committee currently consists of 10 members, each of whom is appointed by the president of the IMDA. The committee serves in an advisory capacity only. We meet with the committee periodically to discuss and review aspects relating to our expenditure of the advertising fees. We have no power to change or dissolve the committee. The committee is also provided an annual marketing budget update.

Advertising Cooperatives: Franchisees are not required to participate in local or regional advertising cooperatives.

Solicitation of New Franchisees: We do not use the money allocated to advertising for advertising that is principally to solicit new franchise sales.

Point-of-Sale System and Computer System

We require that all Midas Shops have in operation a point-of-sale system capable of transmitting to us all customer and sales information for each transaction occurring in the Midas Shop. The system is currently utilized for the purposes of registration, redemption and credit processing under the warranty program, estimating and invoicing consumer product sales and service transactions, inventory management, electronic parts catalog access, parts ordering and transmission of other customer information and offers an integrated customer management and marketing tool as well as interfaces with external accounting and data management applications. In the future, we may change the method by which transmission, registration, redemption and credit processing under the warranty program is conducted, as well as how the system will be utilized for estimating and invoicing consumer transactions, inventory management, electronic parts catalog access, transmission of additional customer information and data, and other functions. We may modify our requirements from time to time in our sole discretion.

As described in Item 8, we recommend, but do not currently require, the use of the R.O. Writer point-of-sale system. R.O. Writer software management system offers an integrated customer management and marketing tool as well as an external accounting system interface and data management application that captures customer and sales information for each transaction occurring in the Midas Shop. The R.O. Writer point-of-sale software is owned by PAS, our subsidiary, and we will license it to you. Currently the R.O. Writer point-of-sale software system is comprised of the R.O. Writer software, R.O. Writer Central Service, an Internet-based management reporting system, and remote central office functionality. We license the R.O. Writer System to new Midas franchisees and franchisees in good standing for no initial licensing fee under our End User License Agreements (Exhibits E-1 and E-3). However, we or PAS may charge license fees for the R.O. Writer software and/or Central Service reporting system in the future. You may, in your sole discretion, hire PAS or any other supplier designated by PAS to install the R. O. Writer software for you. If you hire PAS to install the R.O. Writer software, there is an installation fee of approximately \$500 to \$1,800 for each location, depending upon the complexity of and time required for the installation. If the Franchise Unit you are purchasing currently uses R.O. Writer software, you may, at your discretion, hire PAS for \$500 to upgrade the system to a current release and configure the system for optimal usage, including enabling its newer features.

Neither we, PAS nor our other affiliates are obligated to provide ongoing maintenance, repairs, upgrades, etc. for the R.O. Writer point-of-sale system. However, if you use the R.O. Writer software, you are required to subscribe to the R.O. Writer Software Maintenance Program (Exhibit E-2). Currently, the PAS software support fee is \$110 per month (\$1,320 per year) for each Franchised Unit. Under this agreement, either PAS or another affiliate will provide ongoing maintenance and upgrades for the R.O. Writer software. You must have high-speed Internet access to receive software updates. In addition, if you use R.O. Writer, we recommend, but not require, that you purchase the R.O. Writer Express module, when available, for \$30 per month (\$360 per year), which will include access to Motor/Chek-Chart data and support for accessing this data. We reserve the right to increase these fees in the future.

In order to use the R.O. Writer software management system, you will need a minimum of one Windows-based computer (2-3 are recommended), one printer and one DVD drive. Although neither we nor PAS specify the supplier or provide an approved list of components, we or PAS will provide minimum hardware specifications necessary to operate the various releases of the R.O. Writer software. Currently, the minimum hardware required to run the most current release of R.O. Writer with the R.O. Writer Express module consists of the following: Intel Pentium 4 processor (1.6 GHZ or faster); 2GB RAM minimum for Microsoft Windows XP Pro or 2GB RAM for Microsoft Windows 7Pro; minimum of 6GB free space on the hard drive; DVD; 22" or larger monitor with touch screen functionality that can support a resolution of at least 1280x800; 100Mbps or 1Gbps network card; and a laser printer.

You must electronically transmit to us, on a daily basis (or less frequently if we agree), using the electronic means we determine periodically, your shop-level sales data. We currently do not have direct or on-line access to your computer or the data generated by your computer, but we may require this type of access in the future. In addition, we reserve the right to require independent, unlimited access to other information and data in your system in the future through use of the Internet or other medium. (Section 6.17 of Franchise Agreement.)

You are solely responsible for updating your point-of-sale system in a timely manner, as we require and/or as new electronic parts catalogs, pricing and/or software updates become available. There are no contractual limitations on the cost or frequency of this obligation.

In addition, we recommend that you utilize a high-speed Internet connection. You may be also be required periodically to upgrade hardware and software in order to meet either the requirements of the software vendor you select, including PAS, or our requirements with respect to data collection, retention and transmittal. These updates will be your responsibility and at your cost. Maintenance, repair and support will vary depending upon the vendor you select for the hardware and software, and are also your responsibility and at your cost. The current estimated cost of the computer, hardware and telephone systems for a Midas Shop is about \$6,000.

If you elect to sign the Fleet Amendment and participate in the Fleet Program, you agree to fully comply with all of the Fleet Program requirements, policies and procedures as we designate periodically. Currently, these requirements include your use of a point-of-sale system that supports single step fleet interface (when available from point-of-sale vendors), high-speed Internet access, point-of-sale hardware that supports Windows operating systems and Fleet Team software. (Exhibit A to Exhibit D-6.)

Other than as described in this Item 11, neither we nor any of our affiliates are obligated to provide ongoing maintenance, repairs, upgrades, etc. for your computer systems including your point-of-sale system.

Policy Manual

Franchisees have access to our Policy Manual (the “Manual”) on the Intranet. The Manual is confidential and remains our property. We may modify the Manual periodically. The Manual’s Table of Contents, as of the date of this Disclosure Document, is as follows:

<u>Chapter</u>	<u>Title</u>	<u>Number of Pages</u>
	Cover Page & Table of Contents	6
1	Use of Midas Name	2
2	Advertising	2
3	Payment Terms	3
4	Insurance	2
5	Accounting	5
6	Warranty	11
7	Customer Relations	5
8	Supply Chain	1
9	Equipment and Signage	2
10	Tire Programs	1
11	Training	1
12	Fleet	8
13	Human Resources	1
14	Real Estate	1
15	Development	1
16	Standards of Service	1
17	Safety and Environmental	1
18	Point of Sale System	1
TOTAL		55

Shop Opening

After we have accepted your Application and the related \$5,000 deposit, the length of time until you sign the Franchise Agreement and related documents and open your Franchised Unit may vary from a few weeks, if you purchase an operating Midas Shop, to never if you do not find a satisfactory site, do not complete our training or are not able to obtain financing. Under our current process, the Franchise Agreement and related documents are generally signed within 30 days prior to the opening of the Franchised Unit. The initial franchise fee (less any deposit previously paid) is due to us upon the opening of the Franchised Unit unless you are participating in the Deferral Incentive Program (See Item 5). However, this process may change in the future. The average length of time between (a) our acceptance of your Application (and related deposit) and (b) the execution of the Franchise Agreement and related documents and opening of your Franchised Unit, varies but is approximately 12 to 24 months. Factors affecting this general length of time include site selection, financing arrangements, completing construction, obtaining licenses and permits, the complexity of zoning and local ordinances, real estate title and environmental problems, delivery and installation of equipment, delivery of inventory, hiring of staff, the completion of our initial franchisee Operations Training Program to our satisfaction, your personal involvement and level of activity and/or changes in personal circumstances.

Generally, within 30 days of our receipt of your completed Application and submission of any required information, we will either accept or reject your Application. The acceptance of your Application does not guaranty that you will be awarded a franchise but rather is necessary for you to continue in the process. If we do not accept your Application or you cancel your Application within 30 days of our acceptance of your Application, your deposit, if any, will be refunded to you. After your

Application is accepted, you will need to find, and obtain our approval for, a site where your Franchised Unit will be located. Finding a site for your Franchised Unit and obtaining our approval of the site will usually take from one to twelve months. This time period will be shorter if you are purchasing an operating Midas Shop, converting an operating automotive repair business to a Midas Shop or utilizing an existing building. However, your Application will automatically terminate if you have not received site approval from us within 12 months after we have accepted your Application.

Once your site is approved by us, although there is no set time in which we require that you commence construction, you should promptly begin the construction phase of the process. Construction of your Franchised Unit will generally take from one month to approximately twelve months to complete. Typically, the time period will be shorter if you are purchasing an operating Midas Shop, converting an operating automotive repair business to a Midas Shop or utilizing an existing building. When the construction of your Franchised Unit is close to completion you will be scheduled to attend our Operations Training Program (see below for a description). Training is usually completed approximately 30 days prior to the opening of your Franchised Unit.

The Franchise Agreement and related documents are not signed until you have successfully completed our Operations Training Program to our satisfaction and construction of your Franchised Unit is substantially complete. This timing is approximately 30 days prior to the opening of the Franchised Unit. Before you can open the Franchised Unit for business, you must sign the Franchise Agreement or Assignment of Franchise, Personal Guaranty, Participation Commitment and Agreement, Subordination Agreement, ACH Agreement, Incentive Program Promissory Note (if applicable), Assumption of Shop Obligations (if applicable) and the lease, sublease or other applicable Real Estate Documents in the forms attached to this Disclosure Document as exhibits. Note that if you are purchasing a Midas franchise for an operating Shop from an existing Midas franchisee, you will execute the Assignment of Franchise (Exhibit D-7). Under the Assignment of Franchise, a purchaser/transferee of an existing Midas franchise will be subject to the terms and conditions of, and assume the selling franchisee's obligations under, the selling franchisee's Franchise Agreement, which may be in a form different than the form currently offered under this Disclosure Document. However, upon our request, the purchaser of the existing franchise may be required to amend and restate the selling franchisee's Franchise Agreement to be consistent with the terms and conditions of our then-current Franchise Agreement.

Either you or we may terminate the Application at any time prior to the execution of the Franchise Agreement or Assignment of Franchise and Real Estate Documents by giving written notice to the other party. We may terminate your Application at any time, including, under the following circumstances: (1) if we propose one or more sites and you do not accept a proposed site within 20 days; or (2) if you do not execute and return the required franchise documents to us within 30 days of your receipt (provided, however, you may stop this termination by returning the executed documents to us and complying with the other obligations required under the Application within 10 days of our notice to terminate the Application (Section 5, 6, 8 and 11 of Application for Midas Shop Franchise). In addition, if the Application is terminated: (a) all of your rights provided in the Application and rights to the market area described in the Application will automatically terminate; and (b) we will have no further obligations to you under the Application or in connection with the described market area (except for refunding the deposit in those specific circumstances expressly provided for in the Application).

Training Requirements

After we have accepted your Application, but before you sign the Franchise Agreement and open the Franchised Unit, you (and if you are a corporation, partnership, or limited liability company, then your shareholders, members, partners, managers and/or supervisory personnel we may reasonably designate, including your designated shop manager) must complete our initial operations training program (the "Operations Training Program"). The Operations Training Program is mandatory for all franchisees new

to the Franchised System. You and your attendees must complete the Operations Training Program to our satisfaction.

The Operations Training Program is conducted in 2 parts. Part 1 of the Operations Training Program consists of two meetings with the Franchise Business Manager or another individual we designate, a minimum of 5 business days of in-shop observation at an operating Midas Shop, the completion of an initial business plan and an analysis of the local competition. Part 2 of the Operations Training Program is an instructional program held at our training center in Itasca, Illinois, which lasts a minimum of 10 business days. In addition, at our option, you may also be required to spend a minimum of 5 additional business days to practice and demonstrate competence on necessary skills. This additional training, as applicable, will be at an operating Midas Shop or at a different regional location, as determined by the Franchise Business Manager or another individual we designate. The second part of the Operations Training Program is conducted approximately once per month, depending on participation levels. Currently, there are 12 scheduled training sessions for 2011. Other parts of the Operations Training Program are scheduled based on participation levels throughout the year.

As of the date of this Disclosure Document, we provide the following initial training:

OPERATIONS TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training See Note A	Location
Part 1:			
Initial Regional Manager Meeting	0	4	As agreed to by you and us
Shop Operations	0	40	Local operating Midas Shop
Research & Business Plan Preparation	0	8-24	Your home
Competitive Analysis	0	4-8	Your home
Second Regional Manager Meeting	0	4	As agreed to by you and us
Part 2:			
New Franchisee Orientation Training Course - See Note B	80	0	Our headquarters in Itasca, Illinois
Part 3:			
New Franchisee Orientation Follow-Up	0	40	As agreed to by you and us
TOTALS	80	100-120	

- A. These hours are estimates as it should be understood that the initial training (other than classroom training) is not time-based. Rather, the actual time it takes to complete each portion of the initial training is based on the ability and the desire of the individual to learn. Completion of all activities outlined in the Pre-Classroom Assignment and Details Manual, which we will provide to you, as well as Franchise Business Manager meetings are necessary prior to attendance at the classroom portion of the initial training program.
- B. The subjects covered in this part of the training include: Team Building, Customer Service, Image Standards, Human Resources, Product & Systems Knowledge, Standards of Service,

Vehicle Inspection, Telephone Management, Sales Skills, Ethics, Shop Safety, Marketing & Advertising, Inventory Management, Midas Paperwork, Point-of-Sale Systems, Shop Scheduling, Bay Management, Shop Equipment, Business Measures, and Business Plans.

INSTRUCTIONAL MATERIALS: We may use manuals, handouts, multimedia, shop equipment, computer hardware and software, and various other instructional materials in conducting the Operations Training Program.

INSTRUCTORS: Part 2 of the Operations Training Program may be led by Dan Glacken (Senior Training Manager) who facilitates and manages this training in Itasca, Illinois. Mr. Glacken has been employed by Midas since 2003 and has served as District Manager for company-owned Midas shops as well as his current role as Midas Senior Training Manager since 2004. Mr. Glacken was previously a District Manager (1989-1992), Director of Training (1992-1995) and Region Manager (1995-1997) for Sears Automotive. Steve Swanson (Manager – Professional Services) is currently the instructor for the R.O. Writer training portion and has held this training position since May 2000. Mr. Swanson was employed by Midas in 1999 and transitioned to a R.O. Writer Senior Store Systems Analyst upon the acquisition of PAS in 2001. Mr. Swanson has held his current role as Manager – Professional Services since December 2008. In addition, we may utilize department leaders, field service representatives (including Franchise Business Managers) and guest speakers for training. Other employees of ours, in addition to our training managers, give instruction in areas of their specialty, such as inventory management, shop management, marketing and customer service. In addition to our employees, instructors at the Operations Training Program may include several non-Midas employees (financial specialists, equipment company representatives, etc.).

We do not currently impose any charge for attending the Operations Training Program. However, we are financially responsible for tuition and materials only for the Operations Training Program. You and your employees will be responsible for all meals, travel, lodging and other living expenses incurred in attending initial and subsequent training program(s). We reserve the right to charge you a fee for the cost of the Operations Training Program if you withdraw your Application after you have participated in the program.

We will assess your performance and qualifications to become a franchisee on an ongoing basis throughout your participation in the Operations Training Program. We may terminate our preliminary approval of you as a prospective franchisee at any time if we determine that you and/or whomever attends the Operations Training Program with you cannot or has not completed the Operations Training Program to our satisfaction, or if the Training Manager otherwise is of the opinion, in his or her sole discretion, that you and/or the persons attending the Operations Training Program with you do not possess the attributes necessary to be a Midas franchisee.

We recommend that you not make any changes in your present employment situation or lifestyle until construction of your Franchised Unit commences and you have completed our Operations Training Program to our satisfaction. You should not resign from your present employment, begin sale of your home, or take any steps toward relocation prior to that time. Final approval for a Midas franchisee requires, in addition to other factors, completion to our satisfaction of all parts of the Operations Training Program and approval by the Senior Vice President of Franchise Operations or his designee.

Additional Training for all Midas Shops

At our option, we may require that you and/or any of your managers or employees we designate successfully complete additional training program(s) or course(s) after the opening of your Franchised Unit. These requirements will be described in the Manual or other written communications. We reserve

the right to change, modify or amend these additional training requirements and to charge a fee for additional training courses at any time.

Currently, each franchisee is required to have a certain number of individuals demonstrate competence in certain designated courses. Competence can be demonstrated by completing assessment tests, passing a placement assessment or by completing the web-based training course and passing a post-test. These training competencies/course(s) are currently available on our franchisee-website portal with no charge to you or your employees and are required to be fulfilled within 90 days of the opening of your Franchised Unit. At the present time, each Midas Shop is required to have: (a) at least 2 shop staff members with demonstrated competence in seven different designated brake courses; (b) at least 1 shop staff member with demonstrated competence in two designated customer experience courses; and (c) at least 1 shop staff member with demonstrated competence in the Motorist Assurance Program (MAP) Uniform Inspection and Communication Standards (UICS) course. If your Franchised Unit falls out of compliance with these training requirements (for example, an individual that had taken the courses is no longer employed at your Franchised Unit), you will have 90 days to have other individual(s) complete the requirements in order to become compliant again. If these training requirements are not met, you will be in default of the Franchise Agreement and, if the default is not cured within 30 days of written notice, your Franchise Agreement will be subject to termination.

We may also offer supplemental training sessions for you and your managers and employees to be held at various locations after your Franchised Unit opens. Periodically, we provide our franchisees written instructional materials and conduct training seminars in the field.

ITEM 12: TERRITORY

The Franchise Agreement will grant to you the right to operate your Franchised Unit at a specific location only, that we approve, and does not in any way grant, confer or imply any geographic area, market or exclusive territorial right to you. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we or our affiliates franchise or own, or from other channels of distribution or competitive brands that we control.

Since the franchise does not grant to you any exclusive rights to an area, market or territory, there are no restrictions on you, us, our affiliates, or other franchisees with respect to soliciting or obtaining business from any geographic area. However, you do not have the right to use other channels of distribution (such as the Internet, catalog sales, telemarketing, or other direct marketing) to make sales using the Marks, whether at your Franchised Unit or otherwise. The sales and customer trading patterns of your Franchised Unit may change for a variety of reasons, including on-going development of the Franchised System.

If your right to possession of the Franchised Unit's premises is terminated without your fault or affirmative action on your part at any time during the term of the Franchise Agreement, then within 120 days after you notify us that: (a) this loss of possession has occurred, or (b) this loss of possession will occur within 6 months of the date of your notice, then we will propose to you a new location for the operation of the Franchised Unit for the remainder of the term of the Franchise Agreement. You may not relocate the Franchised Unit under any other circumstances. (Section 8.4 of the Franchise Agreement.)

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises. You do not receive any right to exclude, control or impose conditions upon the location or development of future Midas Shops. The continuation of your rights under the Franchise Agreement does not depend on you achieving a certain sales volume, market penetration, or other contingency.

We and our parent and affiliates have a right to establish other franchised or company-owned Midas Shops and Co-Branding Shops at any other location whatsoever, including what may, at any point in time, be considered within close proximity to your Franchised Unit. We and our parent and affiliates also have the right to operate or license others to operate similar or different businesses under any trade name, at any location, which may compete with your Franchised Unit. We and our parent and affiliates also reserve the right to develop and operate any type of business, including a competitive business that does not use the Marks at any location whatsoever, including what may, at any point in time, be considered within close proximity to your Franchised Unit. We and our parent and affiliates also reserve the right to acquire competitive businesses of any kind, in any location, for the purpose of selling the competitive business' assets or merging it into an existing business, including a competitor. We and our parent and affiliates reserve the right to operate, or franchise third parties to operate, competitive businesses anywhere whatsoever. We reserve the right to sell products similar to those identified by the Marks described in Item 13 below and other products identified by the Marks, or identified by different trademarks, anywhere through other channels of distribution (such as the Internet, catalog sales, telemarketing or direct marketing). We are not required to pay you if we exercise this right to sell.

SpeeDee franchises others to operate SpeeDee shops under the SpeeDee name and trademark, which are businesses that provide car care services, including oil changes, tune-ups, factory scheduled maintenance, transmission services, radiator flushes, brake system repair and replacement services, air conditioner recharges, emission control system services, replacement of filters, fuel systems cleaning, replacement of wiper blades, radiator caps and other automotive care services. Some of these services may be identical to and in competition with those provided at Midas Shops. COSSI Holdings, LLC, a wholly-owned subsidiary of SpeeDee, owns and operates SpeeDee shops. See Item 1 above for information regarding the number of franchisee-owned and company-owned SpeeDee shops as of the date of this Disclosure Document. The owners of SpeeDee shops may solicit and accept customers in any geographic region where Midas Shops or other SpeeDee shops are located. It is possible that SpeeDee shops may be operated in close proximity to your Franchised Unit. We will resolve conflicts between us and the SpeeDee franchisees and those between the SpeeDee franchisees and the Midas franchisees regarding territory, customers and franchisor support as we deem appropriate under the circumstances. SpeeDee's principal business address is 1300 Arlington Heights Road, Itasca, Illinois 60143. Midas and SpeeDee do not maintain separate principal offices, but do maintain separate training facilities.

As discussed in Item 1, we and SpeeDee franchise others to operate Co-Branding Shops under the Marks and the SpeeDee names and trademarks. The Co-Branding Shops offer most of the services available at either a stand-alone Midas Shop or SpeeDee Shop, as described in this Disclosure Document, but at one location and according to the co-branding franchise agreement and co-branding operations and training manuals. Co-Branding Shops may be owned and operated by co-branding franchisees, by SpeeDee and/or by us or our affiliates. The owners of Co-Branding Shops may solicit and accept customers in any geographic region where Midas Shops are located. It is possible that Co-Branding Shops may be operated in close proximity to your Franchised Unit. See Item 1 above for information regarding the number of franchisee-owned and company-owned Co-Branding Shops as of the date of this Disclosure Document. We will resolve conflicts between us and the co-branding franchisees and those between the co-branding franchisees and the Midas franchisees regarding territory, customers and franchisor support as we deem appropriate under the circumstances. SpeeDee's and our principal business address is 1300 Arlington Heights Road, Itasca, Illinois 60143. As stated above, we and SpeeDee do not maintain separate principal offices, but do maintain separate training facilities.

ITEM 13: TRADEMARKS

If you are approved and execute the proper documents, we will grant you the non-exclusive right, privilege and obligation to use our trade names, trademarks, service marks, trade dresses and logos that we may make available to you from time to time in connection with the operation of your Franchised Unit under the Franchised System at the designated location. You may only use our current or future proprietary Marks (as defined below), as we may periodically direct to operate your Franchised Unit.

Our principal marks include, among others, “Midas”, the Midas Oval and those listed in the table below (the “Marks”):

MIDAS’ FEDERAL REGISTERED MARKS

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>
MIDAS	655,353	12/03/1957
	657,036	01/14/1958
	803,614	02/08/1966
	1,238,734	05/17/1983
MIDAS LOGO (COLOR)	2,611,406	08/27/2002
MIDAS LOGO	2,465,462	07/03/2001
MIDAS (STYLIZED)	2,465,463	07/03/2001
THE MIDAS TOUCH	1,258,822	11/22/1983

We own the Marks. We have filed, and we intend to continue to file, all affidavits and renewals for the Marks when required. In addition, we have established certain common law rights to the Marks acquired by virtue of our continuous and extensive use of and advertising utilizing the Marks.

By granting you a franchise, we are granting you a license for the Marks. We require all franchisees to comply with reasonable requirements that we may periodically set regarding the use of the Marks. You must use all Marks in full compliance with provisions of the Franchise Agreement and in accordance with our rules. You may not use the Marks or our name as a part of your corporate name whether with or without any prefix, suffix or other modifying words, terms, designs or symbols (other than logos that we license to you). In addition, you may not use any Mark in connection with the sale of any unauthorized product or service or otherwise in connection with the sale of any authorized product or service in any other manner not explicitly authorized in writing by us.

You must notify us immediately when you learn about any infringement of or challenge to your use of the Marks, including any litigation brought against you involving any of the Marks. We may take the action we deem appropriate (including no action) to preserve and protect the ownership, identity and validity of the Marks and control exclusively any litigation, United States Patent and Trademark Office (“USPTO”) proceeding, or other administrative proceeding arising from any infringement, challenge or claim, including the prosecution or defense of any claim involving your use of the Marks. Upon our request, you must cooperate with us in precluding unauthorized use of the Marks or any confusing similar mark or indicia and in defending or settling an infringement, challenge or litigation matter, at our expense. If we decide to take action, we will do so at our expense. If we do not take action, then you must protect yourself at your expense. We are not obligated to indemnify you in litigation involving a suit for infringement of the Marks.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, nor any pending infringement, opposition or cancellations, proceedings or material litigation involving the Marks that are relevant to their use by you in accordance with the Franchise Agreement. We do not know of any infringing uses or superior rights that could materially affect your use of the Marks in accordance with the Franchise Agreement in any state. No agreement limits our right to use or license the Marks.

We may acquire or develop additional trademarks, and may use those trademarks ourselves, make those trademarks available for use by you and other franchisees, or make those trademarks available for use by other persons or entities. We may modify or provide a substitute for any Mark. If we modify or discontinue a Mark or use additional or substitute names or marks, you must pay the costs relating to your Franchised Unit associated with the change (for example, changing signs, exterior and interior decor and appearance). We may also require you to use and display a notice, in a form that we approve, that you are a franchisee under the Franchised System using the Marks under a Franchise Agreement.

You may not directly or indirectly contest our ownership, title, right or interest in any of the Marks, names, trademarks, indicia, or any other word which incorporates the word “Midas”, nor contest our right to register, use or license others to use those Marks, names, trademarks, indicia and other words.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise.

We assert copyright protection on most publications we issue, including, among others, our Manual, operational materials, and any other proprietary materials specifically created by us in connection with the Franchised System, including all proprietary advertisements, printed materials and forms. We are not required to register these copyrights with the United States Registrar of Copyrights to protect them. You must use the Manual and other copyrighted materials in a manner consistent with our ownership rights and solely for the promotion of your Franchised Unit.

You must promptly tell us when you learn about any unauthorized use of our copyrighted information. The Franchise Agreement does not require us to take affirmative action to protect or defend your rights to use our copyrights when notified of a possible infringement, although we intend to do so if we deem appropriate. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damage or expenses in a proceeding involving a copyright.

There currently are no pending copyright applications relating to our copyrighted materials. There are no effective adverse determinations of the USPTO, the United States Copyright Office or any

court, nor is there any pending infringement, opposition or cancellation proceedings or material litigation, involving our copyrighted materials which are relevant to their use by you.

There are no agreements currently in effect which significantly limit our right to use or to license the use of our copyrighted materials in any manner material to your operation of the Franchised Unit.

We do not actually know of any infringing uses of our copyrights that could materially affect your use of those copyrighted materials in connection with your operation of the Franchised Unit under the Franchise Agreement in any state.

Our Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes, without limitation, product catalogs, price lists, training and policy manuals, sales promotion aids, business forms, methods of operations, business processes and techniques, accounting procedures, marketing and advertising reports, informational bulletins, staffing models, inventory systems, business strategies and goals, and other methods, formats, specifications, standards, systems, procedures, knowledge and experience used in developing and operating Midas Shops, marketing and advertising programs for Midas Shops, any technology that is proprietary to the Franchised System, knowledge of specifications for any suppliers of products and financial performance of Midas Shops other than your Franchised Unit, and graphic designs and related intellectual property.

You and your officers, directors, shareholders, partners and members are required to comply with the confidentiality and non-disclosure obligations described in the Franchise Agreement. You may not use our confidential information in an unauthorized manner. Each of the Application and the Franchise Agreement require that, both during and after its term, you will not reveal any of our confidential information, nor will you use such confidential information in connection with any business or venture other than the operation of the Franchised Unit. You must take reasonable steps to prevent improper disclosure of our confidential information to others.

Under the Franchise Agreement, you will electronically transmit to us, on a daily basis (or less frequently as we agree) shop-level sales data by part number/labor operation and by customer. This data is jointly-owned by us and you. In the event of certain terminations of the Franchise Agreement, both we and you will continue to have an undivided ownership interest in the data, in which case the restrictions on the use of the data while the Franchise Agreement is in effect, as described in the Franchise Agreement, will no longer apply. In certain other terminations of the Franchise Agreement, only we will continue to have sole ownership of the data. Any data summaries and compilations we generate or create from the data shall be our sole and exclusive property. Under the Franchise Agreement, while the Franchise Agreement is effective, you are only permitted to use the data for purposes of operating the Franchised Unit and are not permitted to sell or transfer any of the data to any third parties, other than for purposes of increasing business and improving operations at the Franchised Unit or in connection with an assignment of the Franchise Agreement, unless we agree in writing. During the term of the Franchise Agreement, we are permitted to use the data for sales analysis, warranty administration, inventory support, and marketing purposes. We are not permitted to share your shop-specific data with other Midas franchisees, unless you agree, nor are we permitted to sell or transfer any of the data to any third party (except in conjunction with the assignment of the Franchise Agreement). However, we are permitted to share data compilations containing your shop-specific data with third parties without your consent.

**ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL
OPERATION OF THE FRANCHISE BUSINESS**

We believe that the success of your Franchised Unit will depend upon your personal and continued efforts, supervision and attention. Unless we agree otherwise in writing, you must personally participate and devote full time and effort in the direct on-premises management and operation of your Franchised Unit. If you are a corporation, limited liability company or partnership, you must designate at least one individual to have managerial responsibility of the Franchised Unit. In this case, he or she must devote full time and effort in the direct on-premises management and operation of the Franchised Unit. If your manager is responsible for supervising the day-to-day operations of the Franchised Unit, we will have the right to deal directly with him or her on matters pertaining to the day-to-day operations of the Franchised Unit. A designated shop manager is not required to own an equity interest in a franchisee that is a business entity. You must diligently monitor and be responsible for the performance of any shop manager. The appointment of a shop manager, if any, will not relieve you of any duties and obligations under the Franchise Agreement.

The philosophy of the Midas franchise system is based upon your direct, personal and active ownership and management of the business. Accordingly, unless we agree otherwise in writing, we require you and your shareholders, members or partners (in the case of a corporation, limited liability company or partnership, respectively) to meet the qualifications we establish and to complete to our satisfaction the Operations Training Program described in Item 11 above (as well as completion of the Operations Training Program by any other individuals we periodically designate).

If you are a corporation, limited liability company or partnership, each of your owners must personally guarantee to us, MRC and MPI (and our affiliates) the prompt and full payment of all debts of the corporation, limited liability company or partnership, and must subordinate his or her claims against the corporation, limited liability company or partnership in our favor. In addition, each of your owners is required to be personally bound by and personally liable for the breach of every non-monetary obligation of the franchisee under the Franchise Agreement including, but not limited to the confidentiality and non-disclosure obligations. (See Exhibit D-1.)

**ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY
SELL**

You must offer and sell only the products and services that we authorize and/or require as described in the Franchise Agreement, the Manual or in other communications that we send to you. You may not offer or sell any products or perform any services that we have not authorized or approved. See the subsection titled "Midas Products" in Item 8 for additional information. If you want to sell unapproved products or services, you must request our approval, in writing, and send to us information on your proposed products or services. We have the right to approve or disapprove of the proposed products or services in our sole discretion. We periodically may change the required and/or authorized products and services. There are no limits on our right to do so.

We do not impose any restrictions or conditions that limit your access to customers. However, you are expected to concentrate on the market in which your Franchised Unit is located.

ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document as exhibits.

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise or Other Agreement	Summary
a. Length of the franchise term	Section 1.3	Term is 20 years.
b. Renewal or extension of the term	Article 9	We may “renew” the term for an additional 20 years if you agree to sign our then current form of agreement (which may have materially different terms than the original agreement) and pay the renewal fee.
	Software Maintenance Program Agreement Section I.B.	If you pay annual or monthly support fees, the term automatically renews for successive 12 month or 1 month renewal terms, respectively, unless written notice is received by the other party at least 60 days prior to the end of the current term.
	Fleet Amendment Section 2	We may extend the term for one or more consecutive 5-year extension periods if you sign our then current form of amendment. You have the right to opt out of extension periods upon giving proper notice.
	Participation Commitment and Agreement Section 6	Agreement continues for any extension or renewal of the Franchise Agreement.

Provision	Section in Franchise or Other Agreement	Summary
c. Requirements for franchisee to renew or extend	Article 9	You must be in good standing (credit, building maintenance, system participation); sign the then-current Franchise Agreement, Renewal Agreements, applicable Real Estate Document, general release (if state law allows) and other required documents (these documents may contain terms and conditions materially different from those in your previous documents, such as different fee requirements) and pay the fee. Conditions, such as relocation or remodeling, may be imposed.
d. Termination by franchisee	Section 8.1	You may terminate at any time after 30 days' written notice.
	Application for Midas Shop Franchise Section 11	You may terminate at any time upon giving proper notice to us.
	Option and Shop Lease Section M.20	After our exercise as a result of your non-payment of rent (or other financial obligation), you, as lessor, may terminate the lease after 10 days (20 days if MRC is lessee) written notice to lessee. After our exercise as a result of your failure to cure non-financial obligations, you, as lessor, may terminate the lease after 30 days (45 days if MRC is lessee) written notice to lessee.
e. Termination by franchisor without cause	Franchise Agreement - None	Not Applicable.
	Application for Midas Shop Franchise Section 11	We may terminate at any time upon giving proper notice to you.
f. Termination by franchisor with cause	Sections 8.2 and 8.3, Lease Sections 2 and 23 Sublease Sections 7 and 21	We can terminate if you commit one of the violations described in (g) and (h) below.
	Application for Midas Shop Franchise Sections 5, 6 and 8	We may terminate: if site approval is not obtained by the deadline or if you do not execute and return the Franchise Documents and pay the applicable fees within 30 days of

Provision	Section in Franchise or Other Agreement	Summary
		your receipt of the Franchise Documents.
	Fleet Amendment Sections 2 and 7	We may terminate: if we terminate the Fleet Program, if you breach the agreement or if at any time less than 90% of the then existing Midas franchisees provide notice that they will participating in the Fleet Program.
	End User License Agreement Section I	We may terminate if you cease to be a franchisee or if any of the terms of the End User License Agreement are breached.
	Software Maintenance Program Agreement Section I.C.	PAS may terminate immediately if you fail to make any payments when due.
	Central Service Agreement Section K	PAS may terminate license if you cease to be a franchisee or if any of the terms of the Central Service Agreement are breached.
g. “Cause” defined – curable defaults	Section 8.2	You have 30 days to cure: non-payment of fees, non-submission of reports, non-compliance with policies and procedures (including training requirements), and other failures to perform.
	Application for Midas Shop Franchise Section 8	You have 10 days to cure the non-submission of required executed documents.
	Lease Section 2, Sublease Section 7	We may elect to terminate the lease or sublease upon termination or expiration of the Franchise Agreement.
	Lease Section 23, Sublease Section 21	You have 15 days to cure non-payment of fees and 30 days to cure defaults of non-monetary obligations.
h. “Cause” defined – non-curable defaults	Sections 8.2(d) and 8.3	Non-curable defaults include: conviction of felony; repeated defaults, even if cured; submission

Provision	Section in Franchise or Other Agreement	Summary
		of false reports to us; deception of consumers as to certain matters; seizure of assets by others; loss of premises unless authorized substitution made; unapproved transfers; and bankruptcy-related events.
	Application for Midas Shop Franchise Sections 5 and 6	Non-curable defaults include: not receiving site approval within 12 months of acceptance of Application and not accepting a Midas proposed site within 20 days.
	Lease Sections 2 and 23, Sublease Sections 7 and 21	Non-curable defaults include: termination of the Franchise Agreement; submission of false reports; abandoning/vacating the premises; bankruptcy-related events; falsifying records; and repetitive defaults.
i. Franchisee's obligations on termination/non-renewal	Section 8.7	Payment of outstanding amounts; complete deidentification; assign and transfer telephone numbers to us; sell us any Midas products in your inventory upon our request.
	Lease Section 23 and Sublease Section 21	Relinquish possession, pay all monetary obligations, including future rents for the remainder of the term, and any damages.
	Fleet Amendment Section 7	Immediately cease using and return to us any Fleet Program materials and cease advertising, promoting or holding yourself out as a Fleet Program participant.
	End User License Agreement Section I	Immediately cease using and return to us the PAS programs and any copies thereof; certify that you have not retained any copies thereof.
j. Assignment of contract by franchisor	Section 7.12	Agreement may be assigned to our successor or to our or our successor's shareholders, partners or members without restriction.

Provision	Section in Franchise or Other Agreement	Summary
	Lease Section 20, Sublease Section 25(c), Conditional Assignment of Lease Section 11	Agreement will be binding upon and will benefit the parties' assigns.
k. "Transfer" by franchisee – defined	Section 7.1, 7.2 and 7.3	Includes transfer of contract or assets and ownership change.
l. Our approval of transfer by franchisee	Section 7.4	We have the right to approve all transfers but will not unreasonably withhold approval.
	End User License Agreement Section G	You may not transfer or assign without our written consent.
	Software Maintenance Program Agreement Section III.A.	You may not transfer agreement.
	Central Service Agreement Section I	You may not transfer or assign without PAS' written consent.
m. Conditions for franchisor approval of transfer	Section 7.4	New or existing franchisee must qualify (credit, character, experience, etc.); you are not in default under the Franchise Agreement; you pay all outstanding amounts; transfer fee paid; purchase agreement approved; training completed; general release signed by you; Franchise Agreement assigned to new franchisee; new franchisee may be required to amend franchise to then-current franchise agreement terms.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 7.3	We can match any bonafide offer for your business.
o. Franchisor's option to purchase franchisee's business	None.	Not Applicable.
p. Death or disability of franchisee	Section 7.7	Franchise must be assigned by estate to distributee under will (or by heir) or to a buyer, with our consent.

Provision	Section in Franchise or Other Agreement	Summary
q. Non-competition covenants during the term of the franchise	Sections 2.4(b), (d) & (e)	No competing business at any location.
r. Non-competition covenants after the franchise is terminated or expires	Sections 2.4(c), (d) & (e)	No competing business at any location for 2 years.
	Option and Shop Lease Section M.4(b)	You are not permitted to be involved in any automotive repair shop within a 1 mile radius of the Franchise Unit's premises.
s. Modification of the agreement	None	No modifications generally, but Manual and system standards subject to change; We may issue policies, procedures and regulations during franchise term.
	Assignment of Franchise	Upon transfer, we may require the amendment and restatement of the franchise agreement to our then-current terms.
	Fleet Amendment Sections 3 and 4	We may make reasonable changes to the Fleet Program and will provide you notice of these changes.
	Lease Section 36, Sublease Section 25(d), Option and Shop Lease Sections K and M.29.	May be modified only by a written instrument executed by the parties.
	End User License Agreement Section P, Software Maintenance Program Agreement Section J, Central Service Agreement Section Q	We may modify the terms at any time and will provide you notice of these changes.
t. Integration/merger clause	Section 10.9, Lease Section 36, Sublease Section 25(d), Option and Shop Lease Sections K and M.29.	Only the terms of the Franchise Agreement and related real estate and other documents are binding (subject to state law); any other promises may not be enforceable. However, nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document. Any statements or promises not in the

Provision	Section in Franchise or Other Agreement	Summary
		Franchise Agreement, other agreement you execute or this Disclosure Document should not be relied upon and may not be enforceable.
u. Dispute resolution by arbitration or mediation	Sections 7.11, 8.2(e) and 9.7	Certain disputes must be arbitrated in Chicago, Illinois (i.e., transfer, termination and non-renewal), or, in the case of determining rent, the city where the premises is located.
v. Choice of forum	None	Not applicable
	End User License Agreement Section P, Software Maintenance Program Agreement Section G, Central Service Agreement Section Q	State court located in DuPage County, Illinois or Federal court located in Chicago, Illinois
w. Choice of law	Section 10.12	Law of the state where the Franchised Unit is located
	End User License Agreement Section P, Software Maintenance Program Agreement Section G, Central Service Agreement Section Q	Laws of State of Illinois

Although not obligated by the Franchise Agreement to do so, if the franchise is terminated, we may elect, in our sole discretion, to buy back Midas-brand inventory at fair market value and free and clear of all liens and encumbrances.

In addition to the provisions noted in the chart above, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a provision addressing limitations on when claims may be raised. (Section 7.11 of the Franchise Agreement) We recommend that you carefully review all of these provisions, and each of the contracts attached to this Disclosure Document in their entirety, with a lawyer. Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit I.

ITEM 18: PUBLIC FIGURES

We do not use any public figure to promote our franchise.

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.

The following information is provided for the purpose of helping you evaluate the potential earnings capability of a Midas Shop. Please carefully read all information in this Item 19, including the statements following the tables, which explain the information provided in the tables below and the limitations on this and the other information contained in this Item 19.

Below are ranges of actual gross sales figures of 1,181 franchised Midas Shops and 70 Midas Shops owned and operated by our affiliate, COSMIC, each in operation in the United States for more than two years as of December 31, 2010. The average actual gross sales of these Midas Shops was \$651,885. All of these Midas Shops are generally comparable to the franchise being offered. Shops operating as Midas/Speedee Co-Branding Shops in 2010 are excluded from these results.

<u>Range of Annual Sales</u>	<u>No. of Midas Shops</u>	<u>Percentage</u>
\$0 - \$399,999	181	14.5%
\$400,000 - \$899,999	881	70.4%
\$900,000 and over	189	15.1%
Total	1,251	100%

We offered substantially the same services to all of these Midas Shops, which offered substantially the same products and services to the public. The figures in the table above are based on actual results of Midas Shops operated by COSMIC and on monthly sales reports submitted by Midas franchisees for the purpose of computing royalty fees. We do not know if the figures reported to us by franchisees were audited. We have not independently audited or verified the accuracy of these numbers, and we do not know if these numbers have been verified or audited on behalf of the franchisees. Written substantiation for the financial performance representations made in this Item 19 will be made available to the prospective franchisee upon reasonable request.

Gross sales do not reflect the actual potential net income of a Midas Shop and should not be relied upon in calculating profitability. There are a number of fixed and variable costs associated with a Midas Shop that are not reflected in the table above and that vary among individual Midas Shops. These costs, which are significant, include costs described in Items 6 and 7 of this Disclosure Document, inventory costs, labor costs, rent and other occupancy costs, taxes, utilities, insurance, royalty fees, advertising, supplies, bad debt, warranty expenses, charge card expenses, equipment rental, taxes, debt service, depreciation on equipment and property, legal and accounting fees, regulatory compliance, management costs, general administrative expenses, pre-opening organization costs, employee benefits and repairs and maintenance. As an illustration, the following table contains average expense percentages for 274 U.S. Midas Shops operated by franchisees during each shop's reporting period. The percentages stated in the following table are based on annual financial statements submitted by Midas franchisees in the required format for fiscal years ending between June 30, 2009 and March 31, 2010. In all cases, each Midas Shop included in the calculation had been open and operating for at least 24 months prior to the end date of the financial statements. Shops operating as Midas/Speedee Co-Branding Shops during the time period of their financial statements are excluded from the table below. We have not audited or

verified the accuracy of the franchisees' financial statements and we do not know if these statements have been verified or audited on behalf of the franchisees.

	<u>Bottom Third(1)</u>	<u>Middle Third(1)</u>	<u>Top Third(1)</u>
Number of Shops in Group	91	92	91
Average Sales Per Shop	\$436,616	\$612,896	\$945,771
Expenses as % of Sales			
Cost of Goods Sold	26.6%	25.6%	25.6%
Technician Wages (2)	17.1%	16.4%	16.4%
Franchise Royalties	4.8%	4.8%	4.8%
Advertising Royalties	4.8%	4.8%	4.8%
Other Variable Expenses (3)	3.8%	3.6%	3.5%
Other Fixed Expenses (4)	\$40,323	\$43,354	\$52,289

Notes:

- (1) Tiers divided equally based on sales revenues.
- (2) Includes wages paid to technicians only. Does not include wages paid to managers or other employees, payroll taxes, fringe benefits, and workers' compensation insurance expenses.
- (3) Includes: credit card processing fees, check guarantee services, bad debt expenses, shop supplies, uniforms/laundry, and damage claims.
- (4) Includes: utilities, telephone, waste removal, outside services, computer maintenance, software subscriptions, repairs and maintenance, dues and subscriptions. Also includes supplemental advertising not paid by the advertising royalties, such as yellow page advertising.

The table immediately above excludes many other types of expenses often incurred by franchisees that are significant including manager salaries, payroll taxes, fringe benefits, rent, real estate taxes, insurance, business licenses, equipment leasing, professional fees, travel, entertainment, administrative salaries, depreciation, amortization, and interest expenses. These expenses have been excluded from the table above because they may be heavily influenced by discretionary factors, and may vary significantly from what you may pay for them under normal market and business conditions.

We encourage you to consult with your financial advisors in reviewing the information in this Item 19, in particular, in estimating the categories and amount of additional expenses that may be incurred in establishing and operating a Midas Shop.

Furthermore, you should be aware that any particular Midas Shop's financial performance may be affected by numerous factors that may vary due to the individual characteristics of the Midas Shop. These factors include: competition from car dealers and other auto service centers, appreciation and acceptance of the services and products the Midas Shop offers in its community, a franchisee's experience, business development and managerial skills, advertising programs, personnel and cost controls, geographic and socioeconomic conditions in the Midas Shop's area, business cycles and performance of the economy locally, nationally and world-wide.

Financial Information for Specific Operating Midas Shops

In instances where a prospective franchisee is seeking to buy an existing Midas Shop, whether owned by us, COSMIC or another franchisee, we may provide certain operating results of that Midas

Shop, together with the name and last known address of each owner of the Midas Shop, during the prior five years.

YOUR INDIVIDUAL FINANCIAL RESULTS ARE LIKELY TO VARY FROM THE RESULTS STATED ABOVE. THE FIGURES STATED IN THE TABLES SHOULD NOT BE CONSIDERED THE ACTUAL OR POTENTIAL GROSS SALES THAT YOU WILL REALIZE OR EXPENSES YOU WILL INCUR. WE DO NOT PROVIDE ANY GUARANTEE OR ASSURANCE THAT YOU WILL ATTAIN THESE GROSS SALES OR INCUR SIMILAR EXPENSES, OR AS TO ANY INCOME OR PROFIT THAT COULD BE DERIVED FROM THESE GROSS SALES OR EXPENSE FIGURES. IF YOU RELY ON THESE FIGURES, YOU MUST ACCEPT THE RISK OF YOUR RELIANCE.

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 our General Counsel either at 1300 Arlington Heights Road, Itasca, Illinois 60143 or (630) 438-3000, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

**MIDAS SYSTEMWIDE OUTLET SUMMARY FOR
YEARS 2008 TO 2010**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2008	1406	1352	-54
	2009	1352	1270	-82
	2010	1270	1210	-60
Company-Owned	2008	86	88	+2
	2009	88	80	-8
	2010	80	70	-10
Total Outlets	2008	1492	1440	-52
	2009	1440	1350	-90
	2010	1350	1280	-70

**MIDAS/SPEEDEE CO-BRANDING SYSTEMWIDE OUTLET SUMMARY FOR
YEARS 2008 TO 2010**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2008	0	0	0
	2009	0	5	+5
	2010	5	20	+15
Company-Owned	2008	0	3	+3
	2009	3	14	+11
	2010	14	26	+12
Total Outlets	2008	0	3	+3
	2009	3	19	+16
	2010	19	46	+27

TABLE NO. 2**TRANSFER OF MIDAS OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2008 TO 2010**

State	Year	Number of Transfers
Alabama	2008	2
	2009	0
	2010	0
Alaska	2008	0
	2009	0
	2010	0
Arizona	2008	8
	2009	0
	2010	0
Arkansas	2008	0
	2009	0
	2010	0
California	2008	6
	2009	6
	2010	5
Colorado	2008	0
	2009	2
	2010	1
Connecticut	2008	0
	2009	0
	2010	0
Delaware	2008	0
	2009	0
	2010	0
District of Columbia	2008	0
	2009	0
	2010	0
Florida	2008	1
	2009	3
	2010	1
Georgia	2008	1
	2009	0
	2010	0
Hawaii	2008	0
	2009	0
	2010	0
Idaho	2008	0
	2009	0
	2010	0
Illinois	2008	3

State	Year	Number of Transfers
	2009	0
	2010	1
Indiana	2008	2
	2009	1
	2010	0
Iowa	2008	0
	2009	0
	2010	0
Kansas	2008	0
	2009	0
	2010	5
Kentucky	2008	1
	2009	0
	2010	0
Louisiana	2008	1
	2009	0
	2010	0
Maine	2008	0
	2009	0
	2010	0
Maryland	2008	0
	2009	5
	2010	0
Massachusetts	2008	2
	2009	3
	2010	1
Michigan	2008	1
	2009	1
	2010	0
Minnesota	2008	2
	2009	1
	2010	0
Mississippi	2008	0
	2009	0
	2010	0
Missouri	2008	3
	2009	0
	2010	1
Montana	2008	0
	2009	0
	2010	0
Nebraska	2008	0
	2009	0
	2010	0
Nevada	2008	0
	2009	0
	2010	0

State	Year	Number of Transfers
New Hampshire	2008	1
	2009	0
	2010	1
New Jersey	2008	1
	2009	1
	2010	1
New Mexico	2008	0
	2009	0
	2010	0
New York	2008	2
	2009	1
	2010	0
North Carolina	2008	4
	2009	2
	2010	2
North Dakota	2008	0
	2009	0
	2010	0
Ohio	2008	0
	2009	1
	2010	0
Oklahoma	2008	0
	2009	0
	2010	0
Oregon	2008	1
	2009	0
	2010	1
Pennsylvania	2008	1
	2009	1
	2010	0
Rhode Island	2008	0
	2009	0
	2010	2
South Carolina	2008	0
	2009	3
	2010	0
South Dakota	2008	0
	2009	0
	2010	0
Tennessee	2008	3
	2009	2
	2010	1
Texas	2008	8
	2009	8
	2010	5
Utah	2008	0
	2009	0

State	Year	Number of Transfers
	2010	3
Vermont	2008	0
	2009	0
	2010	1
Virginia	2008	3
	2009	2
	2010	2
Washington	2008	3
	2009	2
	2010	0
West Virginia	2008	0
	2009	0
	2010	0
Wisconsin	2008	0
	2009	1
	2010	1
Wyoming	2008	0
	2009	0
	2010	0
Total	2008	60
	2009	46
	2010	35

TRANSFER OF **MIDAS/SPEEDEE** OUTLETS FROM FRANCHISEES TO NEW OWNERS
 (OTHER THAN TO THE FRANCHISOR)
 YEARS 2008 TO 2010

State	Year	Number of Transfers
California	2008	0
	2009	0
	2010	0
Hawaii	2008	0
	2009	0
	2010	0
Louisiana	2008	0
	2009	0
	2010	0
Mississippi	2008	0
	2009	0
	2010	0
New York	2008	0
	2009	0
	2010	0
Texas	2008	0
	2009	0
	2010	0
Virginia	2008	0
	2009	0
	2010	0
Totals	2008	0
	2009	0
	2010	0

TABLE NO. 3

**STATUS OF MIDAS FRANCHISED OUTLETS
FOR YEARS 2008 TO 2010**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Alabama	2008	5	0	0	0	0	0	5
	2009	5	0	0	0	0	0	5
	2010	5	0	0	0	0	1	4
Alaska	2008	8	0	0	0	0	0	8
	2009	8	0	0	0	0	0	8
	2010	8	0	0	0	0	0	8
Arizona	2008	33	3(A)	1(A)	0	0	2	33
	2009	33	1	8	0	0	1	25
	2010	25	5(I)	0	1	0	1	28
Arkansas	2008	8	0	0	0	0	0	8
	2009	8	0	0	0	0	0	8
	2010	8	0	0	0	0	0	8
California	2008	146	10(C)	2	0	5(C)	4	145
	2009	145	1	4	0	0	5	137
	2010	137	7(H)	13	0	22	6	103
Colorado	2008	19	0	0	0	0	0	19
	2009	19	0	0	0	0	0	19
	2010	19	3(I)	0	0	0	1	21
Connecticut	2008	29	0	1	0	0	0	28
	2009	28	1	1	0	0	1	27
	2010	27	1(I)	0	0	0	2	26
Delaware	2008	2	0	0	0	0	1	1
	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
District of Columbia	2008	2	0	0	0	0	0	2
	2009	2	0	0	0	0	0	2
	2010	2	0	0	0	0	0	2
Florida	2008	48	5(D)	4	0	0	3	46
	2009	46	4(F)	7	1	1(B)	6	35
	2010	35	4(I)	1	0	0	1	37
Georgia	2008	34	1	0	0	0	8	27
	2009	27	0	2	0	0	2	23
	2010	23	1	2	0	0	1	21
Hawaii	2008	11	0	0	0	0	0	11
	2009	11	0	0	0	0	0	11
	2010	11	0	0	0	0	1(J)	10
Idaho	2008	5	0	0	0	0	0	5
	2009	5	0	1	0	0	1	3
	2010	3	0	0	0	0	0	3
Illinois	2008	88	0	0	0	0	0	88

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2009	88	1	0	0	0	3	86
	2010	86	0	1	0	0	0	85
Indiana	2008	44	0	0	0	9	1	34
	2009	34	0	0	0	0	2	32
	2010	32	0	0	0	0	1	31
Iowa	2008	14	0	0	0	0	0	14
	2009	14	0	0	0	0	0	14
	2010	14	0	0	0	0	0	14
Kansas	2008	15	1	0	0	0	0	16
	2009	16	0	0	0	0	0	16
	2010	16	0	0	0	0	0	16
Kentucky	2008	16	0	0	0	0	2	14
	2009	14	0	0	0	0	5	9
	2010	9	0	1	0	0	0	8
Louisiana	2008	18	0	0	0	0	1	17
	2009	17	0	0	0	0	1	16
	2010	16	0	0	0	0	1	15
Maine	2008	12	0	0	0	0	1	11
	2009	11	0	0	0	0	0	11
	2010	11	0	0	0	0	1	10
Maryland	2008	44	1(E)	0	0	0	2(E)	43
	2009	43	0	0	0	0	1	42
	2010	42	0	0	0	0	0	42
Massachusetts	2008	55	0	7	0	0	5	43
	2009	43	3	4	1	0	3	38
	2010	38	1	0	0	0	2	37
Michigan	2008	63	3(E)	1	0	0	1(E)	64
	2009	64	0	1	1	0	1	61
	2010	61	0	1	0	0	1	59
Minnesota	2008	39	1(A)	2(A)	0	0	0	38
	2009	38	1	0	0	0	1	38
	2010	38	0	1	0	0	1	36
Mississippi	2008	10	0	0	0	0	0	10
	2009	10	0	0	0	0	0	10
	2010	10	0	0	0	0	0	10
Missouri	2008	30	1	0	0	0	0	31
	2009	31	0	0	0	0	0	31
	2010	31	0	0	0	0	1	30
Montana	2008	6	0	0	0	0	0	6
	2009	6	0	0	0	0	0	6
	2010	6	0	0	0	0	0	6
Nebraska	2008	8	0	0	0	0	0	8
	2009	8	0	0	0	0	0	8
	2010	8	0	0	0	0	0	8
Nevada	2008	12	0	0	0	0	0	12

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2009	12	0	0	0	0	0	12
	2010	12	0	4	0	0	0	8
New Hampshire	2008	16	0	0	0	0	0	16
	2009	16	0	0	0	0	0	16
	2010	16	0	0	0	0	0	16
New Jersey	2008	42	5	0	0	2	2	43
	2009	43	0	0	0	0	4	39
	2010	39	1(I)	1	0	0	1	38
New Mexico	2008	9	0	0	0	0	0	9
	2009	9	0	0	0	0	0	9
	2010	9	0	1	0	0	0	8
New York	2008	78	2(E)	0	0	0	5(E)	75
	2009	75	1	0	0	0	3(G)	73
	2010	73	0	3	0	0	5	65
North Carolina	2008	21	0	5	0	0	0	16
	2009	16	1	1	0	0	1	15
	2010	15	0	0	1	0	0	14
North Dakota	2008	3	0	0	0	0	0	3
	2009	3	0	0	0	0	0	3
	2010	3	0	0	0	0	0	3
Ohio	2008	85	1	0	0	0	3	83
	2009	83	1	0	1	0	0	83
	2010	83	0	0	0	0	1	82
Oklahoma	2008	12	0	0	0	0	0	12
	2009	12	0	1	0	0	0	11
	2010	11	0	0	0	0	0	11
Oregon	2008	13	0	0	0	0	1	12
	2009	12	1	0	1	0	0	12
	2010	12	1	0	0	0	2	11
Pennsylvania	2008	46	3	0	0	0	2	47
	2009	47	1(F)	0	0	0	3	45
	2010	45	5(I)	0	0	0	1	49
Rhode Island	2008	10	0	1	0	0	0	9
	2009	9	0	0	0	0	1	8
	2010	8	0	0	0	0	0	8
South Carolina	2008	16	2	1	0	0	1	16
	2009	16	2	0	0	0	0	18
	2010	18	1	1	0	0	0	18
South Dakota	2008	2	0	0	0	0	0	2
	2009	2	0	0	0	0	0	2
	2010	2	0	0	0	0	0	2
Tennessee	2008	29	1	0	0	0	2	28
	2009	28	0	2	0	0	2	24
	2010	24	0	0	0	0	1	23
Texas	2008	73	2	0	0	0	2	73

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2009	73	3	0	0	0	5(G)	71
	2010	71	1	0	0	0	1	71
Utah	2008	13	0	0	0	0	0	13
	2009	13	0	0	0	0	1	12
	2010	12	0	0	0	0	0	12
Vermont	2008	4	0	0	0	0	0	4
	2009	4	0	0	0	0	0	4
	2010	4	0	0	0	0	0	4
Virginia	2008	34	0	1	0	0	1	32
	2009	32	0	0	0	0	5	27
	2010	27	0	0	0	0	1	26
Washington	2008	40	0	0	0	0	2	38
	2009	38	5	8	0	0	1	34
	2010	34	1	0	1	0	2	32
West Virginia	2008	1	0	0	0	0	0	1
	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
Wisconsin	2008	31	0	0	0	0	2	29
	2009	29	0	0	0	4	0	25
	2010	25	0	0	0	0	0	25
Wyoming	2008	4	0	0	0	0	0	4
	2009	4	0	0	0	0	0	4
	2010	4	0	0	0	0	0	4
Totals	2008	1406	42	26	0	16	54	1352
	2009	1352	27	40	5	5	59	1270
	2010	1270	32	30	3	22	37	1210

- (A) One Shop was terminated by Midas and then refranchised.
- (B) The franchise relationship was terminated and the Midas Shop was acquired by COSMIC.
- (C) Five Shops were purchased by COSMIC and then refranchised.
- (D) Four Shops were purchased from COSMIC and the purchaser entered into new Midas franchise agreements.
- (E) One Shop was voluntarily closed by the franchisee and then refranchised by Midas.
- (F) Two Shops in Florida and one Shop in Pennsylvania were purchased from COSMIC and the purchaser entered into new Midas franchise agreements.
- (G) One shop in New York and two shops in Texas were converted to Co-Branding Shops in 2009 (described in Item 1 above).
- (H) Five Shops were purchased by COSMIC and then refranchised.
- (I) Five Shops in Arizona, two in Florida, three in Pennsylvania, two in Colorado, one in Connecticut, and one in New Jersey were purchased from COSMIC and the purchaser entered into a new Midas franchise agreements.
- (J) One Shop in Hawaii was converted to a Co-Branding Shops in 2010 (described in Item 1 above).

**STATUS OF MIDAS/SPEEDEE CO-BRANDING FRANCHISED OUTLETS
FOR YEARS 2008 TO 2010**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
California	2008	0	0	0	0	0	0	0
	2009	0	1(A)	0	0	0	0	1
	2010	1	9(C)	0	0	0	0	10
Hawaii	2008	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0
	2010	0	1(D)	0	0	0	0	1
Louisiana	2008	0	0	0	0	0	0	0
	2009	0	1(A)	0	0	0	0	1
	2010	1	1(C)	0	0	0	0	2
Mississippi	2008	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0
	2010	0	2(C)	0	0	0	0	2
New York	2008	0	0	0	0	0	0	0
	2009	0	1(B)	0	0	0	0	1
	2010	1	0	0	0	0	0	1
Texas	2008	0	0	0	0	0	0	0
	2009	0	2(B)	0	0	0	0	2
	2010	2	0	0	0	0	0	2
Virginia	2008	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0
	2010	0	2(C)	0	0	0	0	2
Totals	2008	0	0	0	0	0	0	0
	2009	0	5	0	0	0	0	5
	2010	5	15	0	0	0	0	20

- (A) These Shops were converted from Speedee Shops to Co-Branding Shops in 2009.
- (B) These Shops were converted from Midas Shops to Co-Branding Shops in 2009.
- (C) These Shops were converted from Speedee Shops to Co-Branding Shops in 2010.
- (D) This Shop was converted from a Midas Shop to a Co-Branding Shop in 2010.

TABLE NO. 4

**STATUS OF MIDAS COMPANY-OWNED OUTLETS
FOR YEARS 2008 TO 2010 (See Note A)**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Arizona	2008	0	0	0	0	0	0
	2009	0	5	0	0	0	5
	2010	5	0	0	0	5	0
California	2008	12	1	5	0	6	12
	2009	12	0	0	12(B)	0	0
	2010	0	0	22	5(C)	5	12
Colorado	2008	13	0	0	0	0	13
	2009	13	0	0	1	0	12
	2010	12	0	0	1(C)	2	9
Connecticut	2008	5	0	0	1	0	4
	2009	4	0	0	0	0	4
	2010	4	0	0	0	1	3
Delaware	2008	2	0	0	0	0	2
	2009	2	0	0	0	0	2
	2010	2	0	0	0	0	2
Florida	2008	28	0	0	1	4	23
	2009	23	0	1	1	2	21
	2010	21	1	0	4(C)	2	16
Illinois	2008	9	1	0	3	0	7
	2009	7	0	0	1(B)	0	6
	2010	6	0	0	3(C)	0	3
Indiana	2008	0	0	9	0	0	9
	2009	9	0	0	0	0	9
	2010	9	0	0	1(C)	0	8
New Jersey	2008	6	0	2	0	1	7
	2009	7	0	0	0	0	7
	2010	7	0	0	0	1	6
Pennsylvania	2008	11	0	0	0	0	11
	2009	11	0	0	0	1	10
	2010	10	0	0	0	3	7
Wisconsin	2008	0	0	0	0	0	0
	2009	0	0	4	0	0	4
	2010	4	0	0	0	0	4
Totals	2008	86	2	16	2	11	88
	2009	88	5	5	15(B)	3	80
	2010	80	1	22	14(C)	19	70

(A) Midas does not operate any company-owned shops, but its wholly-owned subsidiary, COSMIC, operates the number of Midas Shops.

- (B) Ten Midas Shops in California and one Midas Shop in Illinois were converted from Midas Shops to Co-Branding Shops in 2009 (described in Item 1 above). Two Midas Shops in California were closed by COSMIC in 2009.
- (C) Four Midas Shops in California, four Midas Shops in Florida, three Midas Shops in Illinois and one Midas Shop in Indiana were converted to Co-Branding Shops in 2010. One Midas Shop in California and one Midas Shop in Colorado were closed by COSMIC in 2010.

**STATUS OF MIDAS/SPEEDEE CO-BRANDING COMPANY-OWNED OUTLETS
YEARS 2008 TO 2010 (See Note A)**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
California	2008	0	0	0	0	0	0
	2009	0	10(B)	0	0	0	10
	2010	10	4(C)	0	0	0	14
Florida	2008	0	0	0	0	0	0
	2009	0	0	0	0	0	0
	2010	0	4(C)	0	0	0	4
Illinois	2008	0	3	0	0	0	3
	2009	3	1	0	0	0	4
	2010	4	3(C)	0	0	0	7
Indiana	2008	0	0	0	0	0	0
	2009	0	0	0	0	0	0
	2010	0	1(C)	0	0	0	1
Totals	2008	0	3	0	0	0	3
	2009	3	11	0	0	0	14
	2010	14	12	0	0	0	26

- (A) Neither Midas nor Speedee operates any company-owned shops, but Midas' wholly-owned subsidiary, COSMIC, operates the number of Co-Branding Shops listed.
- (B) Ten Midas Shops in California were converted from Midas Shops to Co-Branding Shops in 2009.
- (C) Four Midas Shops in California, four Midas Shops in Florida, three Midas Shops in Illinois and one Midas Shop in Indiana were converted from Midas Shops to Co-Branding Shops in 2010.

TABLE NO. 5**PROJECTED MIDAS OPENINGS FOR 2011**

State	Franchise Agreements Signed but Outlet Not Opened (See Note A)	Projected New Franchised Outlets in the Next Fiscal Year (2011) (See Note B)	Projected New Company-Owned Outlets in the Next Fiscal Year (2011) (See Note C)
Florida	0	1	0
Michigan	0	1	0
New York	0	1	0
Ohio	0	1	0
South Carolina	0	1	0
Texas	0	1	0
Totals	0	6	0

- (A) Generally, the Midas Franchise and Trademark Agreement is signed upon or shortly before the opening of the Midas Shop.
- (B) This only includes the opening of new Midas Shops and does not include transfers of existing Midas Shops.
- (C) This includes Midas Shops to be opened by COSMIC.

PROJECTED MIDAS/SPEEDEE CO-BRANDING SHOP OPENINGS FOR 2011

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year (2011)	Projected New Company-Owned Outlets in the Next Fiscal Year (2011)
Arizona – Conversion	0	2	0
California – Conversion	0	7	0
Florida – Conversion	0	3	0
Hawaii – Conversion	0	2	0
Illinois – Conversion	0	1	0
Iowa – Conversion	0	2	0
Kansas – Conversion	0	2	0
Louisiana – Conversion	0	1	0
Ohio – Conversion	0	1	0
Texas – New Shop	0	1	0
Texas – Conversion	0	2	0
Virginia – Conversion	0	1	0
Totals	0	25	0

The figures contained in this Item 20 are as of January 3, 2009, January 2, 2010 and January 1, 2011, as applicable.

Exhibit A-1 to this Disclosure Document lists the names of all active Midas franchisees and the addresses and telephone numbers of their Midas Shops as of January 1, 2011. Exhibit A-2 lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of each of the 80 Midas franchisees who had a Franchise Agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document.

Exhibit A-3 to this Disclosure Document lists the names of all active Midas/Speedee Franchisees and the addresses and telephone numbers of their Co-Branding Shops as of January 1, 2011. There were no Midas/Speedee Franchisees who had a Co-Branding Shop terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Midas/Speedee Franchise and Trademark Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document.

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

In some instances, during our last 3 fiscal years, current and former franchisees have signed provisions restricting their ability to speak openly about their experience with us. You may want to speak with current and former franchisees, but be aware that not all of these franchisees will be able to communicate with you. The circumstances under which franchisees have signed confidentiality agreements in the past include when we have purchased assets from, or entered into other forms of settlement with, a current or former franchisee as we require that the terms of the transaction remain confidential and the franchisee agree to a non-disparagement commitment.

The IMDA (described in Item 11) is comprised of participating franchisees in North America. You can reach the IMDA at 400 Admiral Boulevard, Kansas City, MO 64106, (877) 543-6203, fax (816) 472-7765. The IMDA's website is imdaonline.org. We endorse this association.

The California Midas Dealers Association ("CMDA") is comprised of participating franchisees in California. You can reach the CMDA at (800) 355-2632 and fax (916) 646-8113. We endorse this association.

There are currently no other trademark-specific franchise organizations associated with the Franchised System.

ITEM 21: FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit B are the audited balance sheets of Midas, Inc. as of fiscal year end 2010 and 2009, and the related consolidated statements of operations, cash flows and changes in shareholders' equity for each of the fiscal years 2010, 2009 and 2008. Midas, Inc. absolutely and unconditionally guarantees our performance of our obligations under the Franchise Agreement and state registrations. Copies of Midas, Inc.'s Guarantees of Performance are attached as Exhibit H.

ITEM 22: CONTRACTS

Attached is a copy of each of the following documents:

Application for Midas Shop Franchise (Exhibit C-1)
Franchise Applicant Questionnaire (Exhibit C-2)

Midas Franchise and Trademark Agreement (Exhibit D-1)
Personal Guaranty (Exhibit D-2)
Subordination Agreement (Exhibit D-3)
Participation Commitment and Agreement (Exhibit D-4)
Authorization for Automated Clearing House Debits (Exhibit D-5)
Fleet Program Participation Amendment (Exhibit D-6)
Assignment of Midas Franchise and Trademark Agreement (Exhibit D-7)
Midas Standard Release Form (Exhibit D-8)
Assumption of Shop Obligations (Exhibit D-9)
Renewal Agreements (Exhibit D-10)
Matching Marketing Funds Agreement (Exhibit D-11)
Incentive Program Promissory Note (Exhibit D-12)

End User License Agreement (Exhibit E-1)
R.O. Writer Software Maintenance Program Agreement (Exhibit E-2)
R.O. Writer Central Service Agreement (Exhibit E-3)

Lease (Exhibit F-1)
Sublease (Exhibit F-2)
Option and Shop Lease (Exhibit F-3)
Conditional Assignment of Lease (Exhibit F-4)
Assignment of Lease/Sublease (Exhibit F-5)

Riders to Franchise and Trademark Agreement – Minnesota & North Dakota (Exhibit I)

ITEM 23: RECEIPTS

Our and your copies of the Franchise Disclosure Document Receipt are located at the last 2 pages of this Disclosure Document.

EXHIBIT A-1: MIDAS FRANCHISEES AS OF JANUARY 1, 2011

<u>Street Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>LegalEntityName</u>	<u>OwnerName</u>	<u>ShopPhone</u>
Alabama						
436 Green Springs Hwy	Homewood	AL	35209	White Metro Automotive, Inc.	Jerry Handley	205-942-4489
1697 Montgomery Hwy	Hoover	AL	35216	White Metro Automotive, Inc.	Jerry Handley	205-979-2614
267 Eastern By-Pass	Montgomery	AL	36117	Automotive Enterprises, Inc.	Fred Faulkenberry III	334-279-7400
2737 East McFarland Blvd	Tuscaloosa	AL	35405	Springer & Sons Muffler & Brake Shop, Inc.	Stephen O. Springer, The Estate of William R. Springer, The Estate of Hattie Springer	205-556-2536
Alaska						
711 E. Northern Lights Blvd	Anchorage	AK	99503	Bilikin Investment Group, Inc.	Jeff Lentfer, Allen Breck	907-278-4506
1255 South Bragaw St	Anchorage	AK	99508	Bilikin Investment Group, Inc.	Jeff Lentfer, Allen Breck	907-276-1197
8100 Old Seward Hwy	Anchorage	AK	99518	Bilikin Investment Group, Inc.	Jeff Lentfer, Allen Breck	907-522-1120
12450 Old Glen Hwy	Eagle River	AK	99577	Bilikin Investment Group, Inc.	Jeff Lentfer, Allen Breck	907-622-1500
3449 Airport Way	Fairbanks	AK	99701	Bilikin Investment Group, Inc.	Jeff Lentfer, Allen Breck	907-479-6262
1225 North Glenn Hwy	Palmer	AK	99645	Bilikin Investment Group, Inc.	Jeff Lentfer, Allen Breck	907-746-5823
43850 Sterling Hwy	Soldotna	AK	99669	Bilikin Investment Group, Inc.	Jeff Lentfer, Allen Breck	907-262-9700
101 N. Crusey St	Wasilla	AK	99654	Bilikin Investment Group, Inc.	Jeff Lentfer, Allen Breck	907-376-4788
Arizona						
848 North Arizona Ave	Chandler	AZ	85224	Robbins Enterprises, Inc.	Cindy Z. Robbins, Matthew J. Robbins	480-963-7799
1051 West Hwy 66	Flagstaff	AZ	86001	Robbins Enterprises, Inc.	Cindy Z. Robbins, Matthew J. Robbins	928-779-4538
7020 North 43rd Ave	Glendale	AZ	85301	TXAZ Auto Enterprises, Inc.	Thomas S. Poole, Rusty Schmidt, Tony D'Andrea	623-931-9101
6021 West Bell Rd	Glendale	AZ	85308	TXAZ Auto Enterprises, Inc.	Thomas S. Poole, Rusty Schmidt, Tony D'Andrea	602-843-4600
6902 East Southern	Mesa	AZ	85208	Deamma, Inc.	Cheralee W. Robbins, Dennis E. Robbins	480-832-8083
2964 East Main	Mesa	AZ	85213	Jasko Automotive Inc.	Michael Jaskowiak, Shannon K Viola	480-830-5240
2861 South Alma School	Mesa	AZ	85202	Robbins Enterprises, Inc.	Cindy Z. Robbins, Matthew J. Robbins	480-839-7863
6845 West Peoria Ave	Peoria	AZ	85345	TXAZ Enterprises, Inc.	Thomas S. Poole, Rusty Schmidt, Tony D'Andrea	623-486-1700
18783 N. 83rd Ave	Peoria	AZ	85382	TXAZ Auto Enterprises, Inc.	Thomas S. Poole, Rusty Schmidt, Tony D'Andrea	623-376-0188

EXHIBIT A-1: MIDAS FRANCHISEES AS OF JANUARY 1, 2011

<u>Street Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>LegalEntityName</u>	<u>OwnerName</u>	<u>ShopPhone</u>
Arizona (cont'd)						
4035 North 19th Ave	Phoenix	AZ	85015	Strehlow Enterprises of 19th Avenue, Inc.	Steven P. Strehlow	602-264-4831
5049 North 7th St	Phoenix	AZ	85014	Robbins Enterprises, Inc.	Cindy Z. Robbins, Matthew J. Robbins	602-264-5948
4223 East Bell Rd	Phoenix	AZ	85032	Deamma, Inc.	Cheralee W. Robbins, Dennis E. Robbins	602-569-3332
2936 East Thomas Rd	Phoenix	AZ	85016	Robbins Enterprises, Inc.	Cindy Z. Robbins, Matthew J. Robbins	602-955-2982
8816 North Black Canyon	Phoenix	AZ	85051	TXAZ Auto Enterprises, Inc.	Thomas S. Poole, Rusty Schmidt, Tony D'Andrea	602-995-9229
39 East Southern Ave	Phoenix	AZ	85040	Belco Automotive Corporation	Christopher Belanger	602-268-5634
6856 West Indian School	Phoenix	AZ	85033	TXAZ Auto Enterprises, Inc.	Thomas S. Poole, Rusty Schmidt, Tony D'Andrea	623-846-7291
2428 North Scottsdale Rd	Scottsdale	AZ	85257	Robbins Enterprises, Inc.	Cindy Z. Robbins, Matthew J. Robbins	480-947-7363
9550 N. 90th St, Suite A-2	Scottsdale	AZ	85258	Deamma, Inc.	Cheralee W. Robbins, Dennis E. Robbins	480-391-0796
1317 East Fry Blvd	Sierra Vista	AZ	85635	TXAZ Mountainview Enterprises, Inc.	Harvey A. Nevins, Thomas S. Poole, Rusty Schmidt	520-459-3090
9958 Santa Fe Drive	Sun City	AZ	85351	TXAZ Auto Enterprises, Inc.	Thomas S. Poole, Rusty Schmidt, Tony D'Andrea	623-933-8293
7710 South Autoplex Loop	Tempe	AZ	85284	Robbins Enterprises, Inc.	Cindy Z. Robbins, Matthew J. Robbins	480-598-0111
1050 East Broadway	Tempe	AZ	85282	Robbins Enterprises, Inc.	Cindy Z. Robbins, Matthew J. Robbins	480-894-1127
3302 North Oracle Rd	Tucson	AZ	85705	C & C Oracle LLC	Nicholas R. Conforti, Christopher N Conforti	520-887-8530
6740 East Tanque Verde	Tucson	AZ	85715	C & C Verde LLC	Nicholas R. Conforti, Christopher N Conforti	520-721-7744
7220 East 22nd St	Tucson	AZ	85710	C & C 22CD LLC	Nicholas R. Conforti, Christopher N Conforti	520-885-6703
3621 West Ina Rd	Tucson	AZ	85741	C&C Ina LLC	Nicholas R. Conforti, Christopher N Conforti	520-744-3404
3616 South 6th Ave	Tucson	AZ	85713	C&C 6th LLC	Nicholas R. Conforti, Christopher N Conforti	520-624-5578
1522 4th Ave	Yuma	AZ	85364	Pakk'O, Inc.	Paul G. O'Brien	928-782-5166
Arkansas						
702 S. Walton Blvd	Bentonville	AR	72712	Alkar, Inc.	The Estate of Alvin E. Kohler, Jean F. Kohler, Karl A. Kohler	479-273-0097
425 E. Dave Ward Drive	Conway	AR	72032	Alkar, Inc.	The Estate of Alvin E. Kohler, Jean F. Kohler, Karl A. Kohler	501-329-7366

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<u>Street Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Legal Entity Name</u>	<u>Owner Name</u>	<u>Shop Phone</u>
Arkansas (cont'd)						
2570 North College Ave	Fayetteville	AR	72703	Alkar, Inc.	The Estate of Alvin E. Kohler, Jean F. Kohler, Karl A. Kohler	479-521-2978
7310 Rogers Ave	Ft. Smith	AR	72903	Filer, Inc.	Carol Filer, Ronald Filer	479-452-4076
4536 Central Ave	Hot Springs	AR	71913	Alkar, Inc.	The Estate of Alvin E. Kohler, Jean F. Kohler, Karl A. Kohler	501-525-4857
9214 Rodney Parham	Little Rock	AR	72227	Alkar, Inc.	The Estate of Alvin E. Kohler, Jean F. Kohler, Karl A. Kohler	501-224-6108
5013 South University Ave	Little Rock	AR	72209	Alkar, Inc.	The Estate of Alvin E. Kohler, Jean F. Kohler, Karl A. Kohler	501-568-0606
8201 Warden Rd	Sherwood	AR	72120	Alkar, Inc.	The Estate of Alvin E. Kohler, Jean F. Kohler, Karl A. Kohler	501-834-1007
California						
2100 West Valley Blvd	Alhambra	CA	91803	Mormar, Inc.	Marv Walker	626-289-6113
1701 West La Palma	Anaheim	CA	92801	James Jackson, Sole Proprietor	James A Jackson	714-533-3194
1200 Auto Center Drive	Antioch	CA	94509	3 Nativid	Bayani Natividad, Philip Natividad, Henry Natividad	925-778-3400
517 E. Grand Ave	Arroyo Grande	CA	93420	Quiet Ride, Inc.	Carol A. Buckland, David G. Turton	805-481-5211
11840 Atwood Rd	Auburn	CA	95603	Sardon Jonoubei, Sole-Proprietor	Sardon Jonoubei	530-885-2055
2919 Chester Ave	Bakersfield	CA	93301	Vincent-Miller Bakersfield, LLC.	Kenneth J Jachim	661-325-5779
3723 Auburn St	Bakersfield	CA	93306	Vincent-Miller Bakersfield, LLC	Kenneth J Jachim	661-873-8212
6919 White Lane	Bakersfield	CA	93309	Vincent-Miller Bakersfield, LLC.	Kenneth J Jachim	661-398-0921
660 West Main	Barstow	CA	92311	Welkoo Enterprises, Inc.	Julie Welker, Steven Brummett	760-256-6188
1835 San Pablo Ave	Berkeley	CA	94703	Sharo, Inc.	Robert M. Mosel, Sharon L. Mosel	510-849-1400
8537 Wilshire Blvd	Beverly Hills	CA	90211	Shanat Investment Group	Danny Chitin, Amos Mahrer	310-652-3040
1236 White Oaks Ave	Campbell	CA	95008	TBC White Oaks, LLC	Helen M Goldman, Richard Goldman	408-377-8262
6840 Fair Oaks Blvd	Carmichael	CA	95608	George E. Home, III, Sole Proprietor	George E. Home III	916-978-7911
333 East Carson St	Carson	CA	90745	The Coyne Company	Karen D. Coyne, Michael Coyne	310-549-8220

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California (cont'd)						
68-275 Ramon Rd	Cathedral City	CA	92234	CVM, LLC	Richard Hauke, Michael Karls	760-324-8231
2001 Esplanade	Chico	CA	95926	Richard J. Evans, Sole Proprietor	Richard J. Evans	530-343-7937
1097 North Long Beach Blvd	Compton	CA	90221	Sung Bo Kim, Sole Proprietor	Sung Bo Kim	310-638-8592
406 South Lincoln Ave	Corona	CA	92882	Boris Shahverdian	Boris Shahverdian, Karmen Shahverdian	951-340-9899
1944 Newport Blvd	Costa Mesa	CA	92627	Exist Enterproses Inc	Joseph A Denton	949-642-4971
5570 Sepulveda Blvd	Culver City	CA	90230	Stonestream, Inc.	Kevin Stromsborg	310-836-3040
6142 Lincoln Ave	Cypress	CA	90630	A.G.N. Corp.	Mohinder L. Nanda	714-828-9740
7198 Mission St	Daly City	CA	94014	ME CAL, Inc.	Michael Greco	650-994-5350
796 North Diamond Bar Blvd	Diamond Bar	CA	91765	SSN & S Inc	Nitin C Patel	909-860-0055
10903 San Pablo Ave	El Cerrito/Richmond	CA	94530	PIB Holdings, Inc	Paul Fabian Vallot, Sherly Echelberger	510-237-8640
328 C N. El Camino Real	Encinitas	CA	92024	Cameron Ventures, Inc	James E. Cameron, Dona Cameron, Monica	
2125 Fourth St	Eureka	CA	95501	Freyermuth Enterprises, Inc.	Cameron, Joshua Cameron	760-753-7836
8118 Greenback Lane	Fair Oaks	CA	95628	MCP Auto Care, Inc.	Eric Freyermuth	707-445-9244
50 Montrose Drive	Folsom	CA	95630	TS-GM, Incorporated	Michael C. Palmer	916-726-3305
9413 Sierra Ave	Fontana	CA	92335	Manny Ochoa, Inc.	Timothy S. Washburn	916-983-1663
7340 North Blackstone	Fresno	CA	93726	MP Riverpark Inc	Manny Ochoa	909-350-7811
220 West Elk Ave.	Glendale	CA	91204	Field Chasers, Inc.	Marvin Pedersen	559-449-1700
3539 Foothill Blvd	Glendale	CA	91214	Bugatti Management Incorporated	Marina Stein	818-242-2142
518 South Glendora Ave	Glendora	CA	91740	J & S Darensbourg Incorporated	Allen Nouri, Kaveh Yazdan	818-957-8949
737 Pacific Coast Hwy	Harbor City	CA	90710	W. E. Martin, (Gene) Sole Proprietor	Jerry Darensbourg, Semetha Darensbourg	626-963-1416
501 West Florida Ave	Hemet	CA	92543	Philip Esbensen	W. E. Martin	310-830-3791
5801 Sunset Blvd	Hollywood	CA	90028	Stonestream, Inc	Philip G. Esbensen	951-652-5962
19301 Beach Blvd	Huntington Beach	CA	92648	Cameron Ventures, Inc	Kevin Stromsborg	323-465-1141
80962 Hwy 111	Indio	CA	92201	The Coyne Company, Inc.	James E. Cameron, Dona Cameron, Monica	714-960-5554
811 East Manchester Ave	Inglewood	CA	90301	Stonestream, Inc.	Cameron, Joshua Cameron	760-342-2260
14628 East Valley Blvd, Unit A	La Puente	CA	91746	Muracrick Inc.	Karen D. Coyne, Michael Coyne	310-674-0902
					Kevin Stromsborg	626-336-2618
					Charles Cricks, Manuel Muratalla	

EXHIBIT A-1: MIDAS FRANCHISEES AS OF JANUARY 1, 2011

<u>Street Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>LegalEntityName</u>	<u>OwnerName</u>	<u>ShopPhone</u>
California (cont'd)						
1251 North Coast Hwy	Laguna Beach	CA	92651	Carlson Corp.	James D. Blaschke	949-376-0800
22752 Centre Drive	Lake Forest	CA	92630	Cameron Ventures, Inc	James E. Cameron, Dona Cameron, Monica Cameron, Joshua Cameron	949-855-1218
335 East Kettleman Lane	Lodi	CA	95240	Kenneth J. Gini, Sole Proprietor	Kenneth J. Gini	209-369-5851
401 East Anaheim St	Long Beach	CA	90813	Bugatti Management Incorporated	Allen Nouri, Kaveh Yazdan	562-591-2377
10950 West Pico Blvd	Los Angeles	CA	90064	B C Muffler Company, Inc.	Sandra Silverstone, Blas A. Vasquez Jr.	310-474-2567
2424 South Figueroa St.	Los Angeles	CA	90007	Stonestream, Inc.	Kevin Stromsborg	213-749-3488
13021 West Washington Blvd	Los Angeles	CA	90066	Stonestream, Inc.	Kevin Stromsborg	310-305-7929
928 H St	Marysville	CA	95901	TS-GM, Incorporated	Timothy S. Washburn	530-742-2301
15441 Beach Blvd	Midway City	CA	92655	Cameron Ventures, Inc	James E. Cameron, Dona Cameron, Monica Cameron, Joshua Cameron	714-893-0543
27220 La Paz Rd	Mission Viejo	CA	92692	MAXRANGER, Inc.	David Trussell, John Trussell	949-380-8081
3833 North McHenry Ave	Modesto	CA	95356	DADIO & Co, Inc	Gary J Moya, Helen Moya	209-523-4706
1314 South Myrtle Ave	Monrovia	CA	91016	Automotive Limited, Inc	Albert Agdaian	626-303-1606
215 West El Camino Real	Mountain View	CA	94040	ME CAL, Inc.	Michael Greco	650-968-9977
2041 East Carson	North Long Beach	CA	90807	D.K.B., Inc.	Estate of Stanley B. Brown	562-426-7194
11814 Rosecrans Ave	Norwalk	CA	90650	Liamben, Inc.	Reuven Av-Tal	562-864-2702
640 Hegenberger Rd	Oakland	CA	94621	Zayat Enterprises, Inc.	Anwar A. Virani	510-638-0141
3464 Foothill Blvd	Oakland	CA	94601	3Natividad Inc	Bayani Natividad, Philip Natividad, Henry Natividad	510-532-3100
1922 East Chapman Ave	Orange	CA	92867	Cameron Ventures, Inc	James E. Cameron, Dona Cameron, Monica Cameron, Joshua Cameron	714-538-0056
541 North Oxnard Blvd	Oxnard	CA	93003	Maher and Chitin Enterprises, A Partnership	Danny Chitin, Amos Maher	805-983-0821
926 East Palmdale Blvd	Palmdale	CA	93550	Advanced Muffler of AV, Inc.	Ricardo Gamez	661-273-2123
4200 El Camino Real West	Palo Alto	CA	94306	ME CAL, Inc.	Michael Greco	650-493-7880
1341 East Walnut St	Pasadena	CA	91106	NRA Enterprises, Inc.	Albert Agdaian	626-795-8863
5111 Old Redwood Hwy	Petaluma	CA	94954	AKK Investments Inc	Jaymin Patel	707-664-9400
445 East Cypress	Redding	CA	96002	Scott's Auto Service, Inc.	Douglas W. Scott, Ditna R. Scott	530-223-3991

EXHIBIT A-1: MIDAS FRANCHISEES AS OF JANUARY 1, 2011

<u>Street Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>LegalEntityName</u>	<u>OwnerName</u>	<u>ShopPhone</u>
California (cont'd)						
1639 West Redlands Blvd	Redlands	CA	92373	Lynch Automotive, Inc.	Timothy A. Lynch	909-798-4655
2121 El Camino Real	Redwood City	CA	94063	ME CAL, Inc.	Michael Greco	650-365-2224
9077 Foothills Blvd	Roseville	CA	95747	Able Automotive, Incorporated	Kevin Schulze, John "Gary" Schulze, Marta Schulze, Charles Hildebrandt, Ben Benham	916-797-9434
5239 Auburn Blvd	Sacramento	CA	95841	Able Automotive, Inc	Kevin Schulze, John "Gary" Schulze, Marta Schulze,	916-332-9722
2260 Arden Way	Sacramento	CA	95825	John Caskey, Inc.	Charles Hildebrandt, Ben Benham	916-927-2293
431 16th St	Sacramento	CA	95814	Jilmar, Inc.	John Caskey	916-446-7808
6308 Florin Rd	Sacramento	CA	95823	Bayani Natividad, Sole Proprietor	Mark S. Tannenbaum	916-393-0131
9565 Folsom Blvd	Sacramento	CA	95827	TS-GM, Incorporated	Bayani Natividad	916-361-1230
1020 Del Paso Rd, Suite 200	Sacramento	CA	95834	MARJEN, Inc.	Timothy S. Washburn	916-419-6366
227 John St	Salinas	CA	93901	DHT Incorporated	Marco Gonzalez	831-424-8077
2067 North Main St	Salinas	CA	93906	DHT Incorporated	Charly Johnston	831-442-8708
700 El Camino Real	San Bruno	CA	94066	ME CAL, Inc.	Michael Greco	650-588-5576
4419 Geary Blvd	San Francisco	CA	94118	ME CAL, Inc.	Michael Greco	415-387-7883
165 S. Van Ness Ave	San Francisco	CA	94103	ME-CAL, Inc.	Michael Greco	415-626-8384
55 Ocean Ave	San Francisco	CA	94112	ME CAL, Inc.	Michael Greco	415-584-1161
2200 Stevens Creek Blvd	San Jose	CA	92270	TBC Stevens Creek, LLC	Helen M Goldman, Richard Goldman	408-998-4080
4224 Monterey Hwy	San Jose	CA	95111	Khan Brothers Inc	Sher Khan, Fayaz Asghar	408-281-1558
2660 South El Camino Real	San Mateo	CA	94403	ME CAL, Inc.	Michael Greco	650-574-2663
14640 San Pablo Ave	San Pablo	CA	94806	Johnnie Mac & Sons Automotive	John Googe	510-236-5539
987 Francisco Blvd East	San Rafael	CA	94901	Energizers, Inc.	Edward Davis, Leigh Connor	415-454-7850
2523 South Bristol Ave	Santa Ana	CA	92704	Jon-Dav, Inc.	Carmen Lim	714-549-8581
26920 Sierra Hwy	Santa Clarita	CA	91321	Jaytone, Inc.	Anthony Tooma, Jason Abeywarden	661-298-7131
1558 5th St	Santa Monica	CA	90401	Stonestream, Inc.	Kevin Stromsorg	310-395-9943
131 College Ave	Santa Rosa	CA	95401	SFS Enterprises Corp	Ed Gasca	707-527-9310
25745 RailRd Ave	Saugus	CA	91350	Jaytone, Inc.	Anthony Tooma, Jason Abeywarden	661-255-0855
1543 Del Monte Blvd	Seaside	CA	93955	DHT, Inc.	Charly Johnston	831-899-4366
5897 Pacific Ave	Stockton	CA	95207	Deejill, Inc.	Alan H. Marchick, Judith R. Marchick	209-951-5686
725 E. El Camino Real	Sunnyvale	CA	94087	ME CAL, Inc.	Michael Greco	408-736-7660

EXHIBIT A-1: MIDAS FRANCHISEES AS OF JANUARY 1, 2011

<u>Street Address</u> California (cont'd)	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>LegalEntityName</u>	<u>OwnerName</u>	<u>ShopPhone</u>
26677 Ynez Rd	Temecula	CA	92591	Philip G. Esbensen, Sole Proprietor	Philip G. Esbensen	951-308-9114
3085 Edinger Ave	Tustin	CA	92780	Cameron Ventures, Inc	James E. Cameron, Dona Cameron, Monica Cameron, Joshua Cameron	949-551-1558
1281 East Foothill Blvd	Upland	CA	91786	Stonestream, Inc.	Kevin Stromsorg	909-946-5400
1250 East Monte Vista	Vacaville	CA	95688	R.M. Abrams Corp. Mahrer Chitin Enterprises, A	Ron Abrams	707-446-8856
3949 East Main St	Ventura	CA	93003	Partnership	Danny Chitin, Amos Mahrer	805-644-7464
14780-7th St	Victorville	CA	92395	Richard Cummins, Sole Proprietor	Richard Cummins, Cheryl Cummins	760-243-3868
1226A E. Mineral King	Visalia	CA	93292	M. L. Richards, Inc.	Lori D. Richards, Michael L. Richards	559-739-7373
1150 South Santa Fe	Vista	CA	92084	Camon Ventures, Inc	James E. Cameron, Dona Cameron, Monica Cameron, Joshua Cameron	760-940-8800
215 North Azusa Ave	West Covina	CA	91791	California Mufflers, Inc.	Charles Cricks	626-966-3642
853 Jefferson Blvd	West Sacramento	CA	95691	RCP Auto Care, Inc.	Michael C. Palmer, Roberta Palmer, Renton Garrett, Alexis Garrett	916-372-3620
15130 East Whittier Blvd	Whittier	CA	90603	Stonestream Inc	Kevin Stromsorg	562-693-0766
Colorado						
12190 West 64th Ave	Arvada	CO	80004	Leeds West Inc	Judd Kyle Shader	303-425-9784
3000 Walnut St	Boulder	CO	80301	Boulder Muffler, Inc.	The Estate of Terry O'Connor	303-449-5808
123 Plum Creek Pkwy	Castle Rock	CO	80104	Rich Enterprises, Inc.	Sheryl T. Rich, Warren D. Rich	303-688-8831
742 Castleton Rd	Castle Rock	CO	80109	Rich Enterprises, Inc.	Sheryl T. Rich, Warren D. Rich	303-688-5666
1410 South Nevada	Colorado Springs	CO	80906	Wenco Industries, Inc.	Pamela S. Genuario, Ronald P. Genuario, Jeffrey R Genuario, Elizabeth M Genuario	719-636-3802
2875 East Platte Ave	Colorado Springs	CO	80909	Wenco Industries, Inc.	Pamela S. Genuario, Ronald P. Genuario, Jeffrey R Genuario, Elizabeth M Genuario	719-636-1666
4055 North Academy	Colorado Springs	CO	80918	Wenco Industries, Inc.	Pamela S. Genuario, Ronald P. Genuario, Jeffrey R Genuario, Elizabeth M Genuario	719-593-1295

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Colorado (cont'd)						
8104 North Academy	Colorado Springs	CO	80920	Wenco Industries, Inc.	Pamela S. Genuario, Ronald P. Genuario, Jeffrey R Genuario, Elizabeth M Genuario	719-594-4788
5845 Stetson Hills Blvd	Colorado Springs	CO	80922	Wenco Industries Inc	Pamela S. Genuario, Ronald P. Genuario, Jeffrey R Genuario, Elizabeth M Genuario	719-622-3000
341 South Colorado Blvd	Denver	CO	80222	Wenco Industries, Inc.	Pamela S. Genuario, Ronald P. Genuario, Jeffrey R Genuario, Elizabeth M Genuario	303-388-6455
959 W. 6th Ave	Denver	CO	80204	Wenco Industries, Inc.	Pamela S. Genuario, Ronald P. Genuario, Jeffrey R Genuario, Elizabeth M Genuario	303-595-0076
3901 South College Ave	Ft. Collins	CO	80525	Limey Enterprises, Inc.	Brook A. Dodgson, Nicholas A. Dodgson	970-223-6166
1902 Grand Ave	Glenwood Springs	CO	81601	Boulder Muffler, Inc.	The Estate of Terry O'Connor	970-945-1132
101 North Ave	Grand Junction	CO	81501	Boulder Muffler, Inc.	The Estate of Terry O'Connor	970-243-1833
2390 West 28th St	Greeley	CO	80631	Limey & Company, Inc.	Brook A. Dodgson, Nicholas A. Dodgson	970-330-8055
11411 West Colfax Ave	Lakewood	CO	80215	Wenco Industries, Inc	Pamela S. Genuario, Ronald P. Genuario, Jeffrey R Genuario, Elizabeth M Genuario	303-233-6581
5770 West Alameda	Lakewood	CO	80226	Leeds West Inc	Judd Kyle Shader	303-934-5833
1220 Ken Pratt Blvd	Longmont	CO	80501	LD Wing Inc	Lonnie E Wing	303-772-2263
6240 Pine Lane	Parker	CO	80138	WHG Inc	Richard Neeley	303-840-1747
1500 Hwy 50 West	Pueblo	CO	81003	Wenco Industries, Inc.	Pamela S. Genuario, Ronald P. Genuario, Jeffrey R Genuario, Elizabeth M Genuario	719-543-4203
3805 North Wadsworth Blvd	Wheat Ridge	CO	80033	Wenco Industries, Inc.	Pamela S. Genuario, Ronald P. Genuario, Jeffrey R Genuario, Elizabeth M Genuario	303-431-0404
Connecticut						
41 Tunxis Ave	Bloomfield	CT	06002	Pack2000, Inc.	Kenton H Childs, Paulina Anderson	860-243-9430
755 West Main St	Branford	CT	06405	Vicco Inc.	Edwin G. Vickerman, James W. Vickerman, Thomas M. Vickerman	203-483-3813
33 Farmington Ave	Bristol	CT	06010	Muffler Shop of Bristol, Inc.	Edwin G. Vickerman, James W. Vickerman, Thomas M. Vickerman	860-582-7983
66 Albany Turnpike	Canton	CT	06019	Canton Muffler, Inc.	Brian R. O'Donnell	860-693-1721
5 Palomba Drive	Enfield	CT	06082	JCM Auto LLC	Christine P Morande, John Morande	860-745-0305

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Connecticut (cont'd)						
925 Boston Post Rd	Fairfield	CT	06824	JAM Automotive Inc	Joseph Minio	203-259-8353
1361 Farmington Ave	Farmington	CT	06032	Pack-Conn, Inc.	Kenton H Childs, Paulina Anderson	860-676-0140
170 Route 12	Groton	CT	06340	Arco Corp	Eugene C. Cushman	860-445-8129
3010 Whitney Ave	Hamden	CT	06518	Systems Engineering Whitney LLC	Dennis R. Endee, Lesley H. Endee	203-248-6327
53 Maple Ave	Hartford	CT	06114	Pack/Conn, Inc.	Kenton H Childs, Paulina Anderson	860-246-5127
65 Weston St	Hartford	CT	06120	C & C Automotive Corp	Kenton H Childs, Paulina Anderson, Christopher Counos	860-246-4828
380 Washington St	Middletown	CT	06457	JAS Muffler, Inc.	Jeffrey Dziegielewski, Lisa Dziegielewski	860-347-9100
254 Old Gate Lane	Milford	CT	06460	OLD GATE AUTOMOTIVE, LLC	James Halpin	203-878-7688
770 West Main St	New Britain	CT	06053	L.N.R. Enterprises, LLC	Lupo Mancini	860-224-9137
75 Whalley Ave	New Haven	CT	06511	Systems Engineering Whalley, LLC	Dennis R. Endee, Lesley H. Endee	203-865-6111
665 BRd St	New London	CT	06320	Arco Corp	Eugene C. Cushman	860-447-1711
2000 Silas Deane Hwy	Rocky Hill	CT	06067	L.N.R. Enterprises, LLC	Lupo Mancini	860-563-1507
90 Queen St	Southington	CT	06489	Muffler Shop of Southington, Inc.	Edwin G. Vickerman, James W. Vickerman, Thomas M. Vickerman	860-621-9333
910 Barnum Ave Cutoff	Stratford	CT	06614	Vicco Inc.	Edwin G. Vickerman, James W. Vickerman, Thomas M. Vickerman	203-375-5611
91 South Main St	Torrington	CT	06790	Wes Conn Automotive Specialists, Inc.	Edwin G. Vickerman, James W. Vickerman, Thomas M. Vickerman	860-482-7647
67 Windsor Ave	Vernon	CT	06066	Petiza, LLC	Peter Ramalho	860-875-4940
1098 North Colony Rd	Wallingford	CT	06492	Muffler Shop Of Wallingford, Inc.	Kenneth Freschi, Peter Webster, A. Edward Winkler	203-265-0953
1012 Wolcott St	Waterbury	CT	06705	Systems Engineering Wolcott, LLC	Dennis R. Endee, Lesley H. Endee	203-753-7561
918 New Britain Ave	West Hartford	CT	06110	Pack/Conn, Inc.	Kenton H Childs, Paulina Anderson	860-953-0171
825 Orange Ave	West Haven	CT	06516	Systems Engineering Orange, LLC	Dennis R. Endee, Lesley H. Endee	203-934-2626
55 Boston Post Rd	Westbrook	CT	06498	Jas Automotive, LLC	Jeffrey Dziegielewski, Lisa Dziegielewski	860-669-9937

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Delaware						
1604 North Dupont Hwy	New Castle	DE	19720	C-Met, Inc.	Connie Natal, Ernest Natal Jr.	302-652-1884
District of Columbia						
625 New York Ave, NW	Washington	DC	20001	Systems Engineering N.Y.A., Inc.	Dennis R. Endee, Lesley H. Endee	202-638-6888
1620 Rhode Island Ave, NE	Washington	DC	20018	Systems Engineering R. I., Inc.	Dennis R. Endee, Lesley H. Endee	202-526-3400
Florida						
Timber Ridge Enterprises						
610 East Altamonte Drive	Altamonte Springs	FL	32701	Corporation	George S. Contarsy, Ralph J. Koransky	407-339-4856
319 East Boynton Beach Blvd	Boynton Beach	FL	33435	ABC Automotive of DelRay Beach	Aleksander Avdulaj	561-200-0983
6712 Manatee Ave West	Bradenton	FL	34209	Costal Auto Repair Services Inc	Michael Tubbs	941-794-9080
18525 N. W. 27th Ave	Carol City	FL	33056	J. C. Vazquez Corp.	Juan Vazquez	305-620-5145
Clear Gold Service Experts						
5105 East Bay Drive	Clearwater	FL	33764	Incorporated	Adam Ford	727-531-4070
ABC Automotive Repairs of Coral						
8080 Wiles Rd	Coral Springs	FL	33065	Springs Inc.	Aleksander Avdulaj	954-752-9222
4680 South University Drive	Davie	FL	33328	MDS Davie Inc.	Juan Cristian Vazquez	954-434-2204
420 International Speedway Blvd	Daytona Beach	FL	32114	Daynor, Inc.	Harold Noordhoek	386-253-6721
235 East Sunrise Blvd	Ft. Lauderdale	FL	33304	K&D Auto Solutions LLC	Ronaldo Hoogesteyn	954-522-1106
1000 North Federal Hwy	Hallandale	FL	33009	J. M. S. Automobile Corp.	Hratch Heghinian	954-454-1287
6710 Southwest 117th Ave	Kendall	FL	33183	Alson Of Florida, Inc.	Herbert Sonnenklar, Norma Sonnenklar	305-595-4404
ABC Automotive Repairs of Lake						
3855 South Military Trail	Lake Worth	FL	33463	Worth Inc.	Aleksander Avdulaj	561-967-8945
4480 S. Babcock St	Melbourne	FL	32901	Golden Castle, Inc	Wilfredo A. Castillo	321-956-6000
795 N. Courtenay Pkwy	Merritt Island	FL	32953	G & M Auto, Inc.	Gary M. Beskalis	321-453-3950
2390 Northwest 107th Ave	Miami	FL	33172	Alson Of Florida , Inc.	Herbert Sonnenklar, Norma Sonnenklar	305-597-5555
555 Northwest 79th St	Miami	FL	33150	Nordco, Inc.	Harold Noordhoek	305-758-6767
300 Northeast 167th St	Miami	FL	33162	Midco, Inc.	Harold Noordhoek	305-945-2531
2175 Northeast 2nd Ave	Miami	FL	33137	Kevrin, Inc.	Harold Noordhoek	305-573-6020
900 Southwest LeJeune Rd	Miami	FL	33146	Rynod, Inc.	Harold Noordhoek	305-443-9022

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Florida (cont'd)						
12805 SW 137th Ave	Miami	FL	33186	Alson of Homestead, Inc.	Herbert Sonnenklar, Norma Sonnenklar	305-251-2177
2111 Pine Ridge Rd	Naples	FL	34109	2111 PRR, LLC	Marie Sheldon	239-592-0070
928 S. Volusia (US 1792)	Orange City	FL	32763	JVK Automotive Inc	Valerie Evseanko, Jeff Morton	386-775-0383
1737 Alafaya Trail	Orlando	FL	32826	Alnor, Inc.	Harold Noordhoek	407-823-7707
9825 S Orange Blossom Trail	Orlando	FL	32837	5617 W. Colonial Corp.	George S. Contarsy, Ralph J. Koransky	407-438-5083
3400 South Orange Ave	Orlando	FL	32806	3400 S Orange Avenue Corp.	George S. Contarsy, Ralph J. Koransky	407-859-4020
				Timber Ridge Enterprises		
5617 West Colonial Drive	Orlando	FL	32808	Corporation	George S. Contarsy, Ralph J. Koransky	407-298-8187
483 North Semoran Blvd	Orlando	FL	32807	Azalea Park Motorworks Inc	Mark E Dixon, Pina Dixon	407-273-0073
12391 Pembroke Rd	Pembroke Pines	FL	33025	J.C. Vazquez Corp.	Juan Vazquez	954-442-8883
1400 South Federal Hwy	Pompano Beach	FL	33062	Pompn, Inc.	Harold Noordhoek	954-942-3023
10730 South U S 1	Port St. Lucie	FL	34983	Pro Wrench, Inc.	Munir Abutineh	772-335-0421
				Old Gold Service Experts		
290-34th St North	St. Petersburg	FL	33713	Incorporated	Adam Ford	727-327-4630
5844 4th St North	St. Petersburg	FL	33703	Solid Gold Service Experts Inc	Adam Ford	727-528-0028
2962 Apalachee Pkwy	Tallahassee	FL	32301	Customer First Auto Care, Inc.	Brian Kalem	850-656-9575
1050 U.S. Hwy 41 Bypass	Venice	FL	34285	Car Hospital LLC	Greg Oldfield, Jay Schrauf	941-484-3709
415 U.S. Hwy 1	Vero Beach	FL	32962	KAMV, Inc.	Kurt J. Barany	772-562-6111
				ABC Automotive Repairs of West		
2253 North Military Trail	West Palm Beach	FL	33409	Palm	Aleksander Avdulaj	561-687-2000
100 North Orlando Ave	Winter Park	FL	32789	Norwin, Inc.	Harold Noordhoek	407-647-4362
Georgia						
920 Northside Drive	Atlanta	GA	30318	Quest Automotive of Georgia, Inc.	John R. Jaeb	404-876-5879
2806 Washington Rd	Augusta	GA	30909	Honest Automotive Service, Inc.	Richard Hershberger	706-736-7275
5173 Appalachian Hwy	Blue Ridge	GA	30513	HWY 515 Auto, LLC	George T Anderson	706-946-7200
5289 Old National Hwy	College Park	GA	30349	Thomas Automotive, Inc.	April Thomas, Tommy M. Thomas	404-768-0850
315 Thirteenth St #1	Columbus	GA	31901	CLS Automotive, Inc.	Charles Sutton	706-324-3671
1631 Manchester Expressway	Columbus	GA	31904	CLS Automotive, Inc.	Charles Sutton	706-323-9634

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Georgia (cont'd)						
1561 Dogwood Drive	Conyers	GA	30012	Thomas Automotive, Inc.	April Thomas, Tommy M. Thomas	770-483-2836
9131 Hwy 278	Covington	GA	30014	Michael Jones Automotive, Inc.	Michael Jones	770-786-1090
1234 Glenwood Ave	Dalton	GA	30721	Frekee, Inc.	John L. Freiling Jr.	706-278-2010
5861 Fairburn Rd	Douglasville	GA	30134	Ramco General, Inc.	Iris A. McLeod, Roy A. McLeod	770-949-9074
3632 Satellite Blvd	Duluth	GA	30096	T & M Auto Service, Inc.	Meridethe Llewellyn, Thomas C. Llewellyn	770-476-8770
463 North Glynn	Fayetteville	GA	30214	723, Inc.	Hoke Smith Jr.	770-461-7731
422 West Pike St	Lawrenceville	GA	30045	K & K Auto, Inc.	Kenneth W. Llewellyn, Thomas C. Llewellyn	770-822-6848
512 Thornton Rd	Lithia Springs	GA	30122	Ramco General, Inc.	Iris A. McLeod, Roy A. McLeod	770-745-1500
1105 Johnson Ferry Rd	Marietta	GA	30068	Josa Automotive, Inc.	Edward J Quigley	770-509-1838
7005 Jimmy Carter Blvd	Norcross	GA	30092	T & M Auto Service, Inc.	Meridethe Llewellyn, Thomas C. Llewellyn	770-368-9335
5103 Jimmy Carter Blvd	Norcross	GA	30093	Path Holdings Inc	Nicholas Neal	770-448-9667
6560B Roswell Rd	Sandy Springs	GA	30328	Precision Maintenance, Inc.	George Hall	404-255-7272
8510 White Bluff Rd	Savannah	GA	31406	Auto Experts I, LLC	Dexter Elliott	912-927-2300
2003 East Victory Drive	Savannah	GA	31404	Auto Experts II, LLC	Dexter Elliott	912-352-9815
3620 Ogeechee Rd	Savannah	GA	31405	Auto Experts III, LLC	Dexter Elliott	912-236-8275
Hawaii						
480 Kilauea Ave	Hilo	HI	96720	Pereira Of Hilo, Inc.	Robert D. Pereira, The Estate of Tony Pereira	808-935-0045
1335 South Beretania St	Honolulu	HI	96814	Pereira Of Hawaii, Inc.	Robert D. Pereira, The Estate of Tony Pereira	808-593-8118
1415 Dillingham Blvd	Honolulu	HI	96817	Pereira Of Hawaii, Inc.	Robert D. Pereira, The Estate of Tony Pereira	808-841-7361
3051 Waiatae Ave	Honolulu	HI	96816	Pereira Of Hawaii, Inc.	Robert D. Pereira, The Estate of Tony Pereira	808-735-3527
200 East Wakea Ave	Kahului Maui	HI	96732	Pereira Of Maui, Inc.	Robert D. Pereira, The Estate of Tony Pereira	808-871-9581
174 Hamakua Drive	Kailua	HI	96734	Pereira Of Hawaii, Inc.	Robert D. Pereira, The Estate of Tony Pereira	808-262-6544
74-5587 Alapa St	Kailua-Kona	HI	96740	Pereira Of Kona, Inc.	Robert D. Pereira, The Estate of Tony Pereira	808-326-1016
4230 Rice St	Lihue Kauai	HI	96766	Pereira Of Kauai	Robert D. Pereira, The Estate of Tony Pereira	808-246-0128
98-1234 Kaahumanu St	Pearl City	HI	96782	Pereira Of Hawaii, Inc.	Robert D. Pereira, The Estate of Tony Pereira	808-487-6477
25 N Kamehameha Hwy	Wahiawa	HI	96786	Pereira Of Hawaii, Inc.	Robert D. Pereira, The Estate of Tony Pereira	808-622-3991

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Idaho						
277 South 27th St	Boise	ID	83702	Shanat Investment Group LLC	Danny Chitin, Amos Mahrer	208-336-0300
9245 Fairview Ave	Boise	ID	83704	Shanat Investment Group LLC.	Danny Chitin, Amos Mahrer	208-377-0300
525 East Clark	Pocatello	ID	83201	Randy Fulmer	Randy Fulmer	208-232-7411
Illinois						
20 West 536 Lake St	Addison	IL	60101	Anil Plus Corporation	Anil K. Wadhwa	630-775-1313
2805 E Homer M. Adams Pkwy	Alton	IL	62002	RBG Investments Co, LLC	Michael Carey	618-465-4664
1150 East Rand Rd	Arlington Heights	IL	60004	Chief Management, Inc.	Thomas R. Spiekerman	847-392-1300
797 West Algonquin Rd	Arlington Heights	IL	60005	Chief Management, Inc.	Thomas R. Spiekerman	847-593-4244
4379 Fox Valley Center Dr	Aurora	IL	60504	Valley Muffler Shop, Inc.	Hugh A. Boeset	630-851-7002
6601 Ogden Ave	Berwyn	IL	60402	N. S. B., Inc.	Ronald Tonika	708-749-2240
905 I.A.A. Drive	Bloomington	IL	61701	Bloomington Auto Service Inc.	Cheryl Allen, Dorotha C. Bratcher (Trust), James D. Bratcher (Trust), Robert Bratcher, Walter Bratcher,	309-662-3366
460 N Bolingbrook Dr	Bolingbrook	IL	60440	Valley Muffler Shop, Inc.	Donna Teal, James Allen	630-739-5900
1625 N State- Route 50	Bourbonnais	IL	60914	Bradley Auto Repair Center, Inc	Hugh A. Boeset	815-937-5812
8333 South Harlem	Bridgeview	IL	60455	WLA, Corp.	Steven R. Luebeck, Sue A. Steeves	708-598-9440
821 River Oaks Dr	Calumet City	IL	60409	Pumi Automotive Systems, Inc.	Cheryl Allen, Dorotha C. Bratcher (Trust), James D. Bratcher (Trust), Robert Bratcher, Walter Bratcher,	708-891-5700
900 East Main St	Carbondale	IL	62901	Archie Parker	Donna Teal, James Allen	618-529-2811
20 South Western Ave	Carpentersville	IL	60110	J A M K, Inc.	Patvardhana B. Gorrepati	847-426-3330
2102 Moreland Blvd	Champaign	IL	61821	Auto Systems Experts, Inc.	Archie Parker, Ron Richards, Carolyn Richards	217-359-0900
515 Lincoln Ave	Charleston	IL	61920	John S. Inyart, Sole Proprietor	Christopher Mirski, Jonathan Mirski	217-345-1114
7137 S Western Ave	Chicago	IL	60636	Classic Car Enterprises Inc.	Pat Walton, Susan Blaser	773-776-8747
2654 West Fullerton	Chicago	IL	60647	MRMS, Inc.	Dale J. Mueller	773-342-8485
4433 South Kedzie Ave	Chicago	IL	60632	Pack Twelve Enterprises, Inc.	Ricardo F. Chaquinga, Murad Guiragossian	773-523-7878

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8245 South Cicero Ave	Chicago	IL	60652	Jimbob Inc.	Cheryl Allen, Dorotha C. Bratcher (Trust), James D. Bratcher (Trust), Robert Bratcher, Walter Bratcher, Donna Teal, James Allen	773-585-6500
8104 S Cottage Grove	Chicago	IL	60619	Pumi Automotive Systems, Inc.	Patvardhana B. Gorrepati	773-846-2200
158 West Grand Ave	Chicago	IL	60610	Gandolf Enterprises Ltd	Fred R. Hoffman	312-670-2505
5353 South Archer Ave	Chicago	IL	60632	MMS Enterprises Inc.	Dale J. Mueller	773-767-4828
510 West Roosevelt Rd	Chicago	IL	60607	Pops AutoService Inc	Cheryl Allen, Dorotha C. Bratcher (Trust), James D. Bratcher (Trust), Robert Bratcher, Walter Bratcher, Donna Teal, James Allen	312-922-5075
10200 South Western Ave	Chicago	IL	60643	Pumi Automotive Systems Inc.	Patvardhana B. Gorrepati	773-233-0988
7501 North Western Ave	Chicago	IL	60645	Western 4, Inc.	Ricardo F. Chaquinga, Murad Guiragossian	773-761-5200
7419 South Stony Island	Chicago	IL	60649	Pumi Automotive Systems, Inc.	Patvardhana B. Gorrepati	773-667-1111
7251 South Stony Island	Chicago	IL	60649	Pumi Automotive Systems, Inc.	Patvardhana B. Gorrepati	773-643-1610
656 West Lincoln Hwy	Chicago Heights	IL	60411	RMM Auto Services, Inc.	Ricardo F. Chaquinga, Mourad Guiragossian	708-481-4466
1065 Collinsville Crossing Blvd.	Collinsville	IL	62234	MAC Associates, Inc.	Kenton H Childs, Paulina Anderson, George Panayides	618-345-0164
5815 South Lagrange Rd	Countryside	IL	60525	J.A.L.K., Inc.	Alane A. Creamer, Jeremiah J. Creamer	708-352-7900
14224 South Cicero	Crestwood	IL	60445	All Pro Mufflers Inc.	Cheryl Allen, Dorotha C. Bratcher (Trust), James D. Bratcher (Trust), Robert Bratcher, Walter Bratcher, Donna Teal, James Allen	708-385-1621
260 Virginia Ave	Crystal Lake	IL	60014	Guzder Technologies, Inc.	Shapoor Guzder	815-455-3540
211 North Gilbert	Danville	IL	61832	D W Systems, Inc.	Roy A. Wagner	217-442-2585
981 East Oakton St	Des Plaines	IL	60018	J A M K, Inc.	Christopher Mirski, Jonathan Mirski	847-298-3376
905 North Galena Ave	Dixon	IL	61021	Inc. Sauk Valley Auto Service Center,	Paul C. Breitzka, Andrew Craig Buchanan, John Douglas Thomas	815-288-3257
1660 West 75th St	Downers Grove	IL	60517	Vintage Car Enterprises, Inc.	Dale J. Mueller	630-852-0166
2410 Dempster	Evanston	IL	60202	Vic & Vic Systems Inc	Victorino Sanchez, Victor Sanchez	847-864-4224
6016 North Illinois St	Fairview Heights	IL	62208	MAC Associates, Inc.	Kenton H Childs, Paulina Anderson, George Panayides	618-632-6776
2611 North Mannheim Rd	Franklin Park	IL	60131	AGF, Inc.	Ricardo F. Chaquinga	847-455-0364

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1223 North Henderson	Galesburg	IL	61401	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	309-342-8174
3903 S. State Route 159	Glen Carbon	IL	62034	R & M Capital, LLC	Richard Wolff	618-288-1900
2151 North Bloomingdale	Glendale Heights	IL	60139	Uni-Systems Inc.	Christopher Mirski, Jeanine Mirski, Jonathan Mirski, Thaddeus Mirski	630-894-3377
6320 Grand Ave	Gurnee	IL	60031	D & G Muffler of Gurnee, Inc.	Audrey Jones, George Young, Kelly Young	847-855-0400
1804 Army Trail Rd	Hanover Park	IL	60103	The 44th Corporation	Roberta Mirski, Thaddeus Mirski	630-372-9811
1505 West Irving Pk Rd	Hanover Park	IL	60103	Uni-Systems, Inc.	Christopher Mirski, Jeanine Mirski, Jonathan Mirski, Thaddeus Mirski	630-830-0500
60 Skokie Valley Rd	Highland Park	IL	60035	Carmide, Inc.	James J. Carollo	847-831-5000
809 East Morton Ave	Jacksonville	IL	62650	Lincoln Land FS, Inc.	John Wilcox	217-245-1533
1802 North Larkin Ave	Joliet	IL	60403	R & H Company	Danny Hillman	815-725-6500
1200 N Milwaukee Ave	Libertyville	IL	60048	Kencar Enterprises, Inc.	Kenneth Nelson, Carol Nelson	847-918-8600
1805 West Ogden Ave	Lisle	IL	60532	Shau Muffler Lisle, Inc.	Brian Shaulis, Algird C. Shaulis	630-963-9577
1300 Charleston Ave	Mattoon	IL	61938	Mattoon Muffler, Inc.	John S. Inyart	217-235-5545
4110 West Elm St	Mchenry	IL	60050	The 44th Corporation	Roberta Mirski, Thaddeus Mirski	815-344-1200
4500 23rd Ave	Moline	IL	61265	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	309-764-5797
3420 Broadway	Mt. Vernon	IL	62864	Moore Of Southern Illinois, Inc.	Julie E. Moore, Monty L. Moore	618-244-6858
7109 North Route 83	Mundelein (Village O	IL	60060	LGV Enterprises, Inc.	Mary Beth Bulgarelli, Michael J. Bulgarelli	847-949-6500
5016 Ace Lane	Naperville	IL	60564	Valley Muffler Shop, Inc.	Hugh A. Boeset	630-922-1320
800 East Ogden Ave	Naperville	IL	60563	Valley Muffler Shop, Inc.	Hugh A. Boeset	630-355-2533
7369 North Milwaukee	Niles	IL	60714	ACTL, Inc.	Ricardo F. Chaquina, Murad Guiragossian	847-588-1800
11009 South Cicero Ave	Oak Lawn	IL	60453	J.C. Link, Inc.	Cheryl Allen, Dorothea C. Bratcher (Trust), James D. Bratcher (Trust), Robert Bratcher, Walter Bratcher,	708-425-2100
6249 W. North Ave	Oak Park	IL	60302	OPSREX, Inc	Donna Teal, James Allen	708-848-2010
14810 South Lagrange Rd	Orland Park	IL	60462	Bratco, Inc.	Cheryl Allen, Dorothea C. Bratcher (Trust), James D. Bratcher (Trust), Robert Bratcher, Walter Bratcher,	708-349-1750

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11108 South Southwest Hwy	Palos Hills	IL	60465	Cab, Inc.	Cheryl Allen, Dorotha C. Bratcher (Trust), James D. Bratcher (Trust), Robert Bratcher, Walter Bratcher, Donna Teal, James Allen	708-974-4400
1804 Court St	Pekin	IL	61554	Famco Auto Service Inc.	Cheryl Allen, Dorotha C. Bratcher (Trust), James D. Bratcher (Trust), Robert Bratcher, Walter Bratcher,	309-347-5991
2200 North University	Peoria	IL	61604	Auto Systems Experts, Inc.	Donna Teal, James Allen	309-688-8608
2306 West Glen Ave	Peoria	IL	61614	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	309-691-5551
4224 Mahoney Drive	Peru	IL	61354	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	815-220-1060
312 North 33rd St	Quincy	IL	62301	Auto Service of Quincy, Inc.	Walter Scott Reed	217-223-7022
1125 South Alpine	Rockford	IL	61108	MLL Management ,LTD.	Mark Lester Lewis	815-397-5210
3012 North Main St	Rockford	IL	61103	M. W. Automotive Enterprises, Inc.	Jerry M. Paris	815-877-6096
1950 Route 83	Round Lake Beach	IL	60073	D & G Muffler of Lake County, Inc.	Audrey Jones, George Young, Kelly Young	847-223-3344
1529 South 9th St	Springfield	IL	62703	GGPACK, Inc.	Kenton H Childs, Paulina Anderson, Gary G. Griffin	217-528-0484
2109 Stevenson Drive	Springfield	IL	62703	GGPACK, Inc.	Kenton H Childs, Paulina Anderson, Gary G. Griffin	217-529-4408
1502 West Main St	St. Charles	IL	60174	Valley Muffler Shop, Inc.	Hugh A. Boeset	630-584-1065
319 West Fourth St	Sterling	IL	61081	Richard E. Pontnack, Sole Proprietor	Richard E. Pontnack	815-626-7685
2820 Dekalb Ave	Sycamore	IL	60178	Robert Noble, Sole Proprietor	Robert Noble	815-756-8581
7011 West 159th St	Tinley Park	IL	60477	CAB Corporation	Cheryl Allen, Dorotha C. Bratcher (Trust), James D. Bratcher (Trust), Robert Bratcher, Walter Bratcher,	708-614-1600
304 West University	Urbana	IL	61801	Topa, Inc.	Donna Teal, James Allen	217-367-0300
5 E. North Ave	Villa Park	IL	60181	Chief Management, Inc.	Ata O. Toghraee Thomas R. Spiekerman	630-833-0660
501 S. Green Bay Rd	Waukegan	IL	60085	D & G Muffler of Waukegan, Inc.	Audrey Jones, George Young, Kelly Young	847-623-8395
130 West Roosevelt Rd	West Chicago	IL	60185	Bessie, Inc.	Alane A. Creamer, Jeremiah J. Creamer	630-876-9466

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Illinois (cont'd)						
11105 W. Roosevelt Rd	Westchester	IL	60154	MIAH, Inc.	Alane A. Creamer, Jeremiah J. Creamer	708-562-1908
401 West Ogden Ave	Westmont	IL	60559	Shau Mufflers Ogden, Inc.	Joanne Shaulis, Algird C. Shaulis	630-964-8915
1420 East Roosevelt Rd	Wheaton	IL	60187	Shau Mufflers Roosevelt, Inc.	Alane A. Creamer, Jeremiah J. Creamer	630-653-7678
33 South Wheeling Rd	Wheeling	IL	60090	Wheeling Carmide, Inc.	James J. Carollo	847-459-3001
224 Route 34	Yorkville	IL	60560	Valley Muffler Shop Inc.	Hugh A. Boeset	630-553-9355
Indiana						
2208 East 8th St	Anderson	IN	46012	Automotive Group, Inc.	Michael L. Pratt	765-643-6983
2401 North Wayne St	Angola	IN	46703	M&L Automotive, LLC	Michael Busche, Sr.	260-665-3465
2619 East 3rd St	Bloomington	IN	47401	Veera Automotive, LLC	Sandeep Shah	812-332-3558
9 Commerce Ave	Brownsburg	IN	46112	Pand, Inc.	Daniel B. McKibben, Patti J. Phillips-McKibben	317-852-4522
570 South Rangeline Rd	Carmel	IN	46032	Automotive Group, Inc.	Michael L. Pratt	317-848-2888
2995 Central Ave	Columbus	IN	47201	DWJ Automotive, Inc.	Dennis W. Emberton	812-372-0406
2692 South Main St	Elkhart	IN	46517	BLE Automotive, Inc.	Brad Lee Emberton	574-522-8293
1435 North Green River Rd	Evansville	IN	47715	Green River Tycoons, LLC	John E Hudson	812-476-1364
2811 North St. Joseph Ave	Evansville	IN	47720	Green River Tycoons, LLC	John E Hudson	812-424-9263
7444 East 116th St	Fishers	IN	46038	Automotive Group, Inc.	Michael L. Pratt	317-842-8300
4028 Coldwater Rd	Ft. Wayne	IN	46805	MRE Automotive, Inc.	Michael R. Emberton	260-484-8588
3422 Illinois Rd	Ft. Wayne	IN	46802	MRE Automotive, Inc.	Michael R. Emberton	260-432-2546
1023 Coliseum Blvd North	Ft. Wayne	IN	46805	MRE Automotive, Inc.	Michael R. Emberton	260-422-3454
3133 Grant St	Gary	IN	46408	K.M.&E., Inc.	Kurt Federschmidt, Jeffrey Thompson	219-981-2175
2120 Elkhart Rd 33	Goshen	IN	46526	Horvath Automotive, Inc.	Joseph D. Horvath	574-533-8636
1264 N US 31	Greenwood	IN	46142	DWJ Automotive, Inc.	Dennis W. Emberton	317-882-6135
7146 Indianapolis Blvd	Hammond	IN	46324	R & H Muffler Inc.	Danny Hillman	219-845-8005
3654 N. Hobart Rd	Hobart	IN	46342	K.M.&E., Inc.	Kurt Federschmidt, Jeffrey Thompson	219-962-8616
4301 South East St	Indianapolis	IN	46227	DWJ Automotive, Inc.	Dennis W. Emberton	317-783-7796
6435 East 82nd St	Indianapolis	IN	46250	Automotive Group, Inc.	Michael L. Pratt	317-842-4080
1706 East Markland Ave	Kokomo	IN	46901	Automotive Grup, Inc.	Michael L. Pratt	765-452-0031
224 South Baldwin	Marion	IN	46952	Vernatter Enterprises, LLC	Shelley L. Vernatter, William H. Vernatter	765-662-3948
760 W. 81st Ave US 30	Merrillville	IN	46410	K.M.&E., Inc.	Kurt Federschmidt, Jeffrey Thompson	219-738-1960

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Indiana (cont'd)						
3805 South Franklin	Michigan City	IN	46360	Pumi Automotive Systems, Inc.	Patvardhana B. Gorrepati	219-879-4618
215 West University Drive	Mishawaka	IN	46545	BLE Automotive, Inc.	Brad Lee Emberton	574-271-7898
1901 North Broadway	Muncie	IN	47303	D W Systems, Inc.	Roy A. Wagner	765-288-8882
1611 E. State Rd 44	Shelbyville	IN	46176	DWJ Automotive, Inc.	Dennis W. Emberton	317-392-2828
525 South Michigan St	South Bend	IN	46601	BLE Automotive, Inc.	Brad Lee Emberton	574-289-2437
2300 South 3rd St	Terre Haute	IN	47802	A & E Installers, Inc.	Brian Niece	812-238-2582
2508 North Calumet St	Valparaiso	IN	46383	BEDE Enterprises, Corporation	John Beaty, Mary DeVous	219-465-0855
3555 Commerce Drive	Warsaw	IN	46580	Vematter Enterprises, LLC	Shelley L. Vematter, William H. Vematter	574-269-4545
Iowa						
113 Lincoln Way	Ames	IA	50010	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	515-232-4153
4810 University Ave	Cedar Falls	IA	50613	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	319-268-0167
3230 First Ave Northeast	Cedar Rapids	IA	52402	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	319-365-9161
2602 Williams Blvd SW	Cedar Rapids	IA	52404	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	319-364-2212
1432 Lincolnway	Clinton	IA	52732	David Jorgensen, Sole Proprietor	David Jorgensen	563-242-2511
1690 Northwest 86th St	Clive	IA	50325	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	515-226-1199
4529 Brady	Davenport	IA	52806	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	563-388-7866
2010 Ingersoll Ave	Des Moines	IA	50312	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	515-243-1253
2201 East Euclid Ave	Des Moines	IA	50317	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	515-265-5333
5618 Douglas Ave	Des Moines	IA	50310	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	515-278-0496
6500 S.E. 14th St.	Des Moines	IA	50320	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	515-285-4905
1720 John F. Kennedy Rd	Dubuque	IA	52002	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	563-557-7525
19 Sturgis Rd	Iowa City	IA	52240	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	319-351-7250
129 S. Delaware	Mason City	IA	50401	Gansemer Lies & Associates, Inc.	William Gansemer	641-424-1152
Kansas						
1101 North Lorraine	Hutchinson	KS	67501	Auto Systems Experts Inc	Pat Walton, Susan Blaser	620-665-1170
2801 South Iowa St	Lawrence	KS	66046	Unrein & Company, Inc.	Eric Unrein	785-841-1767
10342 State Line Rd	Leawood	KS	66206	Midwest Dynamics, Inc.	Anne Hoge Kimball, Cordelia Hoge Smith	913-381-9700

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Kansas (cont'd)						
330 North Seth Child Rd	Manhattan	KS	66502	Unrein & Company, Inc.	Eric Unrein	785-539-0551
403 East Poyntz Ave	Manhattan	KS	66502	Manhattan East LLC	Eric Unrein	785-320-7713
1970 East Santa Fe	Olathe	KS	66062	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	913-764-4663
7433 West 119th St	Overland Park	KS	66213	Unrein & Company, Inc.	Eric Unrein	913-345-8826
7818 Metcalf	Overland Park	KS	66204	Midwest Dynamics, Inc.	Anne Hoge Kimball, Cordelia Hoge Smith	913-648-1200
845 North Broadway	Salina	KS	67401	Gilco, Inc.	Rodger Peck	785-827-0323
6300 Nieman Rd	Shawnee	KS	66203	Midwest Dynamics, Inc.	Anne Hoge Kimball, Cordelia Hoge Smith	913-268-7755
2040 South Topeka Blvd.	Topeka	KS	66612	Unrein & Company, Inc.	Eric Unrein	785-235-3461
5914 Southwest 21st	Topeka	KS	66604	Unrein & Company, Inc.	Eric Unrein	785-273-8504
4635 East Kellogg	Wichita	KS	67218	Auto Systems Experts Inc	Pat Walton, Susan Blaser	316-685-1346
9133 West Central	Wichita	KS	67212	Auto Systems Experts, Inc	Pat Walton, Susan Blaser	316-721-5757
2820 South Seneca	Wichita	KS	67217	Auto Systems Experts Inc	Pat Walton, Susan Blaser	316-524-4283
3330 North Rock Rd	Wichita	KS	67226	Auto Systems Experts Inc	Pat Walton, Susan Blaser	316-636-9299
Kentucky						
603 US 31W By-Pass	Bowling Green	KY	42101	Whitney Automotive Co., Inc.	Jane G. Whitney, Philip R. Whitney	270-842-6561
3822 Dixie Hwy	Erlanger	KY	41018	501 Erlanger Auto Center, L.TD.	Randolph S. Katz	859-727-1871
8220 US Route 42	Florence	KY	41042	506 Florence Auto Center, L.TD.	Randolph S. Katz	859-371-5780
1246 US Route 127 South	Frankfort	KY	40601	Green River Tycoons, LLC	John E Hudson	502-875-1750
4210 Saron Drive	Lexington	KY	40515	Lexington Pumi Automotive Systems, Inc..	Madhavi Delisnore, Sujata Donepudi, Jayasree Gorrepati, Krishna Gorrepati, Patvardhana B. Gorrepati, Rajendra Gorrepati, Uday Gorrepati, Sudhakar Kantamneni, Janaki Koneru, Pallavi Paladudu	859-272-1100
678 East New Circle Rd	Lexington	KY	40505	Lexington Pumi Automotive Systems, Inc.	Madhavi Delisnore, Sujata Donepudi, Jayasree Gorrepati, Krishna Gorrepati, Patvardhana B. Gorrepati, Rajendra Gorrepati, Uday Gorrepati, Sudhakar Kantamneni, Janaki Koneru, Pallavi Paladudu	859-255-3781

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Kentucky (cont'd)						
457 Southland Drive	Lexington	KY	40503	Lexington Pumi Automotive Systems, Inc.	Madhavi Delsignore, Sujata Donepudi, Jayasree Gorrepati, Krishna Gorrepati, Patvardhana B. Gorrepati, Rajendra Gorrepati, Uday Gorrepati, Sudhakar Kantamneni, Janaki Koneru, Pallavi Paladudu	859-278-5113
2102 Alexandria Pike	Newport	KY	41071	525 Newport Auto Center, LTD.	Randolph S. Katz	859-491-6830
Louisiana						
3311 Jackson St	Alexandria	LA	71301	LSJ Auto, Inc.	Larry Jordan	318-448-3129
2358 College Drive	Baton Rouge	LA	70808	2358 College Drive, Inc.	Sara L. Pepitone, William Pepitone	225-926-8040
10610 Florida Blvd	Baton Rouge	LA	70815	10610 Florida Blvd., Inc.	Sara L. Pepitone, William Pepitone	225-272-5921
5950 S Sherwood Forest Blvd	Baton Rouge	LA	70816	5950 S. Sherwood, Inc.	Sara L. Pepitone, William Pepitone	225-293-9433
3062 East Texas Ave	Bossier City	LA	71111	Drury Automotive, Inc	Don W Drury II, Christina E Drury	318-742-3778
725 West Bank Expressway	Gretna	LA	70053	House of Lloyds, Inc.	Douglas W. Perroncel	504-367-2717
2404 Lapalco Blvd	Harvey	LA	70058	House of Lloyds, Inc.	Douglas W. Perroncel	504-361-5355
916 Barrow St	Houma	LA	70360	Rodco, Inc.	John J Dugas	985-879-1930
112 Bertrand Drive	Lafayette	LA	70506	House of Lloyds, Inc	Douglas W. Perroncel	337-233-4264
3420 Ryan St	Lake Charles	LA	70605	JMV Enterprises L.L.C.	Joyce L. Verde, Michael J. Verde	337-478-6330
3125 North Causeway Blvd	Metairie	LA	70002	House of Lloyds, Inc.	Douglas W. Perroncel	504-834-6896
5117 Airline Drive	Metairie	LA	70001	House of Lloyds, Inc.	Douglas W. Perroncel	504-888-5117
2526 Canal St	New Orleans	LA	70119	John Dee, Inc.	John DiVincent	504-821-3141
501 South Vienna St	Ruston	LA	71270	Integrity Automotive Services, Inc.	Patrick Mitchell	318-255-1772
180 Gause Blvd	Slidell	LA	70458	House of Lloyds, Inc	Douglas W. Perroncel	985-649-7666
Maine						
62 Western Ave	Augusta	ME	04330	S & D, Inc.	Thomas A. Dean, Steven A. Shaver	207-622-1066
1011 Union St	Bangor	ME	04401	Keith's Auto Repair, Inc.	Keith Woodard	207-947-6792
234 Bath Rd	Brunswick	ME	04011	S & D, Inc.	Thomas A. Dean, Steven A. Shaver	207-729-5528
Route 3 (Bar Harbor Rd)	Ellsworth	ME	04605	KAR II	Keith Woodard	207-667-3261
512 Canal St	Lewiston	ME	04240	S & D, Inc.	Thomas A. Dean, Steven A. Shaver	207-782-1000

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Maine (cont'd)						
570 Forest Ave	Portland	ME	04101	S & D, Inc.	Thomas A. Dean, Steven A. Shaver	207-774-5944
1423 Main St	Sanford	ME	04073	S & D, Inc.	Thomas A. Dean, Steven A. Shaver	207-324-0171
138 U S Route One	Scarborough	ME	04074	S & D, Inc.	Thomas A. Dean, Steven A. Shaver	207-885-5944
155 College Ave	Waterville	ME	04901	Keith's Auto Repair, Inc.	Keith Woodard	207-873-2715
95 Larrabee Rd	Westbrook	ME	04092	Gessner Enterprises Inc.	Casey L. Mogren, Mark R. Mogren	207-854-1222
Maryland						
204 South Philadelphia Blvd	Aberdeen	MD	21001	Lintner Enterprises, Inc.	Debra A. Lintner, Mark S. Lintner	410-272-5599
1915 West St	Annapolis	MD	21401	Jo-Lee Mufflers, Inc.	The Estate of Joseph M. Sipocz Sr.	410-266-5868
6017 Harford Rd	Baltimore	MD	21214	Harjus Two, Inc	Stephen L Hoffman	410-426-0966
6555 Baltimore National Pike	Baltimore	MD	21228	Maryland Car Care, Inc.	Douglas B. Tennant	410-744-7822
7206 Eastern Ave	Baltimore	MD	21224	J.M.S., Inc.	The Estate of Joseph M. Sipocz Sr.	410-285-1500
2617 Reisterstown Rd	Baltimore	MD	21217	Bahk Corp. #2	Steve Bahk	410-523-9200
1772 East Joppa Rd	Baltimore	MD	21234	Maryland Car Care, Inc.	Douglas B. Tennant	410-668-9014
3010 West Patapsco Ave	Baltimore	MD	21230	Maryland Car Care, Inc.	Douglas B. Tennant	410-525-1602
4725 Cheltenham Drive	Bethesda	MD	20814	Harford Car Care, Inc.	Stephen S. Tennant	301-913-0228
8407 Central Ave	Capitol Heights	MD	20743	Murclin, Inc.	LeeAnn Grimm, Tony Grimm	301-336-4747
8001 Malcolm Rd	Clinton	MD	20735	Murclin, Inc.	LeeAnn Grimm, Tony Grimm	301-856-3000
11015 York Rd	Cockeysville	MD	21030	Harjus Two, Inc	Stephen L Hoffman	410-785-1655
6465 Dobbin Center Way	Columbia	MD	21044	Columbia Muffler, Inc.	Jerrold M. Sipocz	410-997-3134
16077 Frederick Rd	Denwood	MD	20855	Harford Car Care, Inc.	Stephen S. Tennant	301-975-9848
8588 Ocean Gateway	Easton	MD	21601	G&J Automotive LLC	George Zibragos, John Zibragos, Ronnie Lucase	410-822-2929
6301 Luers Ave	Eldersburg	MD	21784	Triple Woo Enterprise, Inc.	Woo Chang Lee	410-549-0343
338 East Pulaski Hwy	Elkton	MD	21921	Lintner Enterprises, Inc.	Debra A. Lintner, Mark S. Lintner	410-392-5050
9438 Baltimore National Pike	Ellicott City	MD	21042	Maryland Car Care, Inc.	Douglas B. Tennant	410-461-8500
1908 Bel Air Rd	Fallston	MD	21047	Harjus Two, Inc	Stephen L Hoffman	410-877-8315
5717 Silver Hill Rd	Forestville	MD	20747	Forestville Muffler, Inc.	The Estate of Joseph M. Sipocz Sr.	301-420-1171
1002 West Patrick St	Frederick	MD	21703	D J Automotive, Inc.	David Joseph DiFerdinando, Joseph David DiFerdinando, Natalina DiFerdinando	301-694-8411

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Maryland (cont'd)						
204 North Frederick Ave	Gaithersburg	MD	20877	Harford Car Care, Inc.	Stephen S. Tennant	301-948-0804
1101 Route 3 South	Gambrills	MD	21054	Crofton Muffler, Inc.	John M. Sipocz Sr.	410-721-5302
19550 B Frederick Rd	Germantown	MD	20876	Harford Car Care, Inc.	Stephen S. Tennant	301-353-1200
6909 Ritchie Hwy	Glen Burnie	MD	21061	Metro Muffler, Inc.	June L. Sipocz	410-761-6200
1390 Dual Hwy	Hagerstown	MD	21740	Hagerstown Mufflers, Inc.	June L. Sipocz	301-791-4900
9011 Annapolis Rd	Lanham	MD	20706	Harford Car Care, Inc.	Stephen S. Tennant	301-577-7400
324-330 Washington Blvd	Laurel	MD	20707	Metro Muffler Of Laurel, Inc.	June L. Sipocz	301-498-2400
				Matthew L. Blazeovich, Sole		
21544 Great Mills Rd	Lexington Park	MD	20653	Proprietor	Matthew L. Blazeovich	301-862-9501
9710 Reistertown Rd	Owings Mills	MD	21117	GIO, Inc.	Daniel Bahk, Steve Bahk	410-356-0650
				Systems Engineering of Prince		
5143 Indian Head Hwy	Oxon Hill	MD	20745	George's County, Inc.	Dennis R. Endee, Lesley H. Endee	301-839-2135
8158 Ritchie Hwy	Pasadena	MD	21122	Pasadena Muffler, Inc.	Jeffrey Sipocz, Cathleen Sipocz	410-437-2280
902 Reistertown Rd	Pikesville	MD	21208	The Bahk Corporation	Steve Bahk	410-486-1585
65 Heritage Blvd	Prince Frederick	MD	20678	M.C.M, L.L.C.	Matthew L. Blazeovich	410-535-3600
1460 Rockville Pike	Rockville	MD	20852	Harford Car Care, Inc.	Stephen S. Tennant	301-762-7090
3241 Automobile Blvd	Silver Spring	MD	20904	Harford Car Care, Inc.	Stephen S. Tennant	301-890-0831
8528 Piney Branch Rd	Silver Spring	MD	20901	J & D Automotive, Inc.	Joan A. DiGregorio, John J. DiGregorio	301-589-4116
7047 Allentown Rd	Temple Hills	MD	20748	Murclin, Inc.	LeeAnn Grimm, Tony Grimm	301-449-3320
1014 York Rd	Towson	MD	21204	Harius Two, Inc	Stephen L Hoffman	410-296-7166
12055 Vivian Adams Drive	Waldorf	MD	20601	Waldorf Mufflers, Inc.	Matthew L. Blazeovich	301-932-9366
97 South Cranberry Rd	Westminster	MD	21157	Maryland Car Care, Inc.	Douglas B. Tennant	410-876-3366
11340 Amherst Ave	Wheaton	MD	20902	Wheaton Muffler, Inc.	The Estate of Joseph M. Sipocz Sr.	301-933-1200
Massachusetts						
125 Great Rd	Acton	MA	01720	CMP Group, Inc.	Richard R. Valarioti	978-263-4611
451 Southbridge St	Auburn	MA	01501	Rycorp, Inc.	Ryan Dodge	508-832-5774
198 BRd St	Bridgewater	MA	02324	JLJ Enterprises, Inc.	Arthur J. Epstein	508-697-3434
644 Belmont St	Brockton	MA	02301	MiBrock, Inc.	Arthur J. Epstein	508-588-6417
120 Boylston St, Rt. 9 East	Brookline	MA	02445	A & A Automotive, Inc.	Jonas Auguste	617-731-6212

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Massachusetts (cont'd)				BURLINGTON AUTOMOTIVE		
66 Middlesex Turnpike	Burlington	MA	01803	SERVICES INC.	Joseph N. Bernard	781-272-7800
244 Teaticket Hwy	East Falmouth	MA	02540	Cape Auto Systems, Inc.	Terrence M. Flaherty	508-540-4290
40 Shaker Rd	East Longmeadow	MA	01028	Jet Management, Inc.	Joseph E. Townshend	413-525-1723
3014 Cranberry Hwy	East Wareham	MA	02538	HBH Auto, Inc.	Henry Williams, Kathleen Nelson	508-295-8440
178 Huttleston Ave	Fairhaven	MA	02719	M&G Automotive Fair, Inc.	Daniel E. Good	508-992-4034
1439 Plymouth Ave	Fall River	MA	02722	Mi-Hold Corporation	Arthur J. Epstein	508-679-1066
752 Worcester Rd	Framingham	MA	01701	Rycorp, East.	Ryan Dodge	508-872-3537
18 Dyer St	Gardner	MA	01440	Tridev Corporation	Kumar M. Khajurvala, Mamta K. Khajurvala	978-630-1400
397 Russell St	Hadley	MA	01035	Bean Management, LLC	Barry Drucker	413-586-9991
1975 Washington St	Hanover	MA	02339	J. L. J. Enterprises, Inc.	Arthur J. Epstein	781-871-2442
74 Iyannough Rd	Hyannis	MA	02601	Cape Auto Systems, Inc.	Terrence M. Flaherty	508-771-2637
555 Lynnway	Lynn	MA	01905	MILYNN, Inc.	Arthur J. Epstein	781-598-9811
65 Commercial	Malden	MA	02148	Mystic Enterprises, Inc.	Arthur J. Epstein	781-324-8860
231 East Main	Marlborough	MA	01752	Shivick Management LLC	Thomas F Shivick Jr	508-481-0330
76 East Main St	Milford	MA	01757	M.M.E. Inc.	Elie Rivollier III	508-473-5662
840 Worcester Rd	Natick	MA	01760	TFS Enterprises, Inc.	Timothy F. Stearns	508-655-0050
72 Storey Ave	Newburyport	MA	01950	J. Gardner, Inc.	Joseph C. Gardner	978-465-3300
276 State Rd	North Dartmouth	MA	02747	Duddy Corporation	Paul F Duddy Jr, Donna M Duddy	508-996-3161
143 King St	Northampton	MA	01060	PG Group, Inc.	Peter Ramalho	413-586-4840
144 Cranberry Hwy	Orleans	MA	02653	Cape Auto Systems, Inc.	Terrence M. Flaherty	508-255-0112
100 Mayor McGrath Hwy	Quincy	MA	02169	J. L. J. Enterprises, Inc.	Arthur J. Epstein	617-471-1240
25 New State Hwy	Raynham	MA	02767	Mi-Hold Corporation	Arthur J. Epstein	508-823-6166
1202 Broadway	Saugus	MA	01906	The Tenth Place, Inc.	Arthur J. Epstein	781-233-6400
67 Boston Turnpike	Shrewsbury	MA	01545	Shivick Management LLC	Thomas F Shivick Jr	508-798-0858
947 Washington St	South Attleboro	MA	02703	Argyll Enterprises Inc.	Ian D. Campbell, Linda A. Campbell	508-761-8051
1160 Boston Rd	Springfield	MA	01119	KPG Mass Inc	Kenton H Childs, Paulina Anderson, George Panayides	413-783-2326
151 Main St	Stoneham	MA	02180	JLJ-128 Enterprises, Inc.	Arthur J. Epstein	781-438-9160
76 Arsenal St	Watertown	MA	02472	Oldford Enterprises, Inc.	Christopher Oldford, Stephen Oldford	617-926-1250

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Massachusetts (cont'd)						
91 Turnpike Rd	Westborough	MA	01581	Shivick Management LLC	Thomas F Shivick Jr	508-898-0099
462-464 Washington	Weymouth	MA	02188	JLJ Enterprises Inc.	Arthur J. Epstein	781-337-1643
1 Coes Square	Worcester	MA	01603	Rycorp East, Inc.	Ryan Dodge	508-752-2888
1 Depot St	Wrentham	MA	02093	Arthur J. Robison, Sole Proprietor	Arthur J. Robison	508-384-3700
Michigan						
639 South Main St	Adrian	MI	49221	Terin-L, Inc.	Terry L. McIntyre	517-263-0434
1425 Wright Ave	Alma	MI	48801	Frakes, Inc.	Charles H. Frakes Jr.	989-463-6181
3170 Washtenaw Ave	Ann Arbor	MI	48104	Glen Mac, Inc.	L. Glenn McIntyre	734-971-4520
2395 Jackson	Ann Arbor	MI	48103	L. Glenn McIntyre, Sole Proprietor	L. Glenn McIntyre	734-665-7495
308 North Euclid	Bay City	MI	48706	Randy Geneseo, Sole Proprietor	Randy Geneseo	989-686-6181
2054 M Number 139	Benton Harbor	MI	49022	BLE Automotive, Inc.	Brad Lee Emberton	269-927-2491
220 South Mitchell	Cadillac	MI	49601	Peterson Services, Inc.	Donald M. Peterson	231-775-8771
41580 Ford Rd	Canton	MI	48187	Acorn Auto Service Inc	Gerald A. Fillmore	734-981-1090
28300 23 Mile Rd	Chesterfield	MI	48051	J & K Automotive Inc.	James R. Lyons	586-949-6420
41300 Garfield	Clinton Township	MI	48038	Kingston Enterprises, Inc.	Earle G. Harris, Patricia Harris, Christopher D Harris	586-263-0080
2717 Center Ave	Essexville	MI	48732	Cron Ventures, Inc.	James Cron	989-892-6558
G3211 Miller Rd	Flint	MI	48507	802 Miller Auto Center, LTD.	Randolph S. Katz	810-732-6890
5649 South Saginaw	Flint	MI	48507	804 Saginaw Auto Center, LTD.	Randolph S. Katz	810-694-8270
3511 North Linden Rd	Flint	MI	48504	805 Linden Auto Center, LTD.	Randolph S. Katz	810-732-4551
3424 Plainfield Northeast	Grand Rapids	MI	49525	Phoenix Auto Specialists, Inc.	Gerald A. Fillmore	616-363-9055
2710 28th St, Southeast	Grand Rapids	MI	49512	Precision Auto Service, Inc.	Robert H. Kittredge	616-957-0030
2360 Alpine Ave Northwest	Grand Rapids	MI	49544	Dan Sprich, Inc.	Robert A. Sprich	616-363-7705
162 Coolidge Ave	Holland	MI	49423	HHG Automotive, LLC	Jagdeep Singh	616-392-7070
1503 Clinton Rd	Jackson	MI	49202	Phoenix Auto Specialists, Inc.	Gerald A. Fillmore	517-784-7197
6009 Gull Rd	Kalamazoo	MI	49004	Phoenix Auto Specialists, Inc.	Gerald A. Fillmore	269-343-2596
202 Elm St	Kalkaska	MI	49646	Mase, Inc.	Randall P. Lucyk	231-258-2889
591 South Lapeer Rd	Lake Orion	MI	48362	Acorn Auto Service, Inc.	Gerald A. Fillmore	248-693-1488

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Michigan (cont'd)						
3800 S Martin Luther King Jr Blvd.	Lansing	MI	48910	K R L, Inc.	Kelly McIntyre, L. Glenn McIntyre, Rusty McIntyre	517-882-7722
4230 West Saginaw St	Lansing	MI	48917	R K G, Inc.	Kelly McIntyre, L. Glenn McIntyre, Rusty McIntyre	517-323-0111
806 South Main St	Lapeer	MI	48446	Acorn Auto Services, Inc.	Gerald A. Fillmore	810-664-3801
30481 Plymouth Rd	Livonia	MI	48150	LL Max, LLC.	Leon Feinstein	734-261-9150
19708 Middlebelt Rd	Livonia	MI	48152	Mego, Inc.	Rosina V. Grisa	248-477-0556
5797 West US 10	Ludington	MI	49431	Avenue Tire & Service, Inc.	John M. Gillies	231-845-0392
385 W. 12 Mile Rd	Madison Heights	MI	48071	Acorn Auto Services, Inc.	Gerald A. Fillmore	248-546-0230
414 Parkdale Ave	Manistee	MI	49660	Auto Service Center of Manistee, Inc.	John M. Gillies	231-723-7800
2293 US Hwy 41 West	Marquette	MI	49855	TLA Services Inc	Thomas L Auston	906-226-3553
507 East Patrick Rd	Midland	MI	48640	Lee Livingston, Sole Proprietor	Lee Livingston	989-631-0310
531 South Telegraph Rd	Monroe	MI	48161	111 Telegraph Road Auto Center,	Randolph S. Katz	734-241-7680
1303 East Pickard St	Mt. Pleasant	MI	48858	Phoenix Auto Specialists, Inc.	Gerald A. Fillmore	989-772-2814
25 W. Apple Ave	Muskegon	MI	49442	DOMA, Inc	Tresha Kidder, Ronald Kidder	231-722-7900
2543 South 11th St	Niles	MI	49120	BLE Automotive, Inc.	Brad Lee Emberton	269-684-3740
43421 West Twelve Mile Rd	Novi	MI	48377	Acorn Auto Service, Inc.	Gerald A. Fillmore	248-348-3140
2227 West Grand River	Okemos	MI	48864	Protech Auto Service, Inc.	Robert H. Kittredge	517-349-1210
1107 East Main St	Owosso	MI	48867	R. C. Helsip, Inc.	Richard C. Hespip	989-723-5179
705 West Ann Arbor Rd	Plymouth	MI	48170	Mego, Inc.	Rosina V. Grisa	734-455-6100
5112 S. Westnedge	Portage	MI	49002	Phoenix Auto Specialists, Inc.	Gerald A. Fillmore	269-343-1305
746 South Rochester	Rochester	MI	48307	Acorn Auto Service, Inc.	Gerald A. Fillmore	248-652-8383
3385 Henry St	Roosevelt Park	MI	49441	Doma, Inc.	Tresha Kidder, Ronald Kidder	231-739-3536
25525 Gratiot	Roseville	MI	48066	Jelik, Inc.	Jeffrey A. Carless	586-779-6333
32700 Woodward Ave	Royal Oak	MI	48073	LTC Automotive, Inc.	Michael P. Cleary	248-549-0411
8170 Gratiot Rd	Saginaw	MI	48609	Hickey Automotive Sales and Services, Inc.	Michael F. Hickey	989-781-2007
50021 Van Dyke Rd	Shelby Township	MI	48317	Jelik, Inc.	Jeffrey A. Carless	586-731-0477
24945 Telegraph	Southfield	MI	48034	Sigma Auto Service, Inc.	Suresh K. Nanda	248-356-3040
26939 Greenfield Rd	Southfield	MI	48075	Sigma Auto Service, Inc.	Suresh K. Nanda	248-559-0929

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Michigan (cont'd)						
13252 Eureka Rd	Southgate	MI	48195	Bosman Automotive, Inc	Jeffrey A. Bosman	734-285-9600
29611 Harper Ave	St. Clair Shores	MI	48082	Nesda Corporation	Michael L. Gnesda	586-775-1830
700 North U.S. 27	St. Johns	MI	48879	R C Heslip Inc.	Richard C. Heslip	989-224-9366
1500 West Maple	Troy	MI	48084	LTC Automotive, Inc.	Michael P. Cleary	248-643-0203
2995 East Big Beaver Rd	Troy	MI	48083	Kingston Enterprises, Inc.	Earle G. Harris, Patricia Harris, Christopher D Harris	248-524-2090
32601 Van Dyke	Warren	MI	48093	Acorn Auto Service, Inc.	Gerald A. Fillmore	586-939-7470
5099 Dixie Hwy	Waterford	MI	48329	Auto Specialists, Inc.	John C. MacKenzie	248-674-0453
5725 West Maple	West Bloomfield	MI	48322	Acorn Auto Service, Inc.	Gerald A. Fillmore	248-626-6131
1812 North Wayne Rd	Westland	MI	48185	Sigma Auto Service Inc.	Suresh K. Nanda	734-729-4430
404 East Michigan	Ypsilanti	MI	48198	Terr-Rus-Kel, Inc.	L. Glenn McIntyre	734-484-1472
Minnesota						
15455 South Cedar Ave	Apple Valley	MN	55124	Stranik, Inc.	Jean E Stranik, Joseph L. Stranik, Mark R. Stranik,	952-431-5454
9211 Lyndale Ave South	Bloomington	MN	55420	Moran Inc.	Richard J. Stranik	952-884-4781
1206 Brookdale Center	Brooklyn Center	MN	55430	Erin, Inc.	Michael Moran	952-560-4160
8100 Brooklyn Blvd	Brooklyn Park	MN	55445	Erin, Inc.	Peter R. Houser	763-493-2212
14053 Grand Ave	Burnsville	MN	55337	Stranik, Inc.	Peter R. Houser	952-435-6030
12130 Champlin Drive	Champlin	MN	55316	G C & A Enterprises, Inc.	Jean E Stranik, Joseph L. Stranik, Mark R. Stranik,	763-421-5759
4415 Central Ave Northeast	Columbia Heights	MN	55421	Stranik, Inc.	Richard J. Stranik	763-788-9459
3550 Northdale Blvd	Coon Rapids	MN	55448	Stranik, Inc	Jean E Stranik, Joseph L. Stranik, Mark R. Stranik,	763-421-9633
8647 S Eastpoint Douglas	Cottage Grove	MN	55016	Erin, Inc.	Richard J. Stranik	651-458-9938
19340 Hwy 7	Deephaven	MN	55331	Hendrickson Enterprises, Inc.	Peter R. Houser	952-470-0459
609 West Central Entrance	Duluth	MN	55811	JLH Enterprises, Inc.	Stephen S. Hendrickson	218-722-2617
8260 Flying Cloud Drive	Eden Prairie	MN	55343	Hendrickson Enterprises, Inc.	Joseph P. Helkamp, Lorri A. Helkamp	952-944-8450
3224 Southdale Circle	Edina	MN	55435	Erin, Inc.	Stephen S. Hendrickson	952-925-1443

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Minnesota (cont'd)						
19244 Freepoint Ave	Elk River	MN	55330	Jimichaeleen Mufflers, Inc.	James I. Taylor	763-441-5050
8094 University Ave	Fridley	MN	55432	Jimichaeleen Mufflers, Inc.	James I. Taylor	763-780-8244
2520 Winnetka Ave North	Golden Valley	MN	55427	Midas Auto Service Experts	Stephen S. Hendrickson	763-542-1888
9020 East Excelsior Blvd	Hopkins	MN	55343	Hendrickson Enterprises, Inc.	Stephen S. Hendrickson	952-933-5551
1050 East Madison	Mankato	MN	56001	JLH Enterprises, Inc.	Joseph P. Helkamp, Lorri A. Helkamp	507-345-8205
13350 Grove Drive	Maple Grove	MN	55369	Jimichaeleen Mufflers, Inc.	James I. Taylor	763-420-9282
1945 East County Rd D	Maplewood	MN	55109	Erin, Inc.	Peter R. Houser	651-777-3750
5445 Lyndale Ave South	Minneapolis	MN	55419	Erin, Inc.	Peter R. Houser	612-827-4604
601 East Lake St	Minneapolis	MN	55407	Stranik, Inc.	Jean E Stranik, Joseph L. Stranik, Mark R. Stranik,	612-827-4628
2420 West Broadway	Minneapolis	MN	55411	Erin, Inc.	Richard J. Stranik	612-529-9559
12812 Wayzata Blvd	Minnetonka	MN	55305	Hendrickson Enterprises, Inc.	Peter R. Houser	952-546-8767
5604 Winnetka Ave	New Hope	MN	55428	Hendrickson Enterprises Inc	Stephen S. Hendrickson	763-533-2509
1225 North Broadway	Rochester	MN	55906	Rose Corporation	Herbert J. Franta	507-282-4414
25 Woodlake Drive	Rochester	MN	55904	J2 Inc	Joseph P. Helkamp, Lorri A. Helkamp	507-529-8100
2168 Snelling Ave North	Roseville	MN	55113	Stranik, Inc.	Jean E Stranik, Joseph L. Stranik, Mark R. Stranik,	651-636-2221
104 North Market St	Shakopee	MN	55379	RT Styve Entrprises, Inc	Reed Styve, Teresa J Styve	952-496-2656
2403 West Division St	St. Cloud	MN	56301	Exodus Automotive, Inc.	Randy B. Schouweiler, Tony J. Ballis	320-253-0830
4200 Excelsior Blvd	St. Louis Park	MN	55416	Stranik, Inc.	Jean E Stranik, Joseph L. Stranik, Mark R. Stranik,	952-920-4920
1415 White Bear Ave	St. Paul	MN	55106	Erin, Inc.	Richard J. Stranik	651-774-0338
520 University Ave	St. Paul	MN	55103	Stranik, Inc.	Peter R. Houser	651-222-6835
1697 West 7th St	St. Paul	MN	55116	Stranik, Inc.	Jean E Stranik, Joseph L. Stranik, Mark R. Stranik,	651-699-0220
1450 South Robert St	West St. Paul	MN	55118	Erin, Inc.	Richard J. Stranik	651-457-4381
721 West Litchfield Ave	Willmar	MN	56201	Central Lakes Cooperative	Peter R. Houser	320-235-3700

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Mississippi						
1865 Pass Rd	Biloxi	MS	39531	House of Lloyds, Inc.	Douglas W. Perroncel	228-388-5800
2219 Hwy 45 North	Columbus	MS	39701	Columbus Auto Worx, LLC	Louis Anthony Silvestri, III	662-329-2023
2805 West Hwy 90	Gautier	MS	39553	House of Lloyds, Inc.	Douglas W. Perroncel	228-497-4120
2033 Hwy 82 East	Greenville	MS	38703	Southern Undercar Service, Inc.	Clark Garletts, Frank A. Garletts, Frank T. Garletts,	662-332-4171
600 Pass Rd	Gulfport	MS	39501	House of Lloyds, Inc.	Sylvia Garletts	228-864-5245
503 Broadway Drive	Hattiesburg	MS	39401	House of Lloyds, Inc.	Douglas W. Perroncel	601-582-3013
2265 Hwy 80 West	Jackson	MS	39204	Metro Undercar Service, Inc.	Clark Garletts, Frank A. Garletts, Frank T. Garletts,	601-948-1500
2880 Hwy 80 East	Pearl	MS	39208	Metro Undercar Service, Inc.	Sylvia Garletts	601-939-3500
827 Ridgewood Rd Ext	Ridgeland	MS	39157	Metro Undercar Service, Inc.	Clark Garletts, Frank A. Garletts, Frank T. Garletts,	601-957-9896
3936 North Gloster	Tupelo	MS	38804	Tupelo Auto Worx, LLC	Sylvia Garletts	662-842-2226
Missouri						
1427 Jeffco Blvd	Arnold	MO	63010	MAC Associates, Inc.	Kenton H Childs, Paulina Anderson, George Panayides	636-296-4401
15230 Manchester Rd	Ballwin	MO	63011	Pack 2000 Inc.	Kenton H Childs, Paulina Anderson	636-391-6401
305 South Hwy 7	Blue Springs	MO	64014	Midwest Dynamics, Inc.	Anne Hoge Kimball, Cordelia Hoge Smith	816-228-3588
1201 Business Loop 70 East	Columbia	MO	65201	Mid Missouri Mufflers, Inc	James J. Budzinski	573-443-0493
1228 Truman Blvd	Crystal City	MO	63019	Premier Auto Care and Service Inc	Lee Schroeter	636-937-4324
13650 Manchester Rd	Des Peres	MO	63131	Partnership Des Peres Muffler Limited	Diane Eckman, Living Trust, Michael G. Eckman, Living Trust, Jarrod Eckman, Des Peres One Management Inc	314-822-1439
1117 Gravois Rd	Fenton	MO	63026	Old Gravois Management, Inc.	Diane Eckman, Living Trust, Michael G. Eckman, Living Trust, Jarrod Eckman, Des Peres One Management Inc	636-343-7888
11925 New Hall Ferry	Florissant	MO	63033	North County Muffler, Inc.	James J. Budzinski	314-838-1830

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Missouri (cont'd) 6003 North Antioch Rd	Gladstone	MO	64119	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	816-454-5757
7790 North Lindbergh	Hazelwood	MO	63042	Clif Wilkerson, Inc.	Clifton W. Wilkerson, Patricia A. Wilkerson, Clifton Wilkerson Jr, Craig G Wilkerson	314-838-7272
3101 South Noland Rd	Independence	MO	64055	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	816-836-1677
6900 West Florissant	Jennings	MO	63136	Buch Mufflers, Inc.	James J. Budzinski	314-382-0122
7648 Troost	Kansas City	MO	64131	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	816-363-1433
921 NE Rice Rd	Lee's Summit	MO	64086	Midwest Dynamics, Inc.	Anne Hoge Kimball, Cordelia Hoge Smith	816-525-7400
703 Hwy K & I-70	O'fallon	MO	63366	O'Fallon Mufflers Inc	James J. Budzinski	636-272-6237
9390 Page Ave	Overland	MO	63114	J.B.G. Enterprises, L.L.C.	Michael Carey	314-429-3020
1700 West Jackson St	Ozark	MO	65721	Amandamatt, Inc.	Donna R. Gravitt	417-581-7881
1818 East St. Louis St	Springfield	MO	65802	Alkar, Inc.	The Estate of Alvin E. Kohler, Jean F. Kohler, Karl A. Kohler	417-862-0538
1237 East Battlefield	Springfield	MO	65804	Alkar, Inc.	Kohler	417-883-7340
2136 1st Capitol Drive	St. Charles	MO	63301	Kersa, Inc.	Robert D. Ray, Sylvia A. Ray	636-946-7800
3926 Frederick St	St. Joseph	MO	64506	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	816-279-6356
3636 Lemay Ferry Rd	St. Louis	MO	63125	Mac Associates, Inc.	Kenton H Childs, Paulina Anderson, George Panayides	314-894-2727
9200 Manchester Rd	St. Louis	MO	63144	Clif Wilkerson, Inc.	Clifton W. Wilkerson, Patricia A. Wilkerson, Clifton Wilkerson Jr, Craig G Wilkerson	314-962-3386
4723 Hampton	St. Louis	MO	63109	McMahan Auto & Tire LLC	Rhonda McMahan, Darren McMahan	314-353-6650
1010 North KingsHwy Blvd	St. Louis	MO	63113	Kersa, Inc.	Robert D. Ray, Sylvia A. Ray	314-367-9662
3538 S. KingsHwy	St. Louis	MO	63139	Clif Wilkerson, Inc.	Clifton W. Wilkerson, Patricia A. Wilkerson, Clifton Wilkerson Jr, Craig G Wilkerson	314-752-0710
10542 Watson Rd	St. Louis	MO	63127	McMahan Automotive Center L.L.C.	Rhonda McMahan, Darren McMahan	314-821-1168
12906 Olive St Rd	St. Louis	MO	63141	Partnership Olive Street Muffler Limited	Diane Eckman, Living Trust, Michael G. Eckman, Living Trust, Jarrod Eckman, Des Peres One Management Inc	314-434-2616
720 South 4th St	St. Louis	MO	63102	Lanton Automotive, L.L.C.	Lance Krug, Tonya Krug	314-241-0510

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336 Mid Rivers Mall Drive	St. Peters	MO	63376	Cliff Wilkerson, Inc.	Clifton W. Wilkerson, Patricia A. Wilkerson, Clifton Wilkerson Jr, Craig G Wilkerson	636-279-1300
Montana						
2702 4th Ave North	Billings	MT	59101	Quest 5 Incorporated	Annette Quest, Randy Quest	406-252-0116
2254 Central Ave	Billings	MT	59102	Quest 5 Incorporated	Annette Quest, Randy Quest	406-652-4500
909-10th Ave South	Great Falls	MT	59405	Quest 5 Incorporated	Annette Quest, Randy Quest	406-454-3434
1020 North Last Chance Gulch	Helena	MT	59601	T. M. W., Inc.	Terry M. Wing	406-443-7353
1203 Hwy 2 W-Gateway West Mall	Kalispell	MT	59901	Canusa Enterprises, Inc.	J. Douglas Hamilton, M. Daryl Hamilton	406-756-9292
332 South Orange	Missoula	MT	59801	Clark Deeringer, Inc.	W. Henry Deeringer	406-728-7760
Nebraska						
1403 Ft. Crook Rd	Belleue	NE	68005	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	402-733-5188
3208 West Old Potash Hwy	Grand Island	NE	68803	Cooperative Producers, Inc.	Cooperative Producers Inc.	308-395-8114
102 West 25th St	Kearney	NE	68847	Cooperative Producers Inc.	Cooperative Producers Inc.	308-236-5377
7030 "O" St	Lincoln	NE	68510	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	402-483-2282
7557 Dodge St	Omaha	NE	68114	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	402-393-2207
9009 West Center Rd	Omaha	NE	68124	West Center Auto Repair, Inc.	Brad Bachmann, Kirk Bachmann	402-397-9070
7051 Military Rd	Omaha	NE	68104	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	402-571-4750
13906 "R" Plaza	Omaha	NE	68137	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	402-895-2670
Nevada						
2041 West Sunset	Henderson	NV	89015	Phoenix Holdings of Nevada, Inc.	Paul J. Beehler	702-433-6334
2620 Windmill Pkwy	Henderson	NV	89074	Phoenix Holdings of Nevada, Inc.	Paul J. Beehler	702-361-0363
3400 North Rancho Drive	Las Vegas	NV	89130	Phoenix Holdings of Nevada, Inc.	Paul J. Beehler	702-645-8100
10177 West Charleston Blvd	Las Vegas	NV	89117	Phoenix Holdings of Nevada, Inc.	Paul J. Beehler	702-255-0884
3232 North Durango	Las Vegas	NV	89129	Phoenix Holdings of Nevada, Inc.	Paul J. Beehler	702-878-0044
365 North Nellis Blvd	Las Vegas	NV	89110	Phoenix Holdings of Nevada, Inc.	Paul J. Beehler	702-438-0075
2797 East Tropicana	Las Vegas	NV	89121	Phoenix Holdings of Nevada, Inc.	Paul J. Beehler	702-458-4191
1850 South Rainbow	Las Vegas	NV	89102	Phoenix Holdings of Nevada, Inc.	Paul J. Beehler	702-368-0550

EXHIBIT A-1: MIDAS FRANCHISEES AS OF JANUARY 1, 2011

<u>Street Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>LegalEntityName</u>	<u>OwnerName</u>	<u>ShopPhone</u>
New Hampshire						
416 Glen Ave	Berlin	NH	03570	Guy R. Poulin, Inc.	Guy R. Poulin	603-752-2223
79 Fort Eddy Rd	Concord	NH	03301	Miman, Inc.	Arthur J. Epstein	603-228-1331
68 Key Rd	Keene	NH	03431	Pack 2000 Inc.	Kenton H Childs, Paulina Anderson	603-357-2300
1022 Union Ave	Laconia	NH	03246	Miman, Inc.	Arthur J. Epstein	603-524-2240
840 2nd St	Manchester	NH	03102	Miman, Inc.	Arthur J. Epstein	603-668-9500
22 Auto Center Rd	Manchester	NH	03103	Miman, Inc.	Arthur J. Epstein	603-624-4200
518 Amherst St	Nashua	NH	03063	Miman, Inc.	Arthur J. Epstein	603-880-1411
116 Daniel Webster Hwy, S	Nashua	NH	03060	Miman, Inc.	Arthur J. Epstein	603-888-4545
2234 White Mountain Hwy	North Conway	NH	03860	H & R Auto Service LLC	Rita Stoessel, Haig Zeytoonian	603-356-9404
27 Lafayette Rd	North Hampton	NH	03862	Seacoast Exhaust and Brake, LLC	Bruce E. Hodsdon	603-964-3998
46 Route 125	Plaistow	NH	03865	EJL Automotive Inc	Ernest Lucia Jr	603-382-9259
8 Milton Rd	Rochester	NH	03868	SEACOAST EXHAUST AND BRAKE, LLC	Bruce E. Hodsdon	603-335-2110
331 S. Broadway & Route 28	Salem	NH	03079	Miman, Inc.	Arthur J. Epstein	603-893-8693
441 Lafayette Rd	Seabrook	NH	03874	Seacoast Exhaust and Brake, LLC.	Bruce E. Hodsdon	603-474-5253
497B High St	Somersworth	NH	03878	VRV Tall Automotive Inc	Rhoda Forsythe, Thomas W Sommer	603-743-5888
5 Airport Rd	West Lebanon	NH	03784	B.L.K. Automotive, Inc.	James G. Jerry, Norma M. Jerry	603-298-8741
New Jersey						
24 North Albany St	Atlantic City	NJ	08401	B5 Enterprise LLC	Michael Buschhoff, Patricia Buschhoff	609-345-1700
827 Broadway	Bayonne	NJ	07002	827 Broadway, Inc.	Nancy Novembrino, The Estate of Otto Novembrino	201-858-9397
440 Route 9 South	Bayville	NJ	08721	Bayville Tire and Service Center, Inc. Edward Dzienkiewicz, Derek Schork		732-269-9222
1076 Route 22, Somerville	Bridgewater Townshi	NJ	08807	Advanced Auto Experts of Somerville, Inc.	Herbert J. White	908-526-0441
2086 East Marlton Pike	Cherry Hill	NJ	08003	SAMM Enterprises, Inc.	Mark C. Stackhouse	856-424-3500
308 Haddonfield Rd	Cherry Hill	NJ	08002	SAMM Enterprises, Inc.	Mark C. Stackhouse	856-486-7222

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<u>Street Address</u> New Jersey (cont'd)	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Legal Entity Name</u>	<u>Owner Name</u>	<u>Shop Phone</u>
2 Washington Ave	Dumont	NJ	07628	Advanced Auto Experts of Dumont, Inc.	Herbert J. White	201-387-8100
376 Hwy #18 North	East Brunswick	NJ	08816	DPJ Auto Repairs, Inc.	Bikram Atora	732-238-2000
437 US Hwy 130	East Windsor	NJ	08520	A & E Auto Management LLC	Peter J. CoFrancisco	609-448-2022
241 Hwy 35 North	Eatontown	NJ	07724	B54 LLC	Michael Buschhoff, Patricia Buschhoff	732-542-0660
4331 Route 130 South	Edgewater Park	NJ	08010	Warren Bloom Corporation	Frederick Bloom, Linda Bloom	609-877-0500
1481 Route 1 South	Edison	NJ	08837	Advanced Auto Experts of Edison, Inc.	Herbert J. White	732-494-3322
194 US Hwy 9 North	Englishtown	NJ	07726	ARCSLAM, LLC	Carl J. DeBiase	732-972-4969
3575 Route 9 North	Freehold	NJ	07728	ARCSLAM, LLC	Carl J. DeBiase	732-780-0950
910 Hwy 33	Hamilton Square	NJ	08690	A & E Auto Management LLC	Peter J. CoFrancisco	609-890-1844
1093 Goffle Rd	Hawthorne	NJ	07506	A & R Automotive, Inc.	Ronald DeLuca	973-423-0070
3248 Route 35	Hazlet	NJ	07730	A & E Auto Management LLC	Peter J. CoFrancisco	732-739-6900
6689 Route 9 North	Howell	NJ	07731	A & E Auto Management LLC	Peter J. CoFrancisco	732-370-3939
1166 Springfield Ave	Irvington	NJ	07111	Advanced Auto Experts of Irvington Inc.	Herbert J. White	973-373-2200
2958 Kennedy Blvd	Jersey City	NJ	07306	Jersey City Rayco, Inc.	Jordan Galatz	201-795-1120
Route 46 East 920	Kenvil	NJ	07847	Hal Glasser LLC	Hal Glasser	973-584-5050
3221 Brunswick Pike	Lawrenceville	NJ	08648	Advanced Auto Experts of Lawrenceville, Inc.	Herbert J. White	609-896-1515
689 Route 72 West	Manahawkin	NJ	08050	Racks Muffler, Inc.	Ray Slonieski	609-597-1555
160 N. Black Horse Pike	Mt. Ephraim	NJ	08059	Joess Automotive, Inc.	Terrence M. Flaherty, John J. Yacullo Sr.	856-931-3995
1965 US Hwy 1	North Brunswick	NJ	08902	Arora Enterprises, Inc.	Bikram Atora	732-821-7100
697 Route 22 West	North Plainfield	NJ	07060	Advanced Auto Experts of North Plainfield, Inc.	Herbert J. White	908-757-7575
363 State Hwy Route 10 East	Randolph	NJ	07869	T&M Auto, Inc.	Christopher L. McDonald, Kenneth A. Tevald	973-366-1663
450 Hwy Route 35 South	Red Bank	NJ	07701	A & E Auto Management LLC	Peter J. CoFrancisco	732-747-5050
194 Route 46 East	Rockaway	NJ	07866	T&M Auto, Inc.	Christopher L. McDonald, Kenneth A. Tevald	973-625-3632
976 US Hwy #9	South Amboy	NJ	08879	BR Auto Repair LLC	Mukesh Shah	732-721-2690

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New Jersey (cont'd)						
492 Morris Ave	Summit	NJ	07901	Advanced Auto Experts of Summit, Inc.	Herbert J. White	908-273-3303
1301 Route 37 East	Toms River	NJ	08753	Digby Enterprises, Inc.	Brian Behen, Michael Rosemiller	732-929-1333
465 Route 46 West	Totowa	NJ	07512	St-Germain LLC	Sam P. St-Germain	973-785-4008
177 S. Delsea Drive	Vineland	NJ	08360	J. Potter Limited Liability Company	John Potter	856-696-3993
559 Bloomfield Ave	West Caldwell	NJ	07006	James and Palmerton LLC	Frederick Palmerton, Allan James	973-228-4304
420 South Ave W	Westfield	NJ	07090	Advanced Auto Experts of Westfield, Inc.	Herbert J. White	908-233-3939
99 Mount Pleasant Ave	Whippany	NJ	07981	Route 10 Repairs Inc	Anthony DeSpirito	973-887-3030
495 Route 9 South	Woodbridge	NJ	07095	3U USA, Inc.	Gordon Wu	732-750-2444
New Mexico						
1129 Juan Tabo Blvd, NE	Albuquerque	NM	87112	Hinnen Corporation	James Craig Hinnen, James E. Hinnen, Shirley A. Hinnen	505-271-1811
7000 Menaul Blvd, NE	Albuquerque	NM	87110	Hinnen Corporation	James Craig Hinnen, James E. Hinnen, Shirley A. Hinnen	505-883-6822
3711 Hwy 528, NW	Albuquerque	NM	87114	Hinnen Corporation	James Craig Hinnen, James E. Hinnen, Shirley A. Hinnen	505-898-4040
6021 San Mateo	Albuquerque	NM	87109	Hinnen Corporation	James Craig Hinnen, James E. Hinnen, Shirley A. Hinnen	505-881-7456
3630 Coors Blvd, NW	Albuquerque	NM	87120	Hinnen Corporation	James Craig Hinnen, James E. Hinnen, Shirley A. Hinnen	505-836-7300
1801 San Juan Blvd	Farmington	NM	87401	RDG & CAR, Inc.	Faith R. Dalton, Sonjia C. Ginther, Shelly M Guerrero	505-327-5373
501 N. Hwy 491	Gallup	NM	87301	RCF 96, LLC	Faith R. Dalton, Sonjia C. Ginther, Shelly M Guerrero	505-722-3808
211 North Solano	Las Cruces	NM	88001	Joe Anaya, Sole Proprietor	Joe Anaya	575-523-7569

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New York 1722 Central Ave	Albany	NY	12205	Montcalm Point Associates, Inc 724 Central Avenue Auto Center, 724 Central Avenue Auto Center, LTD.	Kent S. Smith	518-869-9521
967 Central Ave	Albany	NY	12205	LTD.	Randolph S. Katz	518-482-7191
1171 Niagara Falls B	Amherst	NY	14226	1171 Niagara Falls Blvd. Inc.	Loren H. Haxton III	716-837-4100
236 Grant Ave	Auburn	NY	13021	743 Auburn Auto Center, Ltd.	Randolph S. Katz	315-253-9916
586 East Main	Batavia	NY	14020	CBG Company, LLC	Craig E. Chesley	585-343-8690
1743 Sunrise Hwy	Bayshore Li	NY	11706	Americar Service Centers II, Inc. 734 Court Street City Auto Center, LTD.	Ijaz Bokhari	631-968-8644
489 Court St	Binghamton	NY	13904	LTD.	Randolph S. Katz	607-724-6060
4900 Lake Rd	Brockport	NY	14420	CBG Company, LLC	Craig E. Chesley	585-637-5200
589-91 E Fordham Rd	Bronx	NY	10458	J.D.M. Auto Service, Inc.	Donald Frankland	718-933-1300
801 Fourth Ave	Brooklyn	NY	11232	La Maz, Inc.	Laura Mazzoni, Richard Mazzoni	718-768-6644
779 Hoosick Rd	Brunswick	NY	12180	726 Hooksick Auto Center, Ltd.	Randolph S. Katz	518-279-0807
2190 Delaware Ave	Buffalo	NY	14216	Auto Experts Inc.	Paul LaPiana	716-875-6627
315 Niagara St	Buffalo	NY	14201	MAPS Automotive LLC	Patrick J Reardon	716-852-1121
4388 Recreation Drive	Canandaigua	NY	14424	Jimico Enterprises, Inc.	James M. Dammen	585-396-2610
1835 Middle Country Rd	Centereach	NY	11720	T. Miller, Inc.	Thomas R. Miller	631-585-5800
1689 Route 9	Clifton Park	NY	12065	723 Clifton Park Auto Center, LTD.	Randolph S. Katz	518-383-2754
6265 Jericho Turnpike	Commack	NY	11725	Americar Service Centers, Inc.	Ijaz Bokhari, Syed Muntiqah Shaw	631-462-5444
4955 Broadway	Depew	NY	14043	Auto Services, LLC	Paul LaPiana	716-681-4612
3240 Erie Blvd East	Dewitt	NY	13214	705 Dewitt Auto Center, LTD.	Randolph S. Katz	315-446-5451
4007 Vineyard Drive	Dunkirk	NY	14048	Pucci Kids, Inc.	Anthony J. Pucciarelli	716-366-2275
503 Columbia Turnpike	East Greenbush	NY	12144	Central Point, Inc.	Kent S. Smith	518-477-1117
255-25 Jericho Turnpike	Floral Park	NY	11001	DFP AUTO INC.	Rajiv Dhir	718-343-3506
816 Route 5 & 20	Geneva	NY	14456	CHESLEYCO Inc	Craig E. Chesley	315-789-0156
4438 Dewey Ave	Greece	NY	14616	CBG Company, LLC	Craig E. Chesley	585-663-5340
140 Route 17 M	Harriman	NY	10926	BRG Automotive Enterprises, Inc.	Maurice V. Geissler	845-782-4445
248 Route 9-W	Haverstraw	NY	10927	BRG Automotive Enterprises, LLC	Maurice V. Geissler	845-429-2677

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56 Healy Blvd	Hudson	NY	12534	Tria Management Corp.	Gabriel Karathomas	518-822-0644
347 Elmira Rd	Ithaca	NY	14850	735 Ithaca Auto Center, Ltd.	Randolph S. Katz	607-272-6312
3781 Delaware Ave	Kenmore	NY	14217	Auto Services, LLC	Paul LaPiana	716-876-5244
1008 Troy Schenectady Rd	Latham	NY	12110	Montcalm Point Associates, Inc.	Kent S. Smith	518-785-6644
207 E. Sunrise Hwy	Lindenhurst	NY	11757	Lindenhurst Auto Service Center LLC	Hobie Garib, Michael Garib	631-888-5107
7382 Oswego Rd	Liverpool	NY	13090	706 Liverpool Auto Center, Ltd.	Randolph S. Katz	315-457-7906
60-34 Eliot Ave	Maspeth	NY	11378	F. J. Roberts Enterprise Inc.	Robert J. Fretwell	718-386-3362
419 Route 211 East	Middletown	NY	10940	BRG Automotive Enterprises, Inc.	Maurice V. Geissler	845-343-4161
202 Herricks Rd	Mineola	NY	11501	Angel-Tech, Inc	Lance Lazzara	516-279-6531
412 Route 59	Monsey	NY	10952	Nat & Kat Enterprises, LLC	Natale Rizzuto	845-356-4348
215 West Route 59	Nanuet	NY	10954	BRG Automotive Enterprises, LLC	Maurice V. Geissler	845-623-2050
242 Main St	New Paltz	NY	12561	Rik-N-Robin Enterprises, Inc.	Richard E. Dieckmann, Robin M. Dieckmann, Marcia York, Robert York	845-255-6225
1410 Union Ave	Newburgh	NY	12550	BRG Automotive Enterprises, Inc.	Maurice V. Geissler	845-564-6260
2579 Military Rd	Niagara Falls	NY	14304	Haxton, Inc.	Loren H. Haxton III, Thomas F. Haxton	716-297-5900
5453 South Bay Rd	North Syracuse	NY	13212	704 South Bay Auto Center, LTD.	Randolph S. Katz	315-458-6962
31 Route 59	Nyack	NY	12550	BRG Automotive Enterprises, Inc	Maurice V. Geissler	845-358-6016
301 Medford Ave	Patchogue Li	NY	11772	Try Us Car Care and Services, LLC	Robert Montana	631-289-1050
486 Route 3	Plattsburgh	NY	12901	Laidman Automotive, Inc.	Stuart Laidman	518-563-8282
29 East Main St	Port Jervis	NY	12771	W.E. D. Automotive, Inc.	Wayne Dobkowski	845-856-5168
333 Quaker Rd	Queensbury	NY	12804	Montcalm Point Associates, Inc.	Kent S. Smith	518-792-5803
888 Old Country Rd	Riverhead	NY	11901	Miller Brothers Auto Repair LLC	Thomas R. Miller	631-369-2313
834 East Main St	Rochester	NY	14605	CBG Company, LLC	Craig E. Chesley	585-546-4455
2780 West Henrietta Rd	Rochester	NY	14623	CBG Company, LLC	Craig E. Chesley	585-475-1404
1599 Long Pond Rd	Rochester	NY	14626	CBG Company, LLC	Craig E. Chesley	585-730-4400
795 East Ridge Rd	Rochester	NY	14621	CBG Company, LLC	Craig E. Chesley	585-338-7350
755 Panorama Trail South	Rochester (Penfield)	NY	14625	Chesley CO Inc	Craig E. Chesley	585-248-8540
1800 Black River Blvd	Rome	NY	13440	712 Rome Auto Center, LTD.	Randolph S. Katz	315-337-9455

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142 South Broadway	Saratoga Springs	NY	12866	751 Saratoga Springs Auto Center, Ltd.	Randolph S. Katz	518-580-9040
1597 State St	Schenectady	NY	12304	721 Schenectady Auto Center, LTD.	Randolph S. Katz	518-381-6016
270 Saratoga Rd	Scotia	NY	12302	722 Glenville Auto Center, LTD.	Randolph S. Katz	518-399-2194
3906 Sunrise Hwy	Seafood	NY	11783	KNK Automotive Inc	Kristopher Koerner	516-781-1900
2065 Forest Ave	Staten Island	NY	10303	B & A Auto Center, Inc.	Joseph Dahari	718-448-7660
220 Jericho Turnpike	Syosset	NY	11791	Americar Service Centers Ill, Inc.	Ijaz Bokhari, Syed Murtiqa Shaw	516-921-6767
3802 West Genesee St	Syracuse	NY	13219	701 Fairmount Auto Center, LTD.	Randolph S. Katz	315-487-5771
817 Arsenal St	Watertown	NY	13601	French Point Associates, Inc.	Jason T. Dunn	315-788-0403
1942 Empire Blvd	Webster	NY	14580	CBG Company, LLC	Craig E. Chesley	585-671-1211
328 Hempstead Turnpike	West Hempstead	NY	11552	DHIRS INC.	Rajiv Dhir	516-538-0600
6823 Main St	Williamsville	NY	14221	THH, Incorporated	Loren H. Haxton Ill	716-633-5607
319 Oriskany Blvd	Yorkville	NY	13495	713 Oriskany Auto Center, LTD.	Randolph S. Katz	315-736-5254
North Carolina						
2137 Hendersonville Rd	Arden	NC	28704	RC Automotive LLC	Eric M Rosenthal, Robert D Cooper	828-654-9636
162 Tunnel Rd	Asheville	NC	28805	RC Automotive LLC	Eric M Rosenthal, Robert D Cooper	828-254-2999
3606 Durham Chapel Hill Blvd	Durham	NC	27707	Shyam Automotive, LLC	Rajesh Sutanaya	919-493-5441
801 Ramsey St	Fayetteville	NC	28301	The Delaney Group-Ramsey, LLC	David Delaney	910-483-0309
3720 High Point Rd	Greensboro	NC	27407	Carolina Creepers, Inc.	Jeff Hinshaw	336-294-1306
3519 South Memorial Drive	Greenville	NC	27834	Greenville Insurance Agency, Inc.	Ernest H. Holt Ill	252-756-9374
9209 East Independence Blvd	Mathews	NC	28105	P. C. Khosla, Inc.	Chanchal Khosla, Parboth Khosla, Vikus Khosla	704-841-0770
9960 Pineville/Mathews Rd	Pineville	NC	28134	P. C. Khosla, Inc.	Chanchal Khosla, Parboth Khosla, Vikus Khosla	704-889-1400
6806 Glenwood Ave	Raleigh	NC	27612	Jessco, Inc.	Scott B. Neilson	919-783-0056
3621 Capital Blvd	Raleigh	NC	27604	Wright Auto-Capital, LLC	Peter Wright	919-872-8638
4235 Princess Place Drive	Wilmington	NC	28405	A.D. Enterprises of Wilmington, LLC	Loid Atkinson	910-762-7721

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North Carolina (cont'd)						
4207 Oleander Drive	Wilmington	NC	28403	Wright Auto-Oleander, LLC	Peter Wright	910-794-9991
5526 Carolina Beach Rd	Wilmington	NC	28412	Run Fast Inc	Loid Atkinson	910-452-2000
2039 Silas Creek Pkwy	Winston-Salem	NC	27103	Carolina Creepers, Inc.	Jeff Hinshaw	336-723-9193
North Dakota						
502 15th St West	Dickinson	ND	58601	Steven M. Scherr, Sole Proprietor	Steven M. Scherr	701-225-5903
615 38th St South	Fargo	ND	58103	JLH Enterprises, Inc.	Joseph P. Helkamp, Lorri A. Helkamp	701-282-5355
2820 South Washington St	Grand Forks	ND	58201	JLH Enterprises, Inc.	Joseph P. Helkamp, Lorri A. Helkamp	701-746-8304
Ohio						
75 Ghent Rd	Akron	OH	44333	305 Ghent Auto Center, LTD.	Randolph S. Katz	330-867-8300
1870 South Arlington	Akron	OH	44306	304 Arlington Auto Center, LTD.	Randolph S. Katz	330-724-9386
1787 Brittain Rd	Akron	OH	44310	303 Brittain Road Auto Center, LTD.	Randolph S. Katz	330-633-1194
1102 South Main St	Bowling Green	OH	43402	112 Bowling Green Auto Center, LTD.	Randolph S. Katz	419-352-4806
14965 Snow Rd	Brook Park	OH	44142	323 Brook Park Auto Center, Ltd.	Randolph S. Katz	216-267-0837
2683 Cleveland Ave NW	Canton	OH	44709	The Rupert Corporation	Anthony M. Gemma, Frank D. Gemma	330-452-4072
216 Cherry St	Chardon	OH	44024	NEA Corporation	Thomas C. Janes, Julius D. Marciano	440-285-7500
785 North Bridge St	Chillicothe	OH	45601	223 Chillicothe Auto Center, LTD.	Randolph S. Katz	740-775-2626
8502 Beechmont Ave	Cincinnati	OH	45255	516 Beechmont Auto Center, LTD,	Randolph S. Katz	513-474-4700
9010 Colerain Ave	Cincinnati	OH	45251	Groesbeck Muffler, Inc. 522 Reading Road Auto Center, LTD.	David Swillinger, Steven L. Wolfson	513-385-7810
2612 Reading Rd	Cincinnati	OH	45206	LTD.	Randolph S. Katz	513-751-2739
6705 Montgomery Rd	Cincinnati	OH	45236	502 Montgomery Auto Center, LTD.	Randolph S. Katz	513-793-3472
5440 Glenway Ave	Cincinnati	OH	45238	504 Glenway Auto Center, LTD.	Randolph S. Katz	513-451-3430
5105 Delhi Ave	Cincinnati	OH	45238	505 Delhi Auto Center, LTD.	Randolph S. Katz	513-922-5010

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Ohio (cont'd) 616 Rust Lane	Cincinnati	OH	45244	513 Rust Lane Auto Center, LTD.	Randolph S. Katz	513-528-2233
6103 Wooster Pike	Cincinnati	OH	45227	514 Wooster Pike Auto Center, LTD	Randolph S. Katz	513-561-2350
4011 Smith Rd	Cincinnati	OH	45209	511 Smith Road Auto Center, LTD.	Randolph S. Katz	513-631-5855
1950 East Galbraith Rd	Cincinnati	OH	45215	521 Galbraith Road Auto Center, LTD.	Randolph S. Katz	513-821-5661
4808 Memphis Ave	Cleveland	OH	44144	Joseph Enterprises, Inc.	Joseph Hudec, Rita Hudec	216-398-7990
2218 West Henderson Rd	Columbus	OH	43220	221 Henderson Auto Supply, Ltd.	Randolph S. Katz	614-451-4133
3263 West BRD	Columbus	OH	43204	201 West Broad Auto Center, LTD.	Randolph S. Katz	614-276-5127
3209 East Main	Columbus	OH	43213	204 East Main Auto Center, LTD.	Randolph S. Katz	614-237-5437
5559 North High St	Columbus	OH	43214	211 North High Auto Center, LTD.	Randolph S. Katz	614-846-0440
6084 Livingston Ave	Columbus	OH	43232	213 Livingston Auto Center, LTD.	Randolph S. Katz	614-864-5657
2087 Riverside Drive	Columbus	OH	43221	202 Riverside Auto Center, LTD.	Randolph S. Katz	614-486-2408
4320 Karl Rd	Columbus	OH	43224	216 Karl Road Auto Center, LTD.	Randolph S. Katz	614-267-6981
4505 Refugee Rd	Columbus	OH	43232	206 Refugee Auto Center, LTD.	Randolph S. Katz	614-864-8989
2625 State	Cuyahoga Falls	OH	44223	312 State Road Auto Center, LTD.	Randolph S. Katz	330-923-9731
2900 South Dixie	Dayton	OH	45409	601 South Dixie Auto Center, LTD. 612 Salem Avenue Auto Center,	Randolph S. Katz	937-294-2661
4498 Salem Ave	Dayton	OH	45416	LTD.	Randolph S. Katz	937-276-5935
4876 Airway Rd	Dayton	OH	45431	603 Airway Auto Center, LTD.	Randolph S. Katz	937-258-2138
5518 North Dixie Drive	Dayton	OH	45414	604 North Dixie Auto Center, LTD.	Randolph S. Katz	937-276-2164
1980 West Centerville	Dayton	OH	45459	611 Centerville Auto Center, LTD.	Randolph S. Katz	937-435-3743

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<u>Street Address</u> Ohio (cont'd)	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>LegalEntityName</u>	<u>OwnerName</u>	<u>ShopPhone</u>
2390 East Dorothy Lane	Dayton	OH	45420	605 Dorothy Lane Auto Center, LTD.	Randolph S. Katz	937-294-6106
5881 Old Troy Pike	Dayton	OH	45424	602 Huber Heights Auto Center, LTD.	Randolph S. Katz	937-237-7776
5885 Far Hills Ave	Dayton	OH	45429	606 Far Hills Auto Center, LTD.	Randolph S. Katz	937-435-3334
525 South Main St	Englewood	OH	45322	624 Englewood Auto Center, LTD.	Randolph S. Katz	937-836-7300
7371 Dixie Hwy	Fairfield	OH	45014	524 Fairfield Auto Center, LTD.	Randolph S. Katz	513-874-0675
22870 Lorain Rd	Fairview Park	OH	44126	Robert D. Zimmerman & Robert C. Zimmerman	Robert C. Zimmerman, Robert D. Zimmerman	440-779-4243
900 Tiffin Ave	Findlay	OH	45840	113 Findlay Auto Center, LTD.	Randolph S. Katz	419-424-3157
12700 Rockside Rd	Garfield Hts	OH	44125	Hudec Enterprises, Inc.	Joseph Hudec, Rita Hudec	216-587-0149
2562 Columbus St	Grove City	OH	43123	205 Grove City Auto Center, LTD.	Randolph S. Katz	614-875-1288
1761 South Erie Hwy	Hamilton	OH	45011	515 Hamilton Auto Center, LTD.	Randolph S. Katz	513-868-2800
5245 Nike Station Way	Hilliard	OH	43026	225 Hilliard Auto Center, LTD.	Randolph S. Katz	614-771-7922
1450 W. 117th St	Lakewood	OH	44107	324 Lakewood Auto Center, Ltd.	Randolph S. Katz	216-228-4000
216 Hornbeam Lane	Lewis Center	OH	43035	224 Powell Auto Center LTD.	Randolph S. Katz	740-657-8988
710 North Cable Rd	Lima	OH	45805	GAT Enterprises, Inc.	Ronald T. Nott	419-222-5951
84 Grandin Rd	Maineville	OH	45039	517 Grandin Auto Center LTD	Randolph S. Katz	513-583-5797
3907 Lincoln Way East	Massillon	OH	44646	Hogen, Inc.	Martin R. Hoge	330-478-1475
901 Conant St	Maumee	OH	43537	105 Maumee Auto Center, LTD.	Randolph S. Katz	419-893-3391
6288 Mayfield Rd	Mayfield Heights	OH	44124	322 Mayfield Heights Auto Center, Ltd.	Randolph S. Katz	440-473-4500
227 N. Court St	Medina	OH	44256	306 Medina Auto Center LTD	Randolph S. Katz	330-725-0090
7412 Mentor Ave	Mentor	OH	44060	326 Mentor Auto Center LTD	Randolph S. Katz	440-946-4661
4451 Roosevelt Blvd	Middletown	OH	45044	614 Middletown Auto Center, LTD.	Randolph S. Katz	513-424-5615
6710 Cincinnati-Dayton Rd	Middletown	OH	45044	616 LIBERTY TWP AUTO CENTER LTD	Randolph S. Katz	513-755-6206

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5880 Preserve Blvd.	New Albany	OH	43054	217 PRESERVE BLVD. AUTO CENTER LTD.	Randolph S. Katz	614-939-1339
651 West High St	New Philadelphia	OH	44663	Hogen, Inc.	Martin R. Hoge	330-339-7759
696 Hebron Rd	Newark	OH	43056	214 Newark Auto Center, LTD.	Randolph S. Katz	740-522-8161
5999 Youngstown Warren Rd	Niles	OH	44446	Weaver's Muffler Shop, Inc.	Roberta L. Weaver, Thomas E. Weaver, Thomas S. Weaver	330-652-1738
4045 Portage St NW	North Canton	OH	44720	Rubert Corporation	Anthony M. Gemma, Frank D. Gemma	330-494-4737
10515 Northfield Rd	Northfield	OH	44067	301 Northfield Auto Center, LTD.	Randolph S. Katz	330-467-0562
3011 Woodville Rd	Northwood	OH	43619	103 Woodville Auto Center, LTD.	Randolph S. Katz	419-693-6595
90 South Main St	Oberlin	OH	44074	Lin-Barry, Inc.	Barry Jones	440-774-5566
108 West Perkins	Sandusky	OH	44870	Grande Lake Car Care, Inc.	Timothy J. Kyle, William R. Kyle	419-627-8353
7845 BRdview Rd	Seven Hills	OH	44131	321 Seven Hills Auto Center, LTD.	Randolph S. Katz	216-642-4610
3600 Lee Rd	Shaker Heights	OH	44120	East Express Auto Repair, Inc.	Boris Gecovich	216-991-3900
11710 Lebanon Rd	Sharonville	OH	45241	512 Sharonville Auto Center, Ltd.	Randolph S. Katz	513-563-0851
33655 Station St	Solon	OH	44139	327 Station Street Auto Center, LTD	Randolph S. Katz	440-248-3868
1052 North Bechtle Ave	Springfield	OH	45504	621 Bechtle Auto Center, LTD.	Randolph S. Katz	937-325-7388
4401 Kent Rd	Stow	OH	44224	314 Stow Kent Auto Center, LTD.	Randolph S. Katz	330-688-1910
9100 State Route 14	Streetsboro	OH	44241	315 Streetsboro Auto Center, LTD.	Randolph S. Katz	330-626-5005
16910 Royalton Rd	Strongsville	OH	44136	Express Auto Repair, Inc.	Boris Gecovich	440-846-1118
1111 Alexis Rd	Toledo	OH	43612	101 Alexis Auto Center, LTD.	Randolph S. Katz	419-476-3036
3991 Monroe St	Toledo	OH	43606	104 Colony Auto Center, LTD.	Randolph S. Katz	419-473-2814
1204 South Reynolds	Toledo	OH	43615	102 Reynolds Auto Center, LTD.	Randolph S. Katz	419-385-7429
5435 Monroe St	Toledo	OH	43623	106 Whiteford Auto Center, LTD.	Randolph S. Katz	419-885-2229
3142 Holland Sylvania	Toledo	OH	43615	114 Holland-Sylvania Auto Center, LTD.	Randolph S. Katz	419-843-2117
3527 Glendale Ave	Toledo	OH	43614	115 Glendale Auto Center, LTD.	Randolph S. Katz	419-382-3306
13483 Cedar Rd	University Heights	OH	44118	East Express Auto Repair, Inc.	Boris Gecovich	216-371-3738

Ohio (cont'd)

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5891 Westerville Rd	Westerville	OH	43081	215 Westerville Auto Center, LTD.	Randolph S. Katz	614-890-0736
5938 Market St	Youngstown	OH	44512	331 Market Street Auto Center, LTD.	Randolph S. Katz	330-758-2377
4540 Mahoning Ave	Youngstown	OH	44515	333 Mahoning Auto Center, Ltd.	Randolph S. Katz	330-793-9033
Oklahoma						
11123 South Memorial	Bixby	OK	74008	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	918-369-2444
2901 S. Broadway	Edmond	OK	73013	Stuchlik Enterprises, LLC	Mark Stuchlik, Roberta Stuchlik	405-562-4477
1602 Northwest Ft. Sill Blvd	Lawton	OK	73507	Powers Muffler Shop, Inc.	Steven C. Powers	580-355-0044
2206 West Lindsey St	Norman	OK	73069	Auto Maintenance, Inc.	Abdol Muhammed Vafaei, Dyanma Vafaei	405-360-3001
5824 South Western Ave	Oklahoma City	OK	73109	Simply the Best, Inc.	Camilla L. Troth, Jason R. Troth	405-631-5579
5600 NW Expressway	Oklahoma City	OK	73132	Tilley Investment Company	Donald Tilley, Scott Tilley	405-722-0770
2328 NW 23rd St	Oklahoma City	OK	73107	Tilley Investment Company	Donald Tilley, Scott Tilley	405-528-3084
4602 South Memorial Dr	Tulsa	OK	74145	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	918-622-6022
4546 South Peoria	Tulsa	OK	74105	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	918-743-1331
3715 E. 11th St	Tulsa	OK	74112	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	918-834-3335
10920 East 21st St	Tulsa	OK	74129	Auto Systems Experts, Inc.	Pat Walton, Susan Blaser	918-438-1155

Oregon

4325 SW Cedar Hills Blvd.	Beaverton	OR	97005	Lomin, Inc.	Joan E. Schrader, William J. Schrader, Rebecca C Schrader, Hannah C Schrader, Samuel J Schrader	503-643-5561
3575 Hwy 97 North	Bend	OR	97701	Wuzznax, LLC	Raul M. Fraga, Allen D. Morton	541-389-2638
680 West 7th Ave	Eugene	OR	97402	Express Auto Care, LLC	Steven Nohrenberg, Christopher Nohrenberg, Debby Nohrenberg	541-342-8146
135 NW Burnside Drive	Gresham	OR	97030	Lomin, Inc.	Joan E. Schrader, William J. Schrader, Rebecca C Schrader, Hannah C Schrader, Samuel J Schrader	503-667-5722
146 SE Oak St	Hillsboro	OR	97123	Advanced Auto Tech LLC	Vahid Eshraghi	503-648-3304
3956 South 6th St	Klamath Falls	OR	97603	Fastlane Enterprises, Inc.	Eleanor Beets, Steven W. Beets	541-884-9706

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935 North Central	Medford	OR	97501	Medford Auto Service Experts, LLC	Thomas Smith	541-772-3015
3635 SE 82nd Ave	Portland	OR	97266	Lomin, Inc.	Joan E. Schrader, William J. Schrader, Rebecca C Schrader, Hannah C Schrader, Samuel J Schrader	503-777-1753
11520 SE 82nd Ave #E	Portland	OR	97086	Lomin, Inc.	Joan E. Schrader, William J. Schrader, Rebecca C Schrader, Hannah C Schrader, Samuel J Schrader	503-659-9950
1685 Lancaster Drive NE	Salem	OR	97301	Express Auton Care, LLC.	Steven Nohrenberg, Christopher Nohrenberg, Debby Nohrenberg	503-362-4126
13055 SW Pacific Hwy	Tigard	OR	97223	Yvoda 1 Inc	George E Weivoda	503-684-1318
Pennsylvania						
3141 Lehigh St	Allentown	PA	18103	M.I.N. Corporation	Philip C. Intelisano, David M. Schweizerhof	610-791-4911
1401 Hanover Ave	Allentown	PA	18109	PA Automotive Group, Inc.	Kevin Vehovic, Jennifer Vehovic, Catherine Vehovic	610-433-8066
2251 St Rd	Bensalem	PA	19020	Automotive Business Systems LLC	Charles DeMarco	215-244-1112
3003 Washington Pike	Bridgeville	PA	15017	425 Bridgeville Auto Center, LTD.	Randolph S. Katz	412-221-3023
733 Haverford Rd	Bryn Mawr	PA	19010	Prenlyn Enterprises Inc	Linda Beers, Tracy R. Beers, Herbert F. Hollinger, Judith Hollinger	610-527-3811
101 Evans City Rd	Butler	PA	16001	411 Butler Auto Center, LTD.	Randolph S. Katz	724-282-2924
740 East High St	Carlisle	PA	17013	MNDA, Inc.	Matthew S. Ondek, Nikki R. Ondek	717-243-7738
1361 Lincolnway East	Chambersburg	PA	17201	JMS Muffler, Inc.	Joseph M. Sipocz Jr.	717-709-1000
800 Route 65	Conway	PA	15027	424 Conway Auto Center, LTD.	Randolph S. Katz	724-869-2108
2914 William Penn Hwy	Easton	PA	18042	M.I.N. Corporation	Philip C. Intelisano, David M. Schweizerhof	610-253-9070
295 East St Rd	Feasterville	PA	19053	SAMM II Corp	Mark C. Stackhouse	215-355-7044
5002 Route 8	Gibsonia	PA	15044	427 Route 8 Auto Center, Ltd.	Randolph S. Katz	724-443-6900
1190 Carlisle St	Hanover	PA	17331	Michanco, Inc.	Harry L. Humphries, Jean D. Humphries	717-632-7594
2471 Paxton St	Harrisburg	PA	17111	N & N Holdings, Inc	Nicholas A Newman, Nathan A Newman	717-236-7779

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Pennsylvania (cont'd)						
1810 Columbia Ave	Lancaster	PA	17603	Safeway Brake Shops of Harrisburg, Inc.	Scott M. Frailey	717-397-8204
2070 Lincoln Hwy East	Lancaster	PA	17602	Safeway Brake Shops of Harrisburg, Inc.	Scott M. Frailey	717-397-3479
2290 East Lincoln Hwy	Langhorne	PA	19047	Samm II Corporation	Mark C. Stackhouse	215-757-4070
94 East Bridge St	Lehighton	PA	18235	Joseph P. Trinkle, Sole Proprietor	Joseph P. Trinkle	610-377-1771
3300 Leechburg	Lower Burrell	PA	15068	413 Lower Burrell Auto Center, LTD.	Randolph S. Katz	724-339-0540
6080 Steubenville Pike	Mc Kees Rocks	PA	15136	414 Robinson Auto Center, LTD.	Randolph S. Katz	412-859-0100
4909 Carlisle Pike	Mechanicsburg	PA	17050	Auto Group of Harrisburg, LLC	Joseph Marcin	717-763-0270
13050 Frankstown Rd	Penn Hills	PA	15235	405 Penn Hills Auto Center, LTD.	Randolph S. Katz	412-795-7200
6750 Ridge Ave	Philadelphia	PA	19128	Prenlyn Enterprises, Inc.	Linda Beers, Tracy R. Beers, Herbert F. Hollinger, Judith Hollinger	215-482-9333
2300 East Castor Ave	Philadelphia	PA	19134	Quality Undercar, Inc.	Jason Jefremow	215-533-7660
8141 Ogontz Ave	Philadelphia	PA	19150	Prenlyn Enterprises, Inc.	Linda Beers, Tracy R. Beers, Herbert F. Hollinger, Judith Hollinger	215-885-8990
4316 North BRd St	Philadelphia	PA	19140	GPT Performance, Inc.	George Johnston, Patricia Johnston	215-457-3440
147 West Chelton Ave	Philadelphia	PA	19144	Prenlyn Enterprises, Inc.	Linda Beers, Tracy R. Beers, Herbert F. Hollinger, Judith Hollinger	215-849-1300
4138-52 Market St	Philadelphia	PA	19104	Kassarac, Inc.	Richard S. Kassoway	215-382-3298
854-60 Cottman Ave	Philadelphia	PA	19111	MS Auto Repair LLC	Sean Heberling	215-342-0211
6815 Essington Ave	Philadelphia	PA	19153	Four Seasons Auto Repair Specialist Inc	Imad Dawara	267-670-8731
9417 Bustleton Ave	Philadelphia	PA	19115	GPT Performance Inc	George Johnston, Patricia Johnston	215-671-1410
5914 Penn Circle North	Pittsburgh	PA	15206	429 Penn Circle Auto Center, Ltd.	Randolph S. Katz	412-441-5883
7575 Mcknight Rd	Pittsburgh	PA	15237	428 McKnight Auto Center, Ltd.	Randolph S. Katz	412-364-0380
540 Clairton Blvd	Pittsburgh	PA	15236	403 Pleasant Hills Auto Center, LTD.	Randolph S. Katz	412-653-3373

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Pennsylvania (cont'd)						
3390 William Penn Hwy	Pittsburgh	PA	15235	401 Monroeville Auto Center, LTD.	Randolph S. Katz	412-823-2424
323 West High St	Pottstown	PA	19464	Forte Ltd	Louis S. Belsito Jr.	610-327-2330
549 Chester Pike	Prospect Park	PA	19076	Prenlyn Enterprises, Inc.	Linda Beers, Tracy R. Beers, Herbert F. Hollinger, Judith Hollinger	610-461-8222
335 SW Blvd	Quakertown	PA	18951	M.I.N. Corporation	Philip C. Intelisano, David M. Schweizerhof	215-538-1095
1901 Kutztown Rd	Reading	PA	19604	H & B Auto Services, Inc.	Bruce W. Cook, Herbert Cook	610-929-4723
230 Ohio River	Sewickley	PA	15143	421 Sewickley Auto Center, LTD.	Randolph S. Katz	412-741-7785
1197 North Center Ave	Somerset	PA	15501	Urban Enterprises of Somerset, Inc.	Ron Urban, Carol Sue Urban	814-445-3567
740 Baltimore Pike	Springfield	PA	19064	Prenlyn Enterprises, Inc.	Linda Beers, Tracy R. Beers, Herbert F. Hollinger, Judith Hollinger	610-544-7272
2298 North Atherton St	State College	PA	16803	Jalenda Co. Inc.	James E. Rubin	814-237-8200
1016 North 9th St	Stroudsburg	PA	18360	Renaldi Automotive, Inc.	James P. Renaldi	570-424-5116
7501 Westchester Pike	Upper Darby	PA	19082	Prenlyn Enterprises, Inc.	Linda Beers, Tracy R. Beers, Herbert F. Hollinger, Judith Hollinger	610-449-9100
33 Murtland Ave	Washington	PA	15301	426 Washington Auto Center, LTD.	Randolph S. Katz	724-222-9080
11350 Perry Hwy	Wexford	PA	15090	412 Wexford Auto Center, LTD.	Randolph S. Katz	724-935-5931
1820 Macarthur Rd	Whitehall	PA	18052	M.I.N. Corporation	Philip C. Intelisano, David M. Schweizerhof	610-437-5091
933 South Broadway	Wind Gap	PA	18091	Renaldi Automotive, Inc.	James P. Renaldi	610-863-7777
Rhode Island						
525 Reservoir Ave	Cranston	RI	02910	Royal Repairs, Inc.	Donald F. Roy, Kyle D Roy	401-941-0227
1307 Hartford Ave	Johnston	RI	02919	Argyll Enterprises Inc.	Ian D. Campbell, Linda A. Campbell	401-521-0760
158 E. Main Rd	Middletown	RI	02842	Mi-Hold Corporation	Arthur J. Epstein	401-849-7744
1640 Mineral Springs Ave	North Providence	RI	02904	North Providence Muffler, Inc.	James D. Torres	401-353-7121
1290 North Main St	Providence	RI	02904	JNC Auto Service & Sales, Inc.	Ellen Frank, Jeffrey Frank	401-272-0300
999 Bald Hill Rd	Warwick	RI	02886	UnderCar Managemnet, LLC	Timothy F. Stearns, Jeffrey Stearns	401-320-1150

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Rhode Island (cont'd)						
80 Franklin St	Westerly	RI	02891	MACT, Inc	Kenton H Childs, Paulina Anderson, Mark A Robbins	401-596-8745
1645 Diamond Hill Rd	Woonsocket	RI	02895	Patrick Commane, Sole Proprietor	Patrick Commane	401-766-7100
South Carolina						
880 E. Pine Log Rd	Aiken	SC	29803	Honest Automotive Service Inc	Richard Hershberger	803-648-5452
992 Knox Abbott	Cayce	SC	29033	Palmetto Garage Works, LLC	James Herlong	803-796-5794
1875 Sam Rittenberg	Charleston	SC	29407	CBR LLC	Clayton Brown Rollins	843-556-1523
121 Harbison Blvd	Columbia	SC	29212	Palmetto Garage Works, LLC	James Herlong	803-407-1911
2701 Millwood Ave	Columbia	SC	29205	Palmetto Garage Works, LLC	James Herlong	803-254-5068
700 Bush River Rd	Columbia	SC	29210	Palmetto Garage Works, LLC	James Herlong	803-798-6494
2752 Decker Blvd	Columbia	SC	29206	Palmetto Garage Works, LLC	James Herlong	803-788-0613
10227 Two Notch Rd	Columbia	SC	29229	Palmetto Garage Works, LLC	James Herlong	803-462-9551
2213 West Palmetto St	Florence	SC	29501	Thompson Muffler, Inc.	D. P. Thompson Jr., D. P. Thompson Sr.	843-678-9727
336 North Pleasantburg	Greenville	SC	29607	J & M Badenoch Company, Inc.	John B. Badenoch	864-242-3940
1301 Montague Ave	Greenwood	SC	29649	Honest Automotive Service, Inc.	Richard Hershberger	864-227-9881
95 Mathews Drive	Hilton Head Island	SC	29926	Auto Experts IV, LLC	Dexter Elliott	843-681-2332
1621 Hwy 17 By-Pass	Mt. Pleasant	SC	29464	S.H.S. Enterprises, Inc.	J. Cheshire Rhett	843-881-6250
3354 Waccamaw Blvd	Myrtle Beach	SC	29579	E&R Mufflers, Inc.	Joel A Smith, Brenda R Smith	843-236-2370
8330 Rivers Ave	North Charleston	SC	29406	CBR LLC	Clayton Brown Rollins	843-572-1340
1117 Anderson Rd	Rock Hill	SC	29730	Go Blue, Inc.	James E. Halbeisen	803-366-4137
531 South Blackstock Rd	Spartanburg	SC	29301	Rikard Auto Enterprises, LLC	Charles David Rikard	864-595-0750
1674 Trolley Rd	Summerville	SC	29485	CBR LLC	Clayton Brown Rollins	843-821-0226
South Dakota						
1701 West Main St	Rapid City	SD	57702	Diver Down, Inc.	Frank L. Bowers	605-348-7723
1901 South Minnesota Ave	Sioux Falls	SD	57105	JLH Enterprises, Inc.	Joseph P. Helkamp, Lorri A. Helkamp	605-339-9410

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Tennessee						
5951 Brainerd Rd	Chattanooga	TN	37421	MARIGOLD, LLC	C. Todd Matthews, Christy Matthews	423-894-3114
1722 South Market St	Chattanooga	TN	37408	H&D Muffler Shops, Inc.	Angela Scalla-Johnson	423-265-2251
411 Riverside Drive	Clarksville	TN	37040	Hudson and Williams Venturer, LLC	John E Hudson	931-552-7400
751 South Keith St	Cleveland	TN	37311	D&H Muffler Shops, Inc.	Henry J. Scalla	423-479-6709
620 South Willow Ave	Cookeville	TN	38501	KDS Enterprises, Inc.	Douglas L. Standifer, Kenneth M. Standifer	931-528-8876
351 West Main St	Hendersonville	TN	37075	KDS Enterprises Inc.	Douglas L. Standifer, Kenneth M. Standifer	615-824-1110
4247 Lebanon Rd	Hermitage	TN	37076	Kar Plus, Inc.	Ronald Atkisson, Karen Atkisson	615-391-4396
5231 Hwy 153	Hixson	TN	37343	ACC Holdings, Inc.	Denise Dorais, Luc Dorais	423-870-2291
1064 East Stone Drive	Kingsport	TN	37660	KDS Enterprises Inc.	Douglas L. Standifer, Kenneth M. Standifer	423-246-4001
10025 Kingston Pike	Knoxville	TN	37922	Red Point Consulting, Inc.	Bradford Jones	865-691-5005
7121 Maynardville Hwy	Knoxville	TN	37918	Jess-Rae, Inc.	Bruce A. Wachter, Cathy S. Wachter, David C. Wachter	865-925-2886
102 Parthenon Blvd.	La Vergne	TN	37086	Kar Plus, Inc.	Ronald Atkisson, Karen Atkisson	615-287-1099
720 Hwy 321 North	Lenoir City	TN	37771	Jess-Rae, Inc.	Bruce A. Wachter, Cathy S. Wachter, David C. Wachter	865-986-8090
1211 South Gallatin Rd	Madison	TN	37115	Kar Plus, Inc.	Ronald Atkisson, Karen Atkisson	615-865-6021
115 Montgomery Lane	Maryville	TN	37803	Jess-Rae Inc.	Bruce A. Wachter, Cathy S. Wachter, David C. Wachter	865-681-6619
798 Brookhaven Circle	Memphis	TN	38117	Carmore Automotive, LLC	Curtis J Passmore II, Gregory C Carter	901-682-6622
1728 NW BRd St	Murfreesboro	TN	37129	Victory Auto Repair, Inc.	Juan D Orozco, Eric H Love, Haward Armstrong	615-890-0003
2612 Murfreesboro Pike	Nashville	TN	37217	Godwin Ventures, Inc.	William C. Godwin III, Danette C. Godwin	615-361-8282
4015 Nolensville Rd	Nashville	TN	37211	Kar Plus, Inc.	Ronald Atkisson, Karen Atkisson	615-832-1433
6008 Charlotte Pike	Nashville	TN	37209	Chilando, Inc.	Michael Chilando	615-356-6367
1310 Charlotte Ave	Nashville	TN	37203	Kar Plus, Inc.	Ronald Atkisson, Karen Atkisson	615-327-0722
4403 Harding Rd	Nashville	TN	37205	Kar Plus, Inc.	Ronald Atkisson, Karen Atkisson	615-385-9565
120 South Illinois Ave	Oak Ridge	TN	37830	Jess-Rae, Inc.	Bruce A. Wachter, Cathy S. Wachter, David C. Wachter	865-425-9922

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Texas 2700 North 1st St	Abilene	TX	79603	KLJL, Inc.	Kennon Law Jr., Janet Law	325-677-2606
4500 South Bell	Amarillo	TX	79109	The Bosworth Company LTD	Keldon Bosworth, The Estate of Randall Bosworth,	806-359-5411
5861 South Cooper St	Arlington	TX	76017	R-Kar One, Inc.	Boscor Inc, Linda Lou Bosworth	817-468-1661
3120 West Pioneer Pkwy	Arlington	TX	76013	Winters Automotive Corp	Robert M. Koenigseder	817-274-3393
4001 Guadalupe St	Austin	TX	78751	Pace III, Inc.	Brian Winters	512-454-0388
2415 West Ben White Blvd	Austin	TX	78704	Pace III, Inc.	John E. Pace III	512-444-2616
7829 Burnet Rd	Austin	TX	78757	Pace III, Inc.	John E. Pace III	512-454-5879
11928 Research Blvd	Austin	TX	78759	Pace III, Inc.	John E. Pace III	512-331-5522
2506 Belt Line Rd	Carrollton	TX	75006	Grace and Mercy Auto Services Inc	Reji Mathew, Anne Mathew	972-416-1760
2621 Midway Rd	Carrollton	TX	75006	Pace III, Inc.	John E. Pace III	972-250-0585
622 West Henderson	Cleburne	TX	76033	Cleburne Safety Service, Inc.	Michael Conover	817-558-4664
2715 South Texas Ave	College Station	TX	77840	KHW Enterprises, Inc.	Thomas S. Poole, Kevin White	979-764-1844
2500 West Davis	Conroe	TX	77304	P & G Holdings, LTD	Walter P. McCarver	936-539-9212
3209 South Padre Island Dr	Corpus Christi	TX	78415	LTD Bay View Automotive Management	Jude Crane, Cheryl A. Galyan, Ralph L. Galyan, Bay View Automotive Management LLC	361-854-1545
6629 East Northwest Hwy	Dallas	TX	75214	John E. Pace, III, Sole Proprietor	John E. Pace III	214-750-4900
5715 West Lovers Lane	Dallas	TX	75209	Carol A. Townsley, Sole Proprietor	Carol A. Townsley-Pace	214-357-9234
13645 Montfort Drive	Dallas	TX	75240	Pace III, Inc.	John E. Pace III	972-789-0101
1192 Yarbrough Drive	El Paso	TX	79925	Anaya Enterprises of Texas, Inc.	Joe Anaya	915-592-5904
4168 North Mesa St	El Paso	TX	79902	Anaya Enterprises of Texas, Inc.	Joe Anaya	915-533-2925
504 South Industrial Blvd	Euless	TX	76040	R-Kar One, Inc.	Robert M. Koenigseder	817-571-3188
3301 Alta Mere	Ft. Worth	TX	76116	RKar One, Inc.	Robert M. Koenigseder	817-731-0286
6350 Mccart St	Ft. Worth	TX	76133	W-7 Investments, LLC	Wayne Williams	817-292-3254
4401 West Walnut St	Garland	TX	75042	Pace III, Inc.	John E. Pace III	972-494-2022
3035 South Garland Rd	Garland	TX	75041	Pace III, Inc.	John E. Pace III	972-271-1561
551 South I.H. 35	Georgetown	TX	78626	Kimber II, Inc.	Diana K. Hoffman	512-869-2886
618 East Hwy 303	Grand Prairie	TX	75051	Guessford Group Incorporated	Paul Guessford	972-262-2442

EXHIBIT A-1: MIDAS FRANCHISEES AS OF JANUARY 1, 2011

<u>Street Address</u> Texas (cont'd)	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>LegalEntityName</u>	<u>OwnerName</u>	<u>ShopPhone</u>
1281 Williams D. Tate	Grapevine	TX	76051	R-Kar One, Inc.	Robert M. Koenigseder	817-421-8816
1150 South Commerce St	Harlingen	TX	78550	Stutz, Inc.	Jon Kerry Stutz, Kevin R. Stutz	956-425-7313
10555 South Post Oak Rd	Houston	TX	77035	Ultra Enterprises, Inc.	David K. Joe, Ken K. Joe	713-729-6666
4114 North Hwy 6	Houston	TX	77084	J.C. Warren, Inc.	Gerald J. Warren	281-463-6760
2407 West Holcombe Blvd	Houston	TX	77030	HM Holcombe, Inc	Walter P. McCarver, Ronald Hartman	713-666-4267
15410 North Kuykendahl	Houston	TX	77090	HMNK Enterprises, LLC	Walter P. McCarver, Ronald Hartman	281-537-5317
3607 Westheimer Rd	Houston	TX	77027	HM Westheimer, Inc.	Walter P. McCarver, Ronald Hartman	713-965-9280
2500 South Dairy Ashford	Houston	TX	77077	Dairy Ashford Auto Service LLC	Grant Nicholson, Shirley Nicholson	281-497-8913
2509 Farm Rd 1960 East	Houston	TX	77073	Mufflers-USA, Inc.	Thomas S. Poole	281-443-8047
258 West Airport Freeway	Irving	TX	75062	K.K.M. Fair Deal, Inc.	Reji Mathew	972-579-1810
989 S. Mason Rd	Katy	TX	77450	Pneuma International Traders LLC	Marcelino Santos	281-829-5050
2502 South Trimmer Rd	Killeen	TX	76542	Kimber III, Inc.	Peter A. Beronio	254-634-0326
149 Hwy 332 West	Lake Jackson	TX	77566	R & L Interests, LTD.	Walter P. McCarver	979-297-0353
6805 Bandera Rd	Leon Valley	TX	78238	Mufflers-R-U's, Ltd.	Jude Crane, Cheryl A. Galyan, Ralph L. Galyan	210-681-7251
685 S. Stemmons I-35 East	Lewisville	TX	75067	William Marella, Sole Proprietor	William Marella	972-221-8111
1008 West Loop 281	Longview	TX	75604	Longview List, Inc.	Jimmy Hardin	903-759-0880
5115 South Loop 289	Lubbock	TX	79424	The Bosworth Company, LTD.	Keldon Bosworth, The Estate of Randall Bosworth,	806-794-6667
3548 Gus Thomasson	Mesquite	TX	75150	Guessford Group Incorporated	Boscor Inc, Linda Lou Bosworth	972-270-6772
3301 West Wall St	Midland	TX	79701	The Bosworth Company, LTD.	Paul Guessford	432-694-9631
7508 Blvd 26	North Richland Hills	TX	76180	R-Kar One, Inc.	Robert M. Koenigseder	817-284-5885
3512 Andrews Hwy	Odessa	TX	79762	The Bosworth Company, LTD.	Keldon Bosworth, The Estate of Randall Bosworth,	432-498-6363
4401 Broadway	Pearland	TX	77581	Ronnie L Powell - Sole Proprietor	Boscor Inc, Linda Lou Bosworth	281-485-1770
620 West Parker Rd	Plano	TX	75075	Pace IV Enterprises	Ronnie L Powell	972-424-3541
400 N Central Expressway	Richardson	TX	75080	Pace III, Inc.	Michael Pace	972-238-9619
2919 West Loop 306	San Angelo	TX	76904	The Bosworth Company, LTD	John E. Pace III	325-944-4524
					Keldon Bosworth, The Estate of Randall Bosworth,	
					Boscor Inc, Linda Lou Bosworth	

EXHIBIT A-1: MIDAS FRANCHISEES AS OF JANUARY 1, 2011

<u>Street Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>LegalEntityName</u>	<u>OwnerName</u>	<u>ShopPhone</u>
Texas (cont'd)						
2424 Broadway	San Antonio	TX	78215	O K Automotive Inc.	Lowell Goodman	210-226-3161
3819 Fredericksburg	San Antonio	TX	78201	Stefan 5 Enterprises LLC	Scott M Stefan, Alissa D Stefan	210-734-5331
6659 San Pedro Ave	San Antonio	TX	78216	O K Automotive Inc.	Lowell Goodman	210-349-5376
1309 SW Military Drive	San Antonio	TX	78221	Hagen Enterprises, Inc	Johnny Hagen	210-923-4546
11000 I-10	San Antonio	TX	78230	Fix Everything Automotive, LTD	Jude Crane, Cheryl A. Galyan, Ralph L. Galyan, F.E.	210-641-9773
9412 Perrin-Beitel	San Antonio	TX	78217	Texas Hill Country, L.P.	Jude Crane	210-656-3232
16337 San Pedro	San Antonio	TX	78232	Fetzer Enterprises, Inc.	Douglas J. Fetzer	210-495-0880
11219 West Ave	San Antonio	TX	78213	Fetzer Enterprises Inc.	Douglas J. Fetzer	210-525-1555
1769 SW Loop 410	San Antonio	TX	78227	P & G Automotive	Melvin D Powell, Gerald A Girard	210-675-5005
3710 Texoma Pkwy	Sherman	TX	75090	Pace Ill, Inc.	John E. Pace Ill	903-892-4095
2335 Old Mill Rd	Sugar Land	TX	77478	Ultra Enterprises, Inc.	David K. Joe, Ken K. Joe	281-242-2228
3503 North State Line Ave	Texarkana	TX	75503	Ty Harris Enterprises, LLC	Ty Harris	903-794-3391
713 Sawdust Court	The Woodlands	TX	77380	Mufflers-USA, Inc.	Thomas S. Poole	281-367-8162
29230 Tomball Pkwy	Tomball	TX	77375	Wink Family Inc	David A Winkel, Alma R Winkel	281-516-0335
2017 South Broadway	Tyler	TX	75701	Longview List, Inc.	Jimmy Hardin	903-597-8156
2013 Pat Booker Blvd	Universal City	TX	78148	Texas Hill Country, L.P.	Jude Crane	210-659-1941
6407 N. Navarro	Victoria	TX	77904	Hartcarve Investment Inc	Walter P. McCarver, Ronald Hartman	361-573-0727
4428 West Waco Drive	Waco	TX	76710	TTMT, LLC	Peter Eric Murry, Glorianna Murry	254-772-4057
6745 Rufe Snow Blvd	Watauga	TX	76148	Skinner Automotive Inc	Keith Skinner	817-656-1599
379 Bay Area Blvd	Webster	TX	77598	P&A Interests, LTD	Walter P. McCarver	281-332-4589
Utah						
425 West 500 South	Bountiful	UT	84010	Golden Touch Auto Care, Inc.	Matthew J. Moran	801-295-9670
5385 South 4015 West	Kearns	UT	84118	Golden Touch Auto Care, Inc.	Matthew J. Moran	801-967-9700
1175 North 200 East	Logan	UT	84341	Daniel J. King Enterprises, Inc.	Daniel J. King	435-750-6575
4444 State St	Murray	UT	84107	Powerhouse Automotive and Tire Inc	Paul D Day	801-262-2468
6180 South State St	Murray	UT	84107	Pecmor, Inc.	Matthew J. Moran, James J. Pecora	801-266-8811
220 Washington Blvd	Ogden	UT	84404	D.J.R., Inc.	Danny J. Rogers	801-399-1179

EXHIBIT A-1: MIDAS FRANCHISEES AS OF JANUARY 1, 2011

<u>Street Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Legal Entity Name</u>	<u>Owner Name</u>	<u>Shop Phone</u>
Utah (cont'd)						
3459 Washington Blvd	Ogden	UT	84401	D.J.R., Inc.	Danny J. Rogers	801-621-8602
1445 South State St	Orem	UT	84097	D & L Automotive, Inc.	Delores Hall, Leonard Hall, Duane Tweedie	801-225-3314
5349 South & 1900 West	Roy	UT	84067	D.J.R., Inc.	Danny J. Rogers	801-773-6400
875 East 2100 South	Salt Lake City	UT	84106	Powerhouse Automotive and Tire Inc	Paul D Day	801-487-0825
902 South Main St	Salt Lake City	UT	84101	R & R Joint Ventures, Inc	Jay D Russell	801-328-0258
639 North Bluff St	St George	UT	84770	Ortez Incorporated	David Tooker	435-628-7719
Vermont						
139-41 Northside Dr	Bennington	VT	05201	Bennington Concordat, LLC	Vern McGuire	802-442-8131
207 US Rte 4 East	Rutland	VT	05701	TM Services, Inc.	Joseph Merone, Francis J. Trombetta	802-775-2948
60 Midas Drive	South Burlington	VT	05403	Auto Resource Center, Inc.	Peter Ferdinand, The Estate of Fred LaBlanc	802-864-4543
119-125 N. Main St	St. Albans	VT	05478	Christopher R. Wood, Sole Proprietor	Christopher R. Wood	802-524-5481
Virginia						
8648-A Richmond Hwy	Alexandria	VA	22309	Systems Engineering of Mount Vernon, Inc.	Dennis R. Endee, Lesley H. Endee	703-780-4122
3100 Duke St	Alexandria	VA	22314	Trump, Inc.	T. Kevin Trump	703-751-2121
450 South Pickett St	Alexandria	VA	22304	Trump, Inc.	T. Kevin Trump	703-370-8833
4303 Backlick Rd	Annandale	VA	22003	TYG Auto Inc	Tae Jong Kim, Yong Woong Lee	703-354-7000
6730 Lee Hwy	Arlington	VA	22205	Quality Auto Service and Repair Manufacturer, Inc.	Yong Kim, Heysun Kong	703-536-6401
1001 South Glebe Rd	Arlington	VA	22204	MASS CORP	Mirwais Niaz	703-920-2220
13979 Metrotech Drive	Chantilly	VA	20151	BHS Enterprises, Inc.	Brian H Shumate	703-263-2067
1400 Blvd	Colonial Heights	VA	23834	Mark Smith, Sole Proprietor	Mark A. Smith	804-520-2206
2810 Metro Plaza	Dale City	VA	22192	CTMID Inc.	Craig D. Trump	703-490-1975
10834 Lee Hwy	Fairfax	VA	22030	Trump, Inc.	T. Kevin Trump	703-273-0197
3021 Gallows Rd	Falls Church	VA	22042	SP Auto Services Inc	Sunny Park	703-698-7215
4806-B Jefferson Davis Hwy	Fredericksburg	VA	22408	SDS, Inc.	Stephen G. Sweazey	540-898-6707

EXHIBIT A-1: MIDAS FRANCHISEES AS OF JANUARY 1, 2011

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Virginia (cont'd)						
2801 Mercury Blvd West	Hampton	VA	23666	VAS Peninsula, LC	Richard P. Carney, Mark Shaw	757-826-0222
282 University Blvd	Harrisonburg	VA	22801	Bauserman Investments, LLC.	Gary Bauserman	540-432-6623
10 Catocin Circle NE	Leesburg	VA	20176	Blue Ridge Car Care, Inc.	James C. Marsh III	703-779-2090
7892 Sudley Rd	Manassas	VA	20109	Mds Sudley, Inc.	Linda Sadr	703-368-1175
10160 Hull St Rd	Midlothian	VA	23112	TMT, L.L.C.	Mark A. Smith	804-276-9600
14798 Warwick Blvd	Newport News	VA	23608	VAS Peninsula LC	Richard P. Carney, Mark Shaw	757-874-8133
5301 West BRd St	Richmond	VA	23230	TMT, L.L.C.	Mark A. Smith	804-288-4055
11463 West BRd St	Richmond	VA	23233	TMT, L.L.C.	Mark A. Smith	804-360-2211
6410 Backlick Rd	Springfield	VA	22150	CTMID Inc.	Craig D. Trump	703-451-6230
2597 Virginia Beach Blvd	Virginia Beach	VA	23452	Virginia Automotive Systems, Inc.	Richard P. Carney, Mark Shaw	757-340-0366
3696 Holland Rd	Virginia Beach	VA	23452	Virginia Automotive Systems, Inc.	Richard P. Carney, Mark Shaw	757-498-9898
241 BRdview Ave	Warrenton	VA	20186	Blue Ridge Car Care II, Inc.	James C. Marsh III	540-341-0033
824 South Loudoun St	Winchester	VA	22601	Pugh Enterprises Inc.	Earl M. Brill	540-665-0625
13709 Jefferson-Davis Hwy	Woodbridge	VA	22191	CTMID Inc.	Craig D. Trump	703-494-9138
Washington						
12005 NE 12th St	Bellevue	WA	98005	Silence, Inc.	Charles D. Harlowe	425-454-2782
4000 Factoria Mall Blvd, SE	Bellevue	WA	98006	J and A Automotive LLC	Timothy Moore, S Trust Amelia J Gundogdu, S Trust - Jessica A Johnston, Vicki Moore	425-643-8502
4043 Guide Meridian St	Bellingham	WA	98226	Birnbaum Automotive, LLC	Patrick C. Birnbaum, La Vaughn Chaffee Birnbaum	360-647-1111
801 Ohio St	Bellingham	WA	98225	Bellingham Total Car Care LLC	Patrick C. Birnbaum, La Vaughn Chaffee Birnbaum	360-733-1880
20620 Hwy 410 East	Bonney Lake	WA	98391	J and A Automotive, LLC	Timothy Moore, S Trust Amelia J Gundogdu, S Trust - Jessica A Johnston, Vicki Moore	253-826-4327
17410 NE Bothell Way, NE	Bothell	WA	98011	Silence, Inc.	Charles D. Harlowe	425-485-6585
132 North Callow Ave	Bremerton	WA	98312	J & L Enterprises, Inc.	James F. Newell Jr.	360-373-5096
15010 First Ave, South	Burien	WA	98148	Mercer Automotive Group LLC	Luis Jimenez	206-243-1656
716 SE Everett Mall Way	Everett	WA	98208	Gold Link, Inc.	Timothy Grout, Jennifer Grout	425-355-1027

EXHIBIT A-1: MIDAS FRANCHISEES AS OF JANUARY 1, 2011

<u>Street Address</u> Washington (cont'd)	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>LegalEntityName</u>	<u>OwnerName</u>	<u>ShopPhone</u>
32530 Pacific Hwy, South	Federal Way	WA	98002	J and A Automotive, LLC	Timothy Moore, S Trust Amelia J Gundogdu, S Trust -	253-838-2622
1655 Northwest Mall St	Issaquah	WA	98027	Silence, Inc.	Jessica A Johnston, Vicki Moore	425-391-9157
24242 104th Ave, SE	Kent	WA	98031	Mercer Automotive Group LLC	Charles D. Harlowe	253-850-3575
12020 Northeast 85th St	Kirkland	WA	98033	Silence, Inc.	Charles D. Harlowe	425-827-0451
3935 Pacific Ave, SE	Lacey	WA	98503	G And J Enterprises, Inc.	David Mattern	360-456-5880
940 15th Ave	Longview	WA	98632	TNA Roberts LLC	Thadius Roberts	360-577-8174
19625 Alderwood Mall Pkwy	Lynnwood	WA	98036	Gold Link, Inc.	Timothy Grout, Jennifer Grout	425-673-7470
1384 State Ave	Marysville	WA	98270	Gold Link, Inc.	Timothy Grout, Jennifer Grout	360-653-7618
118 West Valley Rd	Moses Lake	WA	98837	Joe Nelson Enterprises LLC	James Joseph Nelson	509-764-0708
1212 Riverside Drive	Mt. Vernon	WA	98273	Birnbaum Automotive, LLC	Patrick C. Birnbaum , La Vaughn Chaffee Birnbaum	360-428-5007
108 Northwest Kenyon St	Olympia	WA	98502	G & J Enterprises, Inc.	David Mattern	360-357-4544
1774 S.E. Mile Hill Dr.	Port Orchard	WA	98366	J&L Enterprises, Inc.	James F. Newell Jr.	360-874-9101
265 Rainier Ave South	Renton	WA	98055	Mercer Automotive Group LLC	Luis Jimenez	425-255-1221
13201 Aurora Ave, North	Seattle	WA	98133	Gold Link, Inc.	Timothy Grout, Jennifer Grout	206-365-3354
11015 Lake City Way	Seattle	WA	98125	Gold Link, Inc.	Timothy Grout, Jennifer Grout	206-364-1390
2331 7th Ave	Seattle	WA	98121	Mercer Automotive Group LLC	Luis Jimenez	206-441-8252
7055 15th Ave, Northwest	Seattle	WA	98117	Silence, Inc.	Charles D. Harlowe	206-784-7220
4457 Fauntleroy Way, SW	Seattle	WA	98126	Mercer Automotive Group LLC	Luis Jimenez	206-937-1950
10726 Silverdale Way	Silverdale	WA	98383	J & L Enterprises, Inc.	James F. Newell Jr.	360-698-2217
9140 Gravelly Lake Dr. SW	Tacoma	WA	98499	J and A Automotive, LLC	Timothy Moore, S Trust Amelia J Gundogdu, S Trust -	253-584-6161
14714 Pacific Ave South	Tacoma	WA	98444	Total Car Care LLC	Jessica A Johnston, Vicki Moore Allen D. Morton	253-302-5720
5707 Northeast Gher Rd	Vancouver	WA	98662	Costello Auto Repair LLC	Bruce M Costello, Deniece L Costello, Tyler B Costello	360-254-3153
6200 Northeast Hwy 99	Vancouver	WA	98665	Costello's Auto Repair, LLC	Bruce M Costello, Deniece L Costello, Tyler B Costello	360-696-0011

EXHIBIT A-1: MIDAS FRANCHISEES AS OF JANUARY 1, 2011

<u>Street Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>LegalEntityName</u>	<u>OwnerName</u>	<u>ShopPhone</u>
Wisconsin						
1050 Mutual Way	Appleton	WI	54913	Fox Valley Auto Service LLC	Robert Dziubinski	920-731-6448
522 Lake Shore Drive E	Ashland	WI	54806	Arbuckle Enterprises, Inc.	Julie Arbuckle, Kenneth M. Arbuckle	715-682-3557
12530 W Capital Drive	Brookfield	WI	53005	Cema Corp.	Kenton H Childs, Paulina Anderson, Carlos Contreras	262-781-0138
5550 S Packard Ave	Cudahy	WI	53110	Surpre Auto Service Inc.	Frank L. Grisa, Rosina V. Grisa, Michael Surprenant	414-847-4700
2834 N Clairemont Ave	Eau Claire	WI	54703	MLTMM Enterprises LLC	Matthew A Malone	715-835-7540
6044 N Port Washington	Glendale	WI	53217	Cema Corp.	Kenton H Childs, Paulina Anderson, Carlos Contreras	414-963-0858
2055 Wisconsin Ave	Grafton	WI	53024	Grafton MLV Corporation	Michael L. Vichich	262-377-8229
1320 S Military Ave	Green Bay	WI	54304	Fox Valley Auto Service LLC	Robert Dziubinski	920-499-5188
4377 South 27th St	Greenfield	WI	53221	R. W. Corporation	Raymond F. Strehlow, Steven P. Strehlow	414-282-5030
4654 S. 76th St	Greenfield	WI	53220	Cema Corp.	Kenton H Childs, Paulina Anderson, Carlos Contreras	414-282-5520
5381 S 108th St	Hales Corners	WI	53130	R. W. Corporation	Raymond F. Strehlow, Steven P. Strehlow	414-425-4120
2221 Milton Ave	Janesville	WI	53545	M. W. Automotive Enterprises, Inc.	Jerry M. Paris	608-752-8166
4500 52nd St	Kenosha	WI	53144	KNA Enterprises, Inc.	Mary Beth Bulgarelli, Michael J. Bulgarelli	262-658-3536
520 State St	La Crosse	WI	54601	Rose Corporation	Herbert J. Franta	608-785-1858
3757 E Washington	Madison	WI	53704	MAP Holdings, LLC.	Michael Pauly, Jeffery Turner	608-241-3818
5201 West University	Madison	WI	53705	MAP Holdings, LLC.	Michael Pauly, Jeffery Turner	608-233-5381
1501 South Park St	Madison	WI	53715	MAP Holdings, LLC	Michael Pauly, Jeffery Turner	608-251-5772
4225 W Good Hope Rd	Milwaukee	WI	53209	M L V Corporation	Michael L. Vichich	414-352-8390
350 South Koeller	Oshkosh	WI	54902	DD Colls, LLC	David Collier, Debra Collier	920-426-0616
1230 S Green Bay Rd	Racine	WI	53406	RCN Enterprises, Inc.	Mary Beth Bulgarelli, Michael J. Bulgarelli	262-637-4456
102 South Walker	Sun Prairie	WI	53590	Rand Management, LLC	Rand Jardanowski	608-837-2111
2009 East Moreland Blvd	Waukesha	WI	53186	Cema Corp.	Kenton H Childs, Paulina Anderson, Carlos Contreras	262-544-5201
2202 Grand Ave	Wausau	WI	54403	JLH Enterprises, Inc.	Joseph P. Helkamp, Lorri A. Helkamp	715-842-0985

EXHIBIT A-1: MIDAS FRANCHISEES AS OF JANUARY 1, 2011

<u>Street Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Legal Entity Name</u>	<u>Owner Name</u>	<u>Shop Phone</u>
Wisconsin (cont'd)						
1456 South 108th St	West Allis	WI	53214	Cema Corp.	Kenton H Childs, Paulina Anderson, Carlos Contreras	414-257-1590
2334 West Washington St	West Bend	WI	53095	M L V Incorporated	Michael L. Vichich	262-334-1420
West Virginia						
3200 Murdoch Ave	Parkersburg	WV	26101	DM Investments III, LLC	Don Maloney, III, Chad Maloney	304-485-7524
Wyoming						
3130 Cy Ave	Casper	WY	82604	J&L Management, Limited Liability Company	Joe J. Dykhuizen, LouAnn Dykhuizen	307-237-0854
2423 E Lincolnway	Cheyenne	WY	82001	Wyobrit, Inc.	Brook A. Dodgson, Nicholas A. Dodgson	307-638-8928
2307 S Douglas Hwy	Gillette	WY	82718	Seshco, Inc.	Heather Sessions, Steven S. Sessions	307-682-6800
1080 E Brundage Lane	Sheridan	WY	82801	Seshco, Inc.	Heather Sessions, Steven S. Sessions	307-672-6800

EXHIBIT A-2: FORMER MIDAS FRANCHISEES

**FRANCHISEES WHO HAVE LEFT THE MIDAS SYSTEM
BETWEEN JANUARY 2, 2010 AND JANUARY 1, 2011**
(TERMINATED, CANCELLED, NOT RENEWED, VOLUNTARILY
OR INVOLUNTARILY CEASED TO DO BUSINESS)

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

<u>Name</u>	<u>City</u>	<u>State</u>	<u>Phone</u>
Fred Faulkenberry III	Montgomery	AL	251-981-5032
William Irmen	Anthem	AZ	602-910-7080
Dennis Robbins & Cheralee Robbins	Scottsdale	AZ	480-994-0302
Bruce Reynolds	Diamond Bar	CA	909-708-6085
Timothy Washburn	Granite Bay	CA	916-595-4904
Steven Baer	Hermosa Beach	CA	310-378-8531
Marlene Norin	Hollywood	CA	818-992-3399
Maurice Glad	Modesto	CA	209-545-7070
Gary & Tonya Wilson	Moreno Valley	CA	951-780-7908
Scott Kaplan	Novato	CA	415-328-4155
Danny Chitin & Amos Mahrer	Oxnard	CA	805-983-0821
Sardon Jonoubei	Rancho Cordova	CA	530-885-2055
Luis Miranda & Sally Miranda	Riverside	CA	714-523-5873
Naser Zahedani	Roseville	CA	916-847-8892
Carmin Lim	Santa Ana	CA	714-549-8581
John Peterson & Reuben Stenman	Santa Rosa	CA	707-226-3616
James Cameron, Dona Cameron, Monica Cameron, & Joshua Cameron	Tustin	CA	949-481-5038
Lori Ann Brumley	Vallejo	CA	707-290-9516
Eric Stromsborg & Kevin Stromborg	Van Nuys	CA	818-908-5388
Richard Cummins & Cheryl Cummins	Victorville	CA	760-243-3868
Dana Dardis & Dwane Dardis	Montrose	CO	970-240-4711
Lupo Mancini	Middlebury	CT	860-117-2385
Joseph Curley & Michael Pawlowski	Willimantic	CT	860-886-0553
Karl Gaynair	Hollywood	FL	954-446-6625
David McNulty	Naples	FL	239-789-5109
Juan Vazquez	Pembroke Pines	FL	954-442-8883
Andrew Gay	Blairsville	GA	706-745-4530
Thomas O'Donnell & Stacy	Tucker	GA	770-968-1450

O'Donnell			
Fred Hoffman	Chicago	IL	312-670-2505
Murad Guiragossian	Chicago	IL	773-338-4419
Nancy Segal & Robert Segal	Elgin	IL	847-742-5614
Michael Pratt	Indianapolis	IN	317-842-4247
Timothy Hendricks	Haysville	KS	316-554-0607
Wayne McGee	Paducah	KY	270-442-0151
Douglas Perroncel, Lloyd Perroncel, Estelle Perroncel & John Pereoncel	Lafayette	LA	337-235-2105
Joseph Bernard	Burlington	MA	781-272-7800
Arthur Epstein	Lynnfield	MA	781-246-2277
Elie Rivollier III & Elie Rivollier Jr	Lynnfield	MA	781-246-2277
Timothy & Jeffrey Stearns	Natick	MA	508-655-0050
Bryan Cullins	Caribou	ME	207-498-8746
Richard Hodges	Dearborn Heights	MI	313-562-5166
Gerald Roster	Traverse City	MI	231-590-9373
Gaerald Roster	Traverse City	MI	231-946-8830
Farmers Union Oil Company of Alexandria	Alexandria	MN	320-763-6557
Jeremy Babcock, Jon Miller & Rick Keehn	Rochester	MN	507-282-5200
Joseph Helkamp & Lorri Helkamp	Shakopee	MN	952-445-0558
Diane Eckman, Jared Eckman, Michael Eckman Living Trust, DesPeres One Management Inc	St. Louis (Olive)	MO	636-343-8152
Edward Lockwood & Kathy Lockwood	Wentzeville	MO	314-363-4372
James Halbeisen	Gastonia	NC	704-655-9966
David Delaney	Wilmington	NC	910-794-9991
Michael Samuels	Cream Ridge	NJ	732-460-0294
Carmen Rutledge & Searcy Rutledge IV	Parsippany	NJ	201-602-9540
Angelika Miller	Totowa	NJ	973-980-7744
Robert Lawson	Santa Fe	NM	505-471-5500
Gregory Cremarosa, Robert Elam, Louis Mullfer & Benjamin Balme MD	Reno	NV	775-332-7707
Paul LaPiana	Buffalo	NY	716-656-8690
Kent Smith	Latham	NY	518-785-3695
Ronald Drexinger	Lockport	NY	716-433-1144
Loren Haxton Jr.	Orchard Park	NY	716-675-3488
Randolph Katz	Toledo	OH	419-243-7281
Craig Anderson & Richard Anderson	Milwaukie	OR	503-659-9180
Michael Yoruw	Tigard	OR	503-328-8166
Karen Barton & Mark	Erie	PA	814-455-8001

Bartosek			
Shawn Ferguson	Warwick	RI	401-823-1575
Shawn Thomson	Spartanburg	SC	864-591-1961
Russell Gordon	Collierville	TN	901-850-5801
Steven Stratton & Jimmie Stratton	Knoxville	TN	865-712-1484
John E. Pace III	Dallas	TX	214-368-5600
Roger Briggs	Ft Worth	TX	817-975-3254
Paul Guessford	Richardson	TX	972-238-8200
Lowell Goodman	San Antonio	TX	210-227-2739
Martin Mokry	San Antonio	TX	830-556-6880
Ernest Mokry	San Antonia	TX	830-534-0635
Matthew Moran & James Pecora	Murray	UT	801-685-8740
Tae Jong Kim	Arlington	VA	703-536-6401
T. Kevin Trump	Fairfax	VA	703-642-5747
Richard Carney	Virginia Beach	VA	757-852-9400
Charles Vineyard	Kennewick	WA	206-914-7101
Luis Jimenez	Mercer Island	WA	206-384-4553
Robert Sterling	Spokane	WA	509-838-4401

EXHIBIT A-3: CO-BRANDING FRANCHISEES AS OF JANUARY 1, 2011

Street Address	City	State	Zip	LegalEntityName	OwnerName	ShopPhone
California						
2000 F St	Davis	CA	95616	Wanderstadt Inc	Teresa Wanderstadt	530-753-1633
8573 Elk Grove Blvd	Elk Grove	CA	95624	Elk Grove Automotive Inc	Juan Duenas	916-686-1616
7970 Monterey St	Gilroy	CA	95020	Luis & Monica Cruz	Luis Cruz	408-848-3040
1699 Airline Hwy	Hollister	CA	95023	NJUST Enterprises, Inc	Nader Javid	831-638-9999
12470 Jackson Gate Rd	Jackson	CA	95642	T&L Automotive Enterprises, LLC	Troy Maxey	209-223-1455
5564 Monterey Rd	San Jose	CA	95138	S&P Auto Inc	Pravin J Patel, Sharad M Ramani	408-224-5500
1825 E Capitol Expwy	San Jose	CA	95121	Asghar Brothers Inc	Sher Khan, Fayaz Asghar	408-531-0701
1675 Tuolumne St	Vallejo	CA	94590	KEG Enterprises Inc	Kenneth E Giusti	707-642-9242
1496 Freedom Blvd	Watsonville	CA	95076	Berg-Weiss Enterprises, Inc	Robert Weissberg	831-722-9950
216 W Main St	Woodland	CA	95695	SA&K Inc	Saheed Khan, Ainul Khan	530-662-5605
Hawaii						
94-709 Farrington Hwy	Waipahu	HI	96797	Pereira Of Hawaii, Inc.	Robert D. Pereira, The Estate of Tony Pereira	808-628-6300
Louisiana						
1256 Business Hwy 190	Covington	LA	70433	Accardo Enterprises, Inc	Robney B Accardo, Vincent J Accardo	985-893-5540
1301 N Morrison Blvd	Hammond	LA	70401	Greenlight Ventures, LLC	Jeremy Joseph Slimmer, Michael Gerard Krantz, Susan Marie Fairchild	985-542-0074
Mississippi						
5032 US Hwy 98	Hattiesburg	MS	39402	G & M Holding Inc	Gerald Kelso	601-261-0077
310 Memorial Blvd	Picayune	MS	39466	Honey Due, LLC	Keith L Johnson	601-799-3022
New York						
6338 Thompson Rd	Syracuse	NY	13206	742 Thompson Auto Center, Ltd.	Randolph S. Katz	315-437-4391
Texas						
1012 W Monte Cristo Rd	Edinburg	TX	78539	Ariel Guzman, Sole Proprietor	Ariel Guzman	956-383-5100
19009 N Eastex	Humble	TX	77338	McCarver Enterprise, LTD	Walter P. McCarver	281-446-6402

EXHIBIT A-3: CO-BRANDING FRANCHISEES AS OF JANUARY 1, 2011

Street Address	City	State	Zip	LegalEntityName	OwnerName	ShopPhone
Virginia 3820 Electric Rd	Roanoke	VA	24018	TJH Automotive Inc	Tom J Haas	540-772-4850
910 Hardy Road	Vinton	VA	24179	TJH Automotive Inc	Tom J Haas	540-857-0002

EXHIBIT B: FINANCIAL STATEMENTS

MIDAS, INC.

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Financial statement schedules are omitted because they are not applicable or the required information is presented in the financial statements or related notes.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Midas, Inc.:

We have audited the accompanying consolidated balance sheets of Midas, Inc. (the “Company”) as of fiscal year end 2010 and 2009, and the related consolidated statements of operations, cash flows, and changes in shareholders’ equity for each of the fiscal years 2010, 2009 and 2008. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Midas, Inc. as of fiscal-year end 2010 and 2009, and the results of its operations and cash flows for fiscal years 2010, 2009 and 2008, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Midas, Inc.’s internal control over financial reporting as of January 1, 2011, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 17, 2011 expressed an unqualified opinion on the effectiveness of the Company’s internal control over financial reporting.

KPMG LLP

Chicago, Illinois
March 17, 2011

MIDAS
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except for earnings per share)

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Sales and revenues:			
Franchise royalties and license fees	\$53.0	\$53.6	\$57.2
Real estate revenues from franchised shops	31.8	32.6	34.6
Company-operated shop retail sales	77.6	65.4	61.4
Replacement part sales and product royalties	22.9	25.3	29.2
Warranty fee revenue	1.2	0.5	—
Software sales and maintenance revenue	<u>5.9</u>	<u>5.4</u>	<u>5.0</u>
Total sales and revenues	<u>192.4</u>	<u>182.8</u>	<u>187.4</u>
Operating costs and expenses:			
Franchised shops – occupancy expenses	22.5	22.7	22.8
Company-operated shop parts cost of sales	22.3	18.2	16.1
Company-operated shop payroll and employee benefits	33.2	28.1	26.1
Company-operated shop occupancy and other operating expenses	25.5	22.0	20.8
Replacement part cost of sales	21.0	22.9	26.4
Warranty expense (benefit)	0.9	0.1	(2.7)
Selling, general, and administrative expenses	50.5	51.2	54.1
European arbitration award	25.5	—	—
Loss on sale of assets, net	—	0.2	0.9
Business transformation charges	<u>—</u>	<u>3.2</u>	<u>1.6</u>
Total operating costs and expenses	<u>201.4</u>	<u>168.6</u>	<u>166.1</u>
Operating income (loss)	(9.0)	14.2	21.3
Interest expense	(9.3)	(8.3)	(9.1)
Other income, net	<u>0.3</u>	<u>0.4</u>	<u>0.8</u>
Income (loss) before income taxes	(18.0)	6.3	13.0
Income tax expense (benefit)	<u>(4.6)</u>	<u>3.7</u>	<u>5.2</u>
Net income (loss)	<u>\$ (13.4)</u>	<u>\$ 2.6</u>	<u>\$ 7.8</u>
Earnings (loss) per share:			
Basic	<u>\$ (0.97)</u>	<u>\$ 0.19</u>	<u>\$ 0.58</u>
Diluted	<u>\$ (0.97)</u>	<u>\$ 0.19</u>	<u>\$ 0.56</u>
Average number of shares:			
Common shares outstanding	13.8	13.7	13.5
Common stock warrants	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
Shares applicable to basic earnings	13.9	13.8	13.6
Equivalent shares on outstanding stock awards	<u>—</u>	<u>—</u>	<u>0.3</u>
Shares applicable to diluted earnings	<u>13.9</u>	<u>13.8</u>	<u>13.9</u>

See accompanying notes to financial statements.

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EXHIBIT B

FINANCIAL STATEMENTS – FISCAL YEAR 2010

MIDAS
CONSOLIDATED BALANCE SHEETS
(In millions, except per share data)

<u>Fiscal Year End</u>	<u>2010</u>	<u>2009</u>
Assets:		
Current assets:		
Cash and cash equivalents.....	\$ 0.6	\$ 0.9
Receivables, net	29.5	31.2
Inventories.....	5.0	5.6
Deferred income taxes	18.0	9.5
Prepaid assets	4.1	4.4
Other current assets	<u>3.0</u>	<u>3.0</u>
Total current assets	60.2	54.6
Property and equipment, net	81.1	86.4
Goodwill and other intangible assets, net	41.0	36.8
Deferred income taxes	43.9	46.1
Other assets	<u>3.5</u>	<u>4.7</u>
Total assets.....	<u>\$229.7</u>	<u>\$228.6</u>
Liabilities and equity:		
Current liabilities:		
Current portion of long-term obligations	\$ 1.7	\$ 1.5
Current portion of accrued warranty	1.7	2.0
Accounts payable	21.1	22.8
Accrued expenses.....	20.5	24.0
Accrued European arbitration award	<u>25.5</u>	<u>—</u>
Total current liabilities	70.5	50.3
Long-term debt.....	62.7	71.9
Obligations under capital leases.....	1.3	1.6
Finance lease obligation.....	29.1	30.5
Pension liability	22.5	20.1
Accrued warranty.....	9.1	11.3
Deferred warranty obligation	6.8	5.3
Other liabilities.....	<u>6.7</u>	<u>4.6</u>
Total liabilities	<u>208.7</u>	<u>195.6</u>
Temporary equity:		
Non-vested restricted stock subject to redemption	3.8	3.7
Shareholders' equity:		
Common stock (\$.001 par value, 100 million shares authorized, 17.7 million shares issued) and paid-in capital	8.9	6.3
Treasury stock, at cost (3.5 million shares).....	(71.8)	(71.5)
Retained income.....	97.6	111.0
Accumulated other comprehensive loss.....	<u>(17.5)</u>	<u>(16.5)</u>
Total shareholders' equity.....	<u>17.2</u>	<u>29.3</u>
Total liabilities and shareholders' equity	<u>\$229.7</u>	<u>\$228.6</u>

See accompanying notes to financial statements.

MIDAS
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:			
Net income (loss)	\$ (13.4)	\$ 2.6	\$ 7.8
Adjustments reconciling net income to net cash provided by operating activities:			
Depreciation and amortization	9.3	9.4	10.1
Stock-based compensation	2.8	3.6	3.7
Amortization of financing fees and change in interest rate swap valuation.....	0.5	0.4	0.3
Warranty liability adjustment	(0.3)	(0.6)	(3.4)
European arbitration award	25.5	—	—
Business transformation charges	—	3.2	1.6
Deferred income taxes	(6.3)	3.3	6.4
Loss on sale of fixed assets	—	0.2	0.9
Cash outlays for business transformation costs.....	(0.2)	(2.0)	(1.5)
Changes in assets and liabilities, exclusive of effects of European arbitration award, business transformation charges, acquisitions and dispositions:			
Receivables	(0.8)	0.2	(0.7)
Inventories.....	0.3	(1.3)	(1.0)
Accounts payable	(1.5)	2.0	6.2
Accrued expenses.....	(3.3)	0.4	(2.5)
Other	3.4	(2.0)	(1.5)
Total changes in assets and liabilities	<u>(1.9)</u>	<u>(0.7)</u>	<u>0.5</u>
Net cash provided by operating activities	<u>16.0</u>	<u>19.4</u>	<u>26.4</u>
Cash flows from investing activities:			
Capital investments	(4.3)	(3.1)	(6.4)
Cash paid for acquired businesses	(3.5)	(1.3)	(24.5)
Proceeds from sales of assets	<u>2.9</u>	<u>0.3</u>	<u>1.0</u>
Net cash used in investing activities	<u>(4.9)</u>	<u>(4.1)</u>	<u>(29.9)</u>
Cash flows from financing activities:			
Net borrowings (repayments) under revolving lines of credit	(9.2)	(11.7)	7.3
Payments for debt financing fees	—	(1.5)	—
Decrease in outstanding checks	(0.3)	(0.2)	(2.0)
Payment of principal obligations under capital leases	(0.3)	(0.3)	(0.7)
Payment of principal obligations under finance lease	(1.3)	(1.1)	(1.1)
Cash received for common stock	—	—	0.2
Cash paid for treasury shares	(0.4)	(0.7)	(0.4)
Borrowings under capital lease arrangements	<u>0.1</u>	<u>—</u>	<u>—</u>
Net cash provided by (used in) financing activities.....	<u>(11.4)</u>	<u>(15.5)</u>	<u>3.3</u>
Net change in cash and cash equivalents	(0.3)	(0.2)	(0.2)
Cash and cash equivalents at beginning of period	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>
Cash and cash equivalents at end of period.	<u>\$ 0.6</u>	<u>\$ 0.9</u>	<u>\$ 1.1</u>

See accompanying notes to financial statements.

MIDAS
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In millions)

	Common Stock And Paid-in Capital		Treasury Stock		Retained Income	Comprehensive Income (Loss)	Accumulated Other Comprehensive Loss
	Shares	Amount	Shares	Amount			
Fiscal year end 2007	17.7	\$ 8.8	(3.9)	\$ (81.0)	\$ 100.6		\$ (3.3)
Restricted stock awards	—	(4.3)	0.2	4.3	—	\$ —	—
Purchase of treasury shares	—	—	—	(0.4)	—	—	—
Stock option transactions	—	(0.1)	—	0.3	—	—	—
Stock option expense	—	1.3	—	—	—	—	—
Restricted stock vesting	—	1.1	—	—	—	—	—
Net income	—	—	—	—	7.8	7.8	—
Other comprehensive income							
— foreign currency translation	—	—	—	—	—	(2.1)	(2.1)
— unrecognized pension costs, net of taxes	—	—	—	—	—	(12.6)	(12.6)
— loss on derivative financial instruments, net of tax	—	—	—	—	—	(0.8)	(0.8)
Comprehensive loss	—	—	—	—	—	<u>\$(7.7)</u>	—
Fiscal year end 2008	17.7	6.8	(3.7)	(76.8)	108.4		(18.8)
Restricted stock awards	—	(6.0)	0.3	6.0	—	\$ —	—
Purchase of treasury shares	—	—	(0.1)	(0.7)	—	—	—
Stock option expense	—	1.1	—	—	—	—	—
Restricted stock vesting	—	4.4	—	—	—	—	—
Net income	—	—	—	—	2.6	2.6	—
Other comprehensive income							
— foreign currency translation	—	—	—	—	—	1.2	1.2
— unrecognized pension costs, net of taxes	—	—	—	—	—	0.6	0.6
— gain on derivative financial instruments, net of tax	—	—	—	—	—	0.5	0.5
Comprehensive income	—	—	—	—	—	<u>\$4.9</u>	—
Fiscal year end 2009	17.7	6.3	(3.5)	(71.5)	111.0		(16.5)
Restricted stock awards	—	(0.3)	—	0.3	—	\$ —	—
Purchase of treasury shares	—	—	—	(0.4)	—	—	—
Stock option expense	—	1.0	—	—	—	—	—
Restricted stock vesting	—	1.4	—	—	—	—	—
Forfeiture of restricted stock	—	0.5	—	(0.2)	—	—	—
Net loss	—	—	—	—	(13.4)	(13.4)	—
Other comprehensive income							
— foreign currency translation	—	—	—	—	—	0.5	0.5
— unrecognized pension costs, net of taxes	—	—	—	—	—	(1.5)	(1.5)
Comprehensive loss	—	—	—	—	—	<u>\$(14.4)</u>	—
Fiscal year end 2010	<u>17.7</u>	<u>\$ 8.9</u>	<u>(3.5)</u>	<u>\$(71.8)</u>	<u>\$ 97.6</u>		<u>\$(17.5)</u>

See accompanying notes to financial statements.

MIDAS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

Nature of Business and Basis of Presentation

Midas, Inc. (“MDS” or the “Company”) provides retail automotive services principally through franchised or licensed shops in the U.S., Canada, Europe and other countries. Through March of 2008, the Company’s sole franchise concept was Midas auto repair centers (“Midas”). In April of 2008, MDS acquired the SpeeDee Oil Change and Tune-up franchise system (“SpeeDee”) and now sells Midas, SpeeDee and Midas-SpeeDee Co-Branded franchises. The consolidated financial statements presented herein include Midas, Inc. and all of its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Fiscal Periods

Fiscal year 2010 ended on January 1, 2011 and consisted of 52 weeks. Fiscal year 2009 ended on January 2, 2010 and consisted of 52 weeks. Fiscal year 2008 ended on January 3, 2009 and consisted of 53 weeks.

Foreign Currency Translation and Transactions

All assets and liabilities of non-U.S. operations are translated into U.S. dollars using exchange rates as of the end of each fiscal period. Income and expense items are translated at average exchange rates prevailing during each fiscal period. The resulting translation adjustments are recorded as a component of shareholders’ equity. Gains and losses from foreign currency transactions are included in net earnings.

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits with banks and financial institutions and are unrestricted as to withdrawal or use, and which have an original maturity of three months or less. Cash and cash equivalents includes customer credit card payments that settle within 2-3 business days of the fiscal period end.

Fair Value of Financial Instruments

MDS’s financial instruments include cash and cash equivalents, receivables, accounts payable, and long-term debt. No public market exists for the Company’s long term debt. Since the Company’s credit agreement was amended on December 4, 2009, interest rate spreads have declined. As a result, MDS estimates that the fair value of the Company’s \$62.7 in debt is approximately \$63.8 million. The carrying amounts of the other financial assets and liabilities approximate their fair values because of the short maturities of those instruments.

Derivative Financial Instruments

The Company has market risk exposure to changes in interest rates, principally in the United States. MDS attempts to minimize this risk and fix a portion of its overall borrowing costs through the utilization of interest rate swaps. These swaps are entered into with financial institutions and have critical dates and terms that result in the swaps being highly effective.

Valuation of Receivables

The Company records receivables due from its franchisees and other customers at the time the sale is recorded in accordance with its revenue recognition policies. These receivables consist of amounts due from the sale of products, royalties due from franchisees and suppliers, rents and other amounts. The future collectability of these amounts can be impacted by the Company's collection efforts, the financial stability of its customers and franchisees, and the general economic climate in which it operates. Recent market conditions have increased the uncertainty in making these estimates. Any adverse change in these factors could have a significant impact on the collectability of these assets and could have a material impact on the Company's consolidated financial statements.

The Company applies a consistent practice of establishing an allowance for accounts that it feels may become uncollectible through reviewing the historical aging of its receivables and by monitoring the financial strength of its franchisees and other customers. Where MDS becomes aware of the inability of a customer or franchisee to meet its financial obligations (e.g., where it is in financial distress or has filed for bankruptcy), the Company specifically reserves for the potential bad debt to reduce the net recognized receivable to the amount it reasonably believes will be collected. The valuation of receivables is performed on a quarterly basis.

In addition, the Company records receivables from third parties at the time a transaction is completed. These third party receivables are recorded at their estimated net realizable value. On a quarterly basis, the Company assesses the collectability of these receivables.

Notes Receivable

Notes receivable relate to franchisee financing arrangements for certain previously past due balances and other long-term receivables that exceed one year. They bear interest at a market rate based on the franchisee's credit quality and are recorded at face value. Interest is recognized over the life of the note. The notes are typically collateralized by inventory, equipment or similar assets of the franchisee. The Company has not and does not intend to sell these receivables. Past due notes receivable are considered during the Company's valuation of receivables.

Inventory Valuation

Inventories are valued at the lower of cost or net realizable value. Inventory cost is determined using the weighted-average cost method, which approximates the first-in, first-out method. Additionally, the Company periodically evaluates the carrying value of its inventory to assess the proper valuation. This evaluation includes having adequate allowances to cover losses in the normal course of operations, providing for excess and obsolete inventory, and ensuring that inventory is valued at the lower of cost or market. In performing this evaluation, the Company considers historical data such as actual loss experience, past and projected usage, rights to return product to vendors and actual margins generated from sales of its products.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method and includes amortization of assets held under capital and finance leases. When property is sold or retired, the cost and accumulated depreciation are eliminated from the accounts and gains or losses are recorded in the statement of operations. Expenditures for maintenance and repairs are expensed as incurred.

Buildings and improvements are depreciated over useful lives ranging from 10 to 40 years. Machinery and equipment is depreciated over useful lives ranging from three to 12 years, and computer hardware is

depreciated over useful lives of three to five years. Major enterprise-level computer software is depreciated over 10 years while all other software is depreciated over five years.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

In assessing the valuation of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences at January 1, 2011. In the event that management determines the Company would not be able to realize all or part of the net deferred tax assets in the future, an adjustment to the deferred tax assets would be charged to income in the period in which such determination was made.

Carrying Value of Goodwill and Long-Lived Assets

Goodwill: The Company tests the recorded amount of goodwill for recovery on an annual basis in the fourth quarter of each fiscal year. Goodwill is tested more frequently if indicators of impairment exist. The Company continually assesses whether any indicators of impairment exist, which requires a significant amount of judgment. Such indicators may include: a sustained significant decline in our share price and market capitalization; a decline in our expected future cash flows; a significant adverse change in legal factors or in the business climate; unanticipated competition; the testing for recoverability of a significant asset group within a reporting unit; or slower growth rates, among others. Any adverse change in these factors could have a significant impact on the recoverability of these assets and could have a material impact on our consolidated financial statements.

The goodwill impairment test is a two step analysis. In Step One, the fair value of each reporting unit is compared to its book value. Management must apply judgment in determining the estimated fair value of these reporting units. Fair value is determined using a combination of present value techniques and quoted market prices of comparable businesses. If the fair value of the reporting unit exceeds its carrying value, goodwill is not deemed to be impaired for that reporting unit, and no further testing would be necessary. If the fair value of the reporting unit is less than the carrying value, the Company performs Step Two. Step Two uses the calculated fair value of the reporting unit to perform a hypothetical purchase price allocation to the fair value of the assets and liabilities of the reporting unit. The difference between the fair value of the reporting unit calculated in Step One and the fair value of the underlying assets and liabilities of the reporting unit is the implied fair value of the reporting unit's goodwill. A charge is recorded in the financial statements if the carrying value of the reporting unit's goodwill is greater than its implied fair value.

The determination of fair value of the reporting units and assets and liabilities within the reporting units requires management to make significant estimates and assumptions. These estimates and

assumptions primarily include, but are not limited to, the discount rate, terminal growth rates, earnings before depreciation and amortization, and capital expenditures forecasts. Due to the inherent uncertainty involved in making these estimates, actual results could differ from those estimates. In both the U.S. and Canada, the reporting unit is defined as retail operations, which consists of both franchised and Company-operated locations.

Long-lived Assets: Long-lived assets include property and equipment, intangible assets, long-term prepaid assets and other non-current assets. The Company reviews long-lived assets held for use for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Events that may indicate long-lived assets may not be recoverable include, but are not limited to, a significant decrease in the market price of long-lived assets, a significant adverse change in the manner in which the Company utilizes a long-lived asset, a significant adverse change in the business climate, a recent history of operating or cash flow losses, or a current expectation that it is more likely than not likely that a long-lived asset will be sold or disposed of in the future. For impairment testing purposes, the Company groups its long-lived assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities (the asset group).

If the Company determines that a long-lived asset or asset group may not be recoverable, it compares the sum of the expected undiscounted future cash flows that the asset or asset group is expected to generate to the asset or asset group's carrying value. If the sum of the undiscounted future cash flows exceed the carrying amount of the asset or asset group, the asset or asset group is not considered impaired. However, if the sum of the undiscounted future cash flows is less than the carrying amount of the assets or asset group, a loss is recognized for the difference between the fair value of the asset or asset group and the carrying value of the asset or asset group. The fair value of the asset or asset group is generally determined by discounting the expected future cash flows using a discount rate that is commensurate with the risk associated with the amount and timing of the expected future cash flows. Due to the inherent uncertainty involved in making these estimates, actual results could differ from those estimates.

Fixed assets held for sale are carried at the lower of the carrying amount or fair value, less costs to sell. Assets held for sale are no longer depreciated.

Revenue Recognition

Franchise royalties are recognized in the periods that correspond to the periods in which retail sales and revenues are recognized by franchisees. Franchise renewal fees are recognized when the new franchise agreement is signed by the franchisee, the renewal period commences and all contractual obligations have been met. Product royalties are recognized as earned based on the volume of franchisee purchases of products from certain vendors. Real estate revenues are recognized as earned on a monthly basis in accordance with underlying property lease terms using the straight-line method. The majority of real estate revenues are derived from Midas shop locations. Nearly all of these locations are subject to an annual percentage rent based upon the location's retail sales volume for the calendar year. Replacement part sales are recognized at the time products are shipped. Sales and revenues of company-operated shops are recognized when customer vehicles are repaired or serviced. Taxes collected on behalf of taxing authorities are not recognized as revenue, but rather are recorded as a liability and remitted to the proper taxing authority. Warranty fee revenue is recorded at the same time warranty expense is recognized, which is at the time a lifetime warranted product claim is submitted to the Company.

Revenues derived from franchise fees, which represented approximately 0.6%, 0.8% and 1.1% of franchising revenues in fiscal 2010, 2009 and 2008, respectively, are recognized when the franchised shop opens and after certain contractual obligations have been met. Costs related to securing initial franchise agreements and performing the required services under such agreements are charged to expense as incurred.

Advertising

Advertising costs are expensed as incurred.

Recognition of Warranty Costs

Customers are provided a written warranty from MDS on certain Midas products purchased from Midas shops in North America, namely brake friction, mufflers, shocks and struts. The warranty will be honored at any Midas shop in North America and is valid for the lifetime of the vehicle, but is voided if the vehicle is sold. The Company maintains a warranty accrual to cover the estimated future liability associated with outstanding warranties. The Company determines the estimated value of outstanding warranty claims based on: 1) an estimate of the percentage of all warranted products sold and registered in prior periods at retail that are likely to be redeemed; and 2) an estimate of the cost of redemption of each future warranty claim on a current cost basis. These estimates are computed using actual historical registration and redemption data as well as actual cost information on current redemptions.

Annual warranty activity is summarized as follows (in millions):

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Accrued warranty expense at beginning of period	\$ 13.3	\$ 16.5	\$ 24.8
Warranty benefit, net	(0.3)	(0.3)	(2.7)
Changes in foreign currency exchange rate	0.1	0.5	(1.1)
Warranty credit issued to franchisees (warranty claims paid)	<u>(2.3)</u>	<u>(3.4)</u>	<u>(4.5)</u>
Accrued warranty expense at end of period	10.8	13.3	16.5
Less current portion	<u>1.7</u>	<u>2.0</u>	<u>2.4</u>
Accrued warranty – non-current	<u>\$ 9.1</u>	<u>\$ 11.3</u>	<u>\$ 14.1</u>

Warranty expense (benefit) is included in operating costs and expenses in the statements of operations. A portion of warranty expense incurred is also paid as claims within the same fiscal year. Warranty expense was reduced by \$0.3 million, \$0.6 million and \$3.4 million in fiscal 2010, 2009 and 2008, respectively, due to changes in estimated warranty redemptions.

As of January 1, 2008, the Company changed how the Midas warranty obligations are funded in the United States. From June 2003 through December 2007, product royalties received from the Company's preferred supply chain vendors were recorded as revenue and substantially offset the cost of warranty claims. Beginning in fiscal 2008, the Midas warranty program in the United States is funded directly by Midas franchisees. The franchisees are charged a fee for each warranted product sold to customers. The fee is charged when the warranty is registered with the Company. The fee billed to franchisees is deferred and is recognized as revenue when the actual warranty is redeemed and included in warranty expense. This fee is intended to cover the Company's cost of the new warranty program, thus revenues under this program will match expenses and the new warranty program will have no impact on the results of operations. In connection with this change, beginning in 2008 Midas system franchisees in the United States started receiving rebates on their purchases from the Company's preferred supply chain vendors and MDS no longer receives product royalties on Midas franchisee purchases in the United States. Because the Company's U.S. supply chain partners are responsible for the warranty of parts during the first 12 months, MDS did not begin to record revenues or expenses under the new program until fiscal 2009.

As of July 1, 2009, the Company changed how the Midas warranty obligations are funded in Canada to match the U.S. program. As a result, beginning in July 2009 Midas system franchisees in Canada started receiving rebates on their purchases from the Company's preferred supply chain vendors and MDS no longer receives product royalties on Midas franchisee purchases in Canada. Because the Company's

Canadian supply chain partners are responsible for the warranty of parts during the first 12 months, MDS did not begin to record revenues or expenses under the new Canadian program until fiscal 2010.

Annual activity for the deferred warranty obligation related to this new program is summarized as follows (in millions):

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Deferred warranty obligation at beginning of period	\$ 5.3	\$ 3.0	\$ —
Warranty fees charged to franchisees and company-operated shops	2.8	2.8	3.0
Warranty credits to company-operated shops	(0.1)	—	—
Warranty credits to franchisees (recognized as revenue and expense) ..	<u>(1.2)</u>	<u>(0.5)</u>	<u>—</u>
Deferred warranty obligation at end of period	<u>\$ 6.8</u>	<u>\$ 5.3</u>	<u>\$ 3.0</u>

Stock-Based Compensation

The Company records an expense for outstanding unvested stock awards based on the grant-date fair value of those awards. The fair value of stock option awards has been determined using the Black-Scholes option pricing model.

Earnings Per Share

Because MDS reported a loss in fiscal 2010, all stock options were excluded from the computation of earnings per share as they would be anti-dilutive.

Potential common share equivalents that could impact basic and diluted earnings per share but were excluded because they would be anti-dilutive were as follows (in millions):

Stock options	1.4	1.8	1.4
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Financial Statement Preparation

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Such estimates include inventory valuation, valuation of receivables, business transformation charges, carrying values of goodwill, intangible assets, long-lived assets, and net deferred tax assets and warranty obligations. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Illiquid credit markets, volatile equity, foreign currency and energy markets, and declines in consumer spending have combined to increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

Management has evaluated all activity of MDS and concluded that one material subsequent event occurred. This event is disclosed below in Note 2 of the Notes to Consolidated Financial Statements.

Impact of New Accounting Standards

On January 3, 2010, MDS adopted changes issued by the Financial Accounting Standards Board (FASB) to accounting for variable interest entities. These changes require significant modifications to the analysis, evaluation and disclosure of variable interest entities. The adoption of these changes had no material impact on the Company's Financial Statements.

On January 3, 2010, MDS adopted changes issued by the FASB to disclosure requirements for fair value measurements. Specifically, the changes require a reporting entity to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers. The changes also clarify existing disclosure requirements related to how assets and liabilities should be grouped by class and valuation techniques used for recurring and nonrecurring fair value measurements. Other than the required additional disclosures, the adoption of these changes had no impact on the Company's Financial Statements.

(2) Subsequent Event

On March 3, 2011 the arbitral tribunal based in Geneva, Switzerland, issued its final ruling in the arbitration between MDS and its European licensee MESA S.p.A. ("MESA") and Mobivia Group S.A. ("Mobivia", formerly known as Norauto Groupe SA). MESA had filed a request for arbitration on June 12, 2009, seeking damages of up to €256 million from MDS, claiming breach of a 1998 agreement of strategic alliance ("ASA") and requesting termination of the license agreement under which royalty payments are paid to MDS. Under the terms of the ASA, disputes are to be settled by binding arbitration in Geneva, Switzerland, under the UNCITRAL Arbitration Rules.

MDS prevailed in its defense of the vast majority of claims that MESA and Mobivia had asserted as to MDS' obligation to invest under the ASA in Midas Europe. However, the arbitral tribunal has awarded MESA \$23.4 million plus interest of five percent from June 12, 2009 of \$2.1 million through the ruling date, in connection with MESA's claim that MDS failed to cooperate in the improvement of IT systems in the European operations.

Because MESA failed to prevail in the majority of its claims, the arbitral tribunal ordered MESA to pay 85 percent of MDS' legal and other arbitration expenses and MDS to pay 15 percent of MESA's expenses, resulting in MESA being required to pay MDS a net amount of approximately \$2.5 million.

The damages payable to MESA will be offset by \$2.1 million in MESA's license fee payments due to MDS that were held in escrow as of the ruling date.

As a result of this ruling, MDS recorded a \$25.5 million European arbitration award expense in its fiscal 2010 consolidated financial statements, and a corresponding \$25.5 million accrued European arbitration award liability. The Company also recorded a \$2.5 million reduction in selling, general and administrative expense for the fee recovery, and a corresponding receivable.

The license agreement between Midas and MESA continues in full force and the license fee royalty stream is to continue uninterrupted. The initial term of the license agreement expires in 2028 with additional 30 year options available.

(3) Debt Agreements

On December 4, 2009, MDS entered into a three-year extension of its existing unsecured revolving credit facility. The credit agreement was extended through October 27, 2013 with no material changes in existing covenants. The extended facility is for \$125 million and is further expandable to \$175 million by the Company with lender approval. The interest rate floats based on the underlying rate of LIBOR and the Company's leverage and was priced at LIBOR plus 3.00% at January 1, 2011. This facility requires maintenance of certain financial covenants including maximum allowable leverage, minimum fixed charge coverage and minimum net worth.

As a result of the accrual of the \$25.5 million European arbitration award in 2010, the Company was in violation of certain financial covenants as of January 1, 2011. On March 16, 2011, the Company's lenders waived the covenant violations and entered into an amendment to the credit agreement. The amendment provides, among other things, that the \$25.5 million arbitration award is excluded from the definition of consolidated adjusted EBITDA as defined in the credit agreement ("Consolidated Adjusted EBITDA") for purposes of the covenant calculations.

As of January 1, 2011, a total of \$62.7 million was outstanding under the revolving credit facility. As of January 2, 2010, a total of \$71.9 million was outstanding under the revolving credit facility.

In November 2005, \$20 million in revolving bank debt was converted from floating rate to fixed rate by locking-in LIBOR at 4.89% for a five-year period. In addition, in March 2007, MDS entered into an interest rate swap arrangement to convert an additional \$25 million in revolving bank debt from floating rate to a fixed rate by locking-in LIBOR at 4.91% through October 2010. Both of these swap arrangements expired prior to January 1, 2011.

In January 2010, the Company entered into a \$40 million forward starting swap to coincide with the end dates of its existing swaps. As a result of this forward swap transaction, in the period from November 2010 through October 2013 (end of the recently extended bank agreement) the Company has locked-in LIBOR at 2.71% for \$40 million of its \$62.7 million in revolving bank debt.

The November 2005, March 2007 and January 2010 swap arrangements have been designated as cash flow hedges and have been evaluated to be highly effective. As a result, the after-tax change in the fair value of these swaps is recorded in accumulated other comprehensive loss as a gain or loss on derivative financial instruments.

The fair value of the Company's revolving credit facility is determined as the present value of expected future cash flows discounted at the current interest rate for loans of similar terms and comparable credit risk. Interest rate spreads have declined since the debt was refinanced on December 4, 2009. As a result, the fair value of the debt currently exceeds the book value.

<u>Expected Maturity Date</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>There- after</u>	<u>Total</u>	<u>Fair Value</u>
Long-term debt:						
Revolving credit facility (variable rate)..	\$ —	\$ —	\$ 62.7	\$ —	\$ 62.7	\$ 63.8
Average interest rate			3.40%		3.40%	

(4) Supplemental Balance Sheet, Cash Flow and Shareholders' Equity Information

Receivables and Notes Receivable

Receivables are stated net of an allowance for doubtful accounts. The allowance for doubtful accounts consisted of (in millions):

<u>Fiscal Year End</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Allowance for doubtful accounts at beginning of year	\$ 4.7	\$ 3.5	\$ 3.8
Additions charged to bad debts	1.9	2.0	2.1
Write-downs charged against allowance	<u>(2.5)</u>	<u>(0.8)</u>	<u>(2.4)</u>
Allowance for doubtful accounts at end of year.....	4.1	4.7	3.5
Less portion allocated to long term notes receivable	<u>(1.2)</u>	<u>(1.5)</u>	<u>(1.3)</u>
Portion allocated to receivables.....	<u>\$ 2.9</u>	<u>\$ 3.2</u>	<u>\$ 2.2</u>

The current portion of notes receivable is included in net receivables and the long term portion is included in other assets. Notes receivable consisted of (in millions):

<u>Fiscal Year End</u>	<u>2010</u>	<u>2009</u>
Current portion	\$ 3.3	\$ 3.0
Long term portion.....	<u>1.9</u>	<u>2.7</u>
Notes receivable	<u>\$ 5.2</u>	<u>\$ 5.7</u>

The long term portion of notes receivable are shown net of an allowance for doubtful accounts of \$1.2 million in fiscal 2010 and \$1.5 million in fiscal 2009.

The acquisition of certain company-operated shops resulted in non-cash reductions of accounts receivable of approximately \$2.5 million and \$0.3 million during fiscal 2010 and 2009, respectively.

Receivables include certain non-trade receivables such as vendor receivables, insurance recoveries and other non-recurring items. Non-trade receivables were \$4.1 million as of January 1, 2011 and \$4.9 million as of January 1, 2010.

Inventories

Inventories are comprised of finished goods, net of reserves. Inventory reserves consisted of (in millions):

<u>Fiscal Year End</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Inventory reserves at beginning of year	\$ 0.2	\$ 0.4	\$ 0.7
Additions charged to expense.....	0.4	0.4	0.2
Reserve against inventory of newly acquired shops.....	—	—	0.1
Write-downs charged against reserves	<u>(0.2)</u>	<u>(0.6)</u>	<u>(0.6)</u>
Inventory reserves at end of year	<u>\$ 0.4</u>	<u>\$ 0.2</u>	<u>\$ 0.4</u>

Property and Equipment

Property and equipment consisted of the following (in millions):

<u><i>Fiscal Year End</i></u>	<u>2010</u>	<u>2009</u>
Land.....	\$ 43.0	\$ 42.4
Buildings and improvements	93.5	94.4
Machinery and equipment	16.7	16.5
Computer hardware	4.3	7.9
Computer software	<u>38.3</u>	<u>33.8</u>
Total property and equipment	195.8	195.0
Accumulated depreciation and amortization	<u>(114.7)</u>	<u>(108.6)</u>
Property and equipment, net	<u>\$ 81.1</u>	<u>\$ 86.4</u>

The Company recorded depreciation expense of \$8.7 million, \$8.8 million, and \$9.3 million in fiscal 2010, 2009 and 2008, respectively. Depreciation expense is included in operating costs and expenses in the Statement of Operations.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets consisted of the following (in millions):

<u><i>Fiscal Year End</i></u>	<u>2010</u>	<u>2009</u>
Goodwill.....	\$ 23.4	\$ 20.4
Trademark	12.2	12.5
Franchise agreements	6.0	4.1
Customer lists	<u>1.6</u>	<u>1.5</u>
Total goodwill and other intangible assets	43.2	38.5
Accumulated amortization	<u>(2.2)</u>	<u>(1.7)</u>
Goodwill and other intangible assets, net	<u>\$ 41.0</u>	<u>\$ 36.8</u>

In January 2010, MDS acquired 22 Midas shops from an existing Midas franchisee. As a result of this acquisition, the Company recorded \$5.5 million in incremental goodwill and other intangibles, which included \$1.9 million of intangible franchise agreements, \$0.2 million of customer lists and \$3.4 million of goodwill. The \$1.9 million of intangible franchise agreements will be amortized over a weighted average period of 12 years and the \$0.2 million of customer lists will be amortized over a period of 2 years. The goodwill is not amortized in accordance with GAAP, but is tested annually for impairment in the fourth quarter. All of the acquired intangible assets are deductible for tax purposes. Simultaneous with and as part of the transaction, the Company re-franchised two of the locations to a new franchisee and bought out of the lease on a third location, bringing the net acquisition to 19 shops.

In addition to the above activity, the Company re-franchised 18 company-operated Midas and two company-operated Speedee shops in fiscal 2010. The re-franchising of these 20 company-operated shops resulted in a write-down of \$0.7 million of intangible assets.

During fiscal 2009, the Company acquired 10 Midas shops from franchisees for \$1.6 million, which generated \$1.3 million of incremental goodwill, franchise agreement and customer list intangibles. In addition, MDS completed the acquisition of three franchised Speedee shops from the founders of the Speedee business. This acquisition was part of the March 2008 Speedee acquisition, but the transfer of the shops from G.C. & K.B. Investments, Inc. to MDS was delayed due to leasing issues. As a result, funds held in escrow were released to G.C. & K.B. Investments, Inc. and \$0.8 million of incremental goodwill was recorded. Goodwill, trademark and customer list intangibles were reduced by \$0.3 million

in connection with the re-franchising of four company-operated shops and the closure of four under performing company-operated shops.

Intangible trademarks and goodwill have indefinite lives and, therefore, are not amortized, but are tested annually for impairment in the fourth quarter. MDS computed its annual test in the fourth quarter, which resulted in no impairment. All of the acquired intangible assets are deductible for tax purposes.

Acquired customer lists are amortized over the first two years after acquisition. Acquired franchise agreements are amortized over the remaining life of the agreements acquired. Approximately \$3.9 million of acquired franchise agreements were from the SpeedDee acquisition and will be amortized over the next 19 years. The Company recorded amortization expense of \$0.6 million in fiscal 2010 and \$0.6 million in fiscal 2009.

Accrued Expenses

Accrued expenses consisted of the following (in millions):

<u>Fiscal Year End</u>	<u>2010</u>	<u>2009</u>
Advertising	\$ 9.3	\$ 10.0
Taxes other than income taxes	4.7	4.6
Debt swap liability	—	1.8
Salaries and wages	2.0	1.4
Income taxes.....	0.2	0.3
Business transformation charges	—	0.3
Insurance reserves (current portion).....	0.2	0.5
Vendor rebates payable to franchisees	1.5	1.8
Property reserves (current portion).....	0.2	0.3
Accrued legal fees	0.4	0.3
Accrued interest.....	0.2	0.6
Other.....	<u>1.8</u>	<u>2.1</u>
Accrued expenses	<u>\$ 20.5</u>	<u>\$ 24.0</u>

Supplemental Cash Flow Information

Net cash flow from operating activities includes cash payments for interest and income taxes as follows (in millions):

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Interest paid	\$ 9.2	\$ 7.7	\$ 8.5
Income taxes paid, net of tax refunds.....	0.6	0.7	0.7

Supplemental Shareholders' Equity Information

Accumulated other comprehensive loss consisted of the following (in millions):

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Foreign currency translation.....	\$ (0.6)	\$ (1.1)	\$ (2.3)
Unrecognized pension costs, net of tax	(15.9)	(14.4)	(15.0)
Loss on derivative financial instruments, net of tax	<u>(1.0)</u>	<u>(1.0)</u>	<u>(1.5)</u>
Accumulated other comprehensive loss	<u>\$ (17.5)</u>	<u>\$ (16.5)</u>	<u>\$ (18.8)</u>

(5) Advertising

Under the terms of its Midas franchise agreements, MDS is obligated to spend an amount equal to one-half of the royalty payments received from Midas franchisees for advertising expenditures. Amounts received from Midas franchisees for advertising are recorded as liabilities until disbursed. MDS also administers cooperative advertising programs under which amounts received from certain Midas franchisees are recorded as liabilities until they are disbursed. Aggregate expenditures under these programs by Midas' North American operations amounted to \$50.0 million, \$47.2 million, and \$49.6 million in fiscal 2010, 2009, and 2008, respectively.

Under the terms of its Speedee franchise agreements, MDS must use all weekly marketing fees collected from franchisees for the development of advertising and marketing materials and programs or the placement of advertising. Amounts received from Speedee franchisees are recorded as a liability until disbursed. Aggregate expenditures under this program were \$3.5 in fiscal 2010 and \$3.4 million in fiscal 2009. In the nine months in fiscal 2008 after the MDS purchase of Speedee expenditures were approximately \$2.7 million.

MDS also incurs certain advertising costs that are included in selling, general and administrative expenses, which amounted to \$4.9 million, \$4.2 million, and \$4.4 million in fiscal 2010, 2009, and 2008, respectively.

(6) Income Taxes

Income tax expense (benefit) consisted of the following (in millions):

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Current:			
U.S. Federal	\$ —	\$ —	\$ —
Non-U.S.	0.4	0.4	0.4
U.S. state and local	<u>0.3</u>	<u>0.3</u>	<u>0.2</u>
Total current	<u>0.7</u>	<u>0.7</u>	<u>0.6</u>
Deferred:			
U.S. Federal	(4.8)	2.2	3.0
Non-U.S.	0.4	0.4	1.0
U.S. state and local	<u>(0.9)</u>	<u>0.4</u>	<u>0.6</u>
Total deferred	<u>(5.3)</u>	<u>3.0</u>	<u>4.6</u>
Total income tax expense (benefit)	<u>\$ (4.6)</u>	<u>\$ 3.7</u>	<u>\$ 5.2</u>

The items which gave rise to differences between the income taxes in the statements of operations and the income taxes computed at the U.S. statutory rate are summarized as follows:

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Income tax expense (benefit) computed at U.S. statutory rate	(35.0)%	35.0%	35.0%
U.S. state and local taxes, net of U.S. Federal income tax effects ...	(4.2)	4.3	3.4
Non-U.S. effective tax rate differential	(0.2)	(0.5)	(0.5)
Write off of restricted stock and stock option deferred tax asset	1.2	8.3	—
Non-deductible expenses (primarily executive compensation)	1.2	6.6	1.8
Change in valuation allowance	11.5	1.4	1.2
Revaluation of deferred tax asset for rate change and utilization	—	4.0	(0.5)
Other items	—	(0.4)	(0.1)
Effective income tax rate	<u>(25.5)%</u>	<u>58.7%</u>	<u>40.3%</u>

The Company's effective tax rate for fiscal 2010 was (25.5)%, which was below the 2010 statutory tax rate of 39.2%. The fiscal 2010 variance from the statutory rate was primarily due to the current year book loss, incremental non-deductible expenses, a write down of the deferred tax asset related to the restricted stock that vested during the year at a value significantly lower than the amount that was expensed for financial statement purposes and a write off of the deferred tax asset related to stock options that were forfeited during the year. In addition the Company increased its valuation allowance against certain foreign tax credit carryforwards based on expected utilization.

Pretax income from non-U.S. operations amounted to \$0.7 million in fiscal 2010, \$0.9 million in fiscal 2009, and \$2.7 million in fiscal 2008. As of January 2010, the non-U.S. operations had no accumulated earnings and profits.

Deferred income taxes are created by "temporary differences" between amounts of assets and liabilities for financial reporting purposes and such amounts as reported under income tax regulations. Deferred tax assets and liabilities consisted of (in millions):

<u>Fiscal Year End</u>	<u>2010</u>	<u>2009</u>
Deferred tax assets attributable to:		
Business transformation accruals	\$ 1.0	\$ 1.0
Employee benefits and vacation accruals	5.1	4.5
Goodwill	0.3	1.6
Net operating loss carryforwards and tax credits	28.0	29.8
Warranty reserve	6.5	6.9
Depreciation and amortization	3.7	1.5
Pensions	8.2	7.4
European arbitration award	9.0	—
Other items	<u>2.5</u>	<u>3.3</u>
Total deferred tax assets	64.3	56.0
Valuation allowance	<u>(2.4)</u>	<u>(0.4)</u>
Net deferred tax asset	<u>\$ 61.9</u>	<u>\$ 55.6</u>
Net deferred tax assets included in:		
Current assets	\$ 18.0	\$ 9.5
Non-current assets	<u>43.9</u>	<u>46.1</u>
Net deferred tax assets	<u>\$ 61.9</u>	<u>\$ 55.6</u>

As of January 2, 2010, the Company had recorded valuation allowances of \$0.4 million against certain state income tax net operating loss carryovers because the Company has determined that it is more likely than not that this portion of these deferred tax assets will not be realized. During fiscal 2010, the Company recorded an additional valuation allowance of \$2.0 million against certain foreign tax credit

carryovers because the company determined that it was more likely than not that this portion of the deferred tax asset will not be realized. The Company believes that it is more likely than not that the results of future operations will generate sufficient taxable income to realize the remaining U.S. and Canadian deferred tax assets.

As of January 1, 2011, the Company has net operating loss carryforwards of approximately \$64.3 million available to offset future taxable income for Federal and Canadian income tax purposes. The Federal net operating loss carryforwards of approximately \$59.1 million expire between 2023 and 2024. The Company generated approximately \$3.8 million in Federal taxable income in fiscal 2010 and \$6.6 million in fiscal 2009. The Company believes that it will generate sufficient additional Federal taxable income in future years to fully utilize the \$59.1 million net operating loss carryforward before it begins to expire in 2023.

The \$25.5 million European arbitration award recorded in fiscal 2010 will be treated as a deduction in the Company's fiscal 2011 income tax return thereby creating an additional \$25.5 million of net operating loss carryforwards.

The Canadian net operating loss carryforward is approximately \$5.2 million and expires between 2014 and 2028. The Company's Canadian operation generated taxable income of \$2.1 million in fiscal 2010 and taxable income of \$1.0 million in fiscal 2009. The Company believes that it will generate sufficient taxable income in Canada in future tax years to fully utilize the \$5.2 million Canadian net operating loss carryforward before it expires.

The Company also has tax credits of approximately \$4.0 million available to offset future Federal income taxes. The tax credits expire between 2015 and 2020.

(7) Franchise Agreements

The Company's franchise agreements generally cover a 15 to 20-year period and provide for renewals. A franchise agreement can be canceled by the Company only in the event a franchisee fails to comply with the provisions of the agreement. Franchise agreements provide for initial and renewal fees and continuing royalty payments based on a percentage of sales. Midas franchisees pay the Company monthly royalties based on a percentage of sales. In North America, MDS is obligated to spend an amount equal to one-half of the royalty payments it receives for advertising. SpeeDee franchisees pay advertising fees that are not included in the royalty payments.

Worldwide MDS shops in operation as of fiscal year end consisted of (unaudited):

<u><i>Midas Shops</i></u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Franchised and licensed	2,218	2,278	2,411
Company-operated	<u>101</u>	<u>100</u>	<u>98</u>
Total	<u>2,319</u>	<u>2,378</u>	<u>2,509</u>
 <u><i>SpeeDee Shops</i></u>			
Franchised and licensed	165	162	171
Company-operated	<u>6</u>	<u>7</u>	<u>2</u>
Total	<u>171</u>	<u>169</u>	<u>173</u>

As of January 1, 2011, there were 20 franchised shops and 26 company-operated shops within the Midas and SpeeDee systems operating as Co-Brand locations.

(8) Leases

Control of the real estate used by Midas shops is a fundamental strength of the Midas program. Speedee franchise agreements also contain provisions for lease control but until recently such control has not been required. Going forward, real estate control will be required of new and renewing Speedee franchisees.

MDS employs a number of methods to ensure continued dedication of the real estate to the franchise program. MDS leases real estate that is subleased to franchisees and owns real estate in the U.S. and Canada that is leased to franchisees. MDS has also entered into contingent operating lease agreements that are described below. At fiscal year end 2010, approximately 89% of real estate associated with North American Midas shops was controlled by Midas, using one of these methods.

Leased Real Estate and Equipment

Gross rent expense applicable to operating leases relates to rentals of shops, corporate administration facilities and other miscellaneous facilities. Gross rent expense, the sublease rental income from franchisees and other third parties that reduced gross rent expense, and the resulting net rent expense for fiscal 2010, 2009 and 2008 are presented below (in millions):

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Gross rent expense	\$ 28.5	\$ 28.2	\$ 27.6
Sublease rental income	<u>23.1</u>	<u>24.0</u>	<u>25.6</u>
Net rent expense	<u>\$ 5.4</u>	<u>\$ 4.2</u>	<u>\$ 2.0</u>

Substantially all of the Company's operating leases provide that MDS pay taxes, maintenance, insurance, and certain other operating expenses. The subleases with franchisees contain provisions for MDS to recover such costs. Real estate expenses are recognized using the straight-line method.

Real Estate Sale and Leaseback Transaction

MDS owns retail properties throughout the United States and Canada that are leased to franchisees and operated as Midas shops. During fiscal 2002, the Company sold 77 of these properties to Realty Income Corporation, a publicly traded real estate investment trust (REIT), and realized approximately \$39.6 million in net proceeds. Simultaneous to that sale, MDS leased these properties from Realty Income Corporation and the sites continue to be leased to Midas franchisees under existing leases. Because these properties will continue to generate rents to MDS, the Company recorded a finance lease obligation pursuant to ASC 840-40 (Subtopic 40, "Sale-Leaseback Transactions", of Topic 840) on the balance sheet of \$39.6 million, equal to the net sale price of the properties, and no gain on the sale was recognized. The properties remain on the balance sheet at their historic cost and continue to be depreciated over their remaining useful lives. Annual lease payments (shown below) will be made through the expiration of the lease in 2022.

Minimum Annual Rental Payments

At fiscal year end 2010, annual minimum rental payments due under capital, finance and operating leases that have initial or remaining non-cancelable terms in excess of one year, along with sublease rental income on real estate due under non-cancelable subleases were as follows (in millions):

	<u>Capital Leases</u>	<u>Finance Leases</u>	<u>Operating Leases</u>	<u>Sublease Rentals</u>	<u>Total</u>
2011	\$ 0.4	\$4.8	\$ 27.2	\$ (21.9)	\$ 10.5
2012	0.4	4.8	24.8	(19.7)	10.3
2013	0.4	4.8	20.2	(15.6)	9.8
2014	0.3	4.8	16.2	(11.9)	9.4
2015	0.3	4.7	13.3	(8.8)	9.5
Thereafter	<u>0.2</u>	<u>30.6</u>	<u>45.8</u>	<u>(28.9)</u>	<u>47.7</u>
Total minimum lease payments	2.0	54.5	<u>\$147.5</u>	<u>\$(106.8)</u>	<u>\$97.2</u>
Less imputed interest	<u>0.4</u>	<u>24.0</u>			
Present value of minimum lease payments	1.6	30.5			
Less current portion	<u>0.3</u>	<u>1.4</u>			
Obligations under capital and finance lease obligations— noncurrent	<u>\$1.3</u>	<u>\$ 29.1</u>			

At fiscal year end 2010 and 2009, the net book value of property under capital leases included in the balance sheets amounted to \$0.9 million and \$1.2 million, respectively. At fiscal year end 2010 and 2009, the net book value of property under finance leases included in the balance sheets amounted to \$24.1 million and \$24.7 million, respectively.

Real Estate Owned by Midas and Leased to Franchisees

MDS owns real estate located in various communities throughout the United States and Canada that is leased to franchisees under operating lease agreements. Substantially all leases are for initial terms of 20 years and provide for minimum and contingent rentals.

Real estate leased to franchisees and included in the balance sheets consisted of (in millions):

<u>Fiscal Year End</u>	<u>2010</u>	<u>2009</u>
Land	\$ 24.0	\$ 24.3
Buildings and improvements	<u>49.2</u>	<u>50.8</u>
Total property and equipment	73.2	75.1
Accumulated depreciation	<u>(39.4)</u>	<u>(38.3)</u>
Property and equipment, net	<u>\$ 33.8</u>	<u>\$ 36.8</u>

Rental revenue on owned real estate for fiscal 2010 was \$8.3 million, compared to \$8.8 million in fiscal 2009 and \$9.0 million in fiscal 2008. Minimum future lease payments to be received are as follows (in millions):

2011	\$ 7.9
2012	7.5
2013	7.4
2014	7.3
2015	7.3
Thereafter	<u>52.4</u>
Total	<u>\$89.8</u>

Certain sub-leases on owned real estate contain a clause whereby future minimum rental income is contingent upon future retail sales at the location. As a result of this contingency, minimum future lease payments to be received, based upon retail sales, have not been included in the table above. The estimated future lease payments to be received by the Company under these lease agreements, based on the last fixed minimum rent, are as follows (in millions):

2011	\$ 0.3
2012	0.7
2013	0.8
2014	0.8
2015	0.8
Thereafter	<u>5.3</u>
Total	<u>\$ 8.7</u>

Contingent Operating Lease Agreements

MDS has entered into contingent operating lease agreements covering real estate that is leased by U.S. and Canadian franchisees from parties that are directly or indirectly related to the franchisees. At January 1, 2011, 63 Midas and 13 SpeeDee shops were covered by these contingent operating lease agreements, under which MDS could be required, under certain limited circumstances, to begin making rental payments with respect to individual shop locations. For the contingent Midas shop leases, the average annual shop rental is \$59 thousand with an average remaining term of approximately four years. For the contingent SpeeDee shop leases, the average shop rental is \$61 thousand with an average remaining term of approximately 12 years.

Management believes that, individually and in the aggregate, any potential difference that might arise under these contingent lease agreements between the rental expense and the rental income from future subleases would not materially affect the financial position or results of operations of MDS.

(9) Pension Plans

Defined Benefit Pension Plans and Other Postretirement Plans

Certain MDS employees in the U.S. and Canada are covered under various defined benefit pension plans sponsored and funded by MDS. Plans covering salaried employees provide pension benefits based on years of service, and generally are limited to a maximum of 20% of the employees' average annual compensation during the five years preceding retirement. Plans covering hourly employees generally provide benefits of stated amounts for each year of service. Plan assets are invested primarily in common stocks, corporate bonds, government securities and cash and cash equivalent securities. The cost of these plans is being funded currently.

Net periodic pension cost for fiscal 2010, 2009 and 2008 are presented in the following table (in millions):

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Service cost	\$ 1.0	\$ 0.9	\$ 0.9
Interest cost on projected benefit obligation.....	3.8	3.8	3.6
Expected return on assets	(4.5)	(4.4)	(5.0)
Net amortization and deferral	1.2	0.8	0.6
Other	<u>—</u>	<u>(0.4)</u>	<u>—</u>
Total net periodic cost.....	<u>\$ 1.5</u>	<u>\$ 0.7</u>	<u>\$ 0.1</u>

The principal economic assumptions used in the determination of net periodic pension cost of the U.S. Defined Benefits Plan included the following:

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Discount rate	5.375%	5.875%	6.125%
Expected long-term rate of return on plan assets.....	8.25%	8.25%	8.25%
Rate of increase in compensation levels.....	3.00%	3.00%	3.25%

The Company used the Mercer Discount Yield Curve as the basis for determining the 2010 discount rate and used the Citigroup pension index as the basis for determining the 2009 and 2008 discount rates. Such indices are long term in nature, which reflects the future timing of the expected cash flows for the pension plan. The rate of increase in compensation levels reflects a 3.00% increase for 2010 and beyond. Because of a one year wage freeze enacted in 2009, the 2009 actuarial valuation used a 0.00% rate of increase in compensation levels for 2009 and a 3.00% increase for all subsequent years.

The Company believes the assumed long-term rate of return on pension plan assets is appropriate given the Company's target long-term asset allocation. The Company believes its target asset allocation is appropriate given the expected timing and amount of expenses for the plan. The Company's target asset allocation and actual asset allocation for fiscal 2010 and fiscal 2009 were as follows for the U.S. Defined Benefit Plan:

<u>Fiscal Year</u>	Target	<u>2010</u>	<u>2009</u>
Large cap domestic equity securities	29%	29%	29%
Mid cap domestic equity securities	10	11	10
Small cap domestic equity securities.....	15	16	16
International equity securities.....	15	14	15
Fixed income and cash	<u>31</u>	<u>30</u>	<u>30</u>
Total.....	<u>100%</u>	<u>100%</u>	<u>100%</u>

The Canadian Hourly Defined Benefit Plan and the Canadian Salary Defined Benefit Plan assets were allocated 100% to cash and cash equivalents as of the end of fiscal 2010. In early 2011, the plan assets were diversified to a mix more appropriate for the on-going pension obligations as the final wind-up payments were made throughout 2010. The fair value of the Canadian plan assets was approximately \$4.0 million as of January 1, 2011.

The fair value of the pension plans' assets at January 1, 2011 by asset category are as follows (in millions):

	<u>End of Fiscal Year 2010</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Large cap domestic equity securities	\$ 13.6	\$ 13.6	\$ —	\$ —
Mid cap domestic equity securities.....	5.0	5.0	—	—
Small cap domestic equity securities	7.6	7.6	—	—
International equity securities.....	6.8	6.8	—	—
Fixed income and cash.....	<u>18.4</u>	<u>18.4</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 51.4</u>	<u>\$ 51.4</u>	<u>\$ —</u>	<u>\$ —</u>

Large Cap Domestic Equity Securities: Large cap domestic equity securities are primarily investments in publicly-traded mutual funds either indexed to or containing stocks similar to those contained in the Standard & Poor's ("S&P") 500 Index, which represents a market capitalization-weighted index of the 500 largest and most widely held stocks. Standards and Poor's chooses the member companies for the 500 based on market size, liquidity and industry group representation. Included are the stocks of industrial, financial, utility and transportation companies.

Mid Cap Domestic Equity Securities: Mid cap domestic equity securities are primarily investments in publicly-traded mutual funds either indexed to or containing stocks similar to those contained in the S&P Mid Cap 400, which is the most widely used index for mid-sized companies. The S&P Mid Cap 400 covers over 7% of the U.S. equities market.

Small Cap Domestic Equity Securities: Small cap domestic equity securities are primarily investments in publicly-traded mutual funds either indexed to or containing stocks similar to those contained in the Russell 2000 Index, which measures the performance of the small-cap segment of the entire U.S. equity market. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 8% of the total market capitalization of that index. It includes 2,000 of the smallest securities based on a combination of their market cap and current index membership.

International Equity Securities: International equity securities are primarily investments in publicly-traded mutual funds either indexed to or containing stocks similar to those contained in the Morgan Stanley Capital International ("MSCI") Europe Australasia Far East ("EAFE") Index. The MSCI EAFE Index is a benchmark of international equity investments representing approximately 85% of the developed market's total capitalization, excluding the U.S. and Canada.

Fixed Income and Cash: Fixed income and cash are primarily mutual funds indexed to or benchmarked to bonds in the Barclay's Capital Aggregate Bond Index, which is a market capitalization weighted index for U.S. investment grade bonds, as well as investments in a global bond fund. A portion of the cash is invested in common collective trust money market funds.

The following table presents estimated future benefits payments over the next 10 years, including expected future service, as appropriate, as of January 1, 2011 (in millions):

<u>Fiscal Year</u>	
2011	\$ 3.8
2012	3.4
2013	3.5
2014	3.7
2015	3.9
2016 – 2020	22.6

The changes in the projected benefit obligations for fiscal 2010 and fiscal 2009 were as follows (in millions):

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>
Benefit obligations as of the beginning of the year	\$66.6	\$63.5
Change in foreign currency exchange rates	0.1	0.6
Service cost	0.9	0.8
Interest cost	3.8	3.7
Actuarial loss	4.8	1.6
Census data adjustment	—	(0.4)
Benefits paid and plan expenses	<u>(4.3)</u>	<u>(3.2)</u>
Benefit obligations as of the end of the year	<u>\$71.9</u>	<u>\$66.6</u>

The changes in the fair market value of the plan assets for fiscal 2010 and fiscal 2009 were as follows (in millions):

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>
Fair value of assets as of the beginning of the year ...	\$ 48.9	\$ 44.6
Change in foreign currency exchange rates	0.2	0.8
Actual return on plan assets	5.2	6.1
Company contributions.....	1.4	0.6
Benefits paid and plan expenses	(4.3)	(3.2)
Fair value of assets as of the end of the year	<u>\$ 51.4</u>	<u>\$ 48.9</u>

The Company's policy is to fund the pension plans in accordance with applicable U.S. and Canadian government regulations and to make additional contributions as required. As of January 1, 2011, the Company has met all regulatory minimum funding requirements. As a result of the significant reduction in the fair value of the U.S. plan assets in 2008, MDS was required to make a contribution to the U.S. plan in fiscal year 2009. New legislation, the *Worker, Retiree, Employer Recovery Act of 2008 (WRERA)*, was passed in late December 2008 and provided temporary relief of pension funding requirements. Under WRERA, the Company made contributions of \$1.4 million to the U.S. Plan in 2010 and expects to contribute approximately \$3.1 million to the U.S. Plan during 2011.

The following table reconciles the pension plans' funded status to the amounts recognized in MDS's balance sheets as of fiscal year end 2010 and 2009 (in millions):

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>
Actuarial present value of projected benefit obligation	\$ (71.9)	\$ (66.6)
Plan assets at fair market value	<u>51.4</u>	<u>48.9</u>
Accrued pension cost recognized on balance sheets	<u>\$ (20.5)</u>	<u>\$ (17.7)</u>

Amounts recognized in accumulated other comprehensive loss as of fiscal 2010 and fiscal 2009 were as follows (in millions and before tax):

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>
Net actuarial loss	\$ 28.3	\$ 26.0

As of January 1, 2011, the Company has recorded accrued pension costs as follows (in millions):

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>
Canadian prepaid pension asset.....	\$0.3	\$2.3
Canadian prepaid reserve	(0.3)	(2.3)
Accrued U.S. pension liability.....	<u>(20.8)</u>	<u>(20.1)</u>
Pension liability	<u>\$ (20.8)</u>	<u>\$ (20.1)</u>

The \$0.3 million and \$2.3 million valuation reserves in fiscal 2010 and fiscal 2009, respectively, represent an offset to the Canadian prepaid pension asset. As per provincial laws, any asset balance in excess of the Projected Benefit Obligation is not an asset of the Company.

Defined Contribution Plans

Substantially all U.S. salaried employees, certain U.S. hourly employees, and certain Canadian employees participate in voluntary, contributory defined contribution plans to which MDS makes full or partial matching contributions. The Company's matching contributions to these plans amounted to approximately \$0.4 million, \$0.4 million, and \$1.0 million in fiscal 2010, 2009 and 2008, respectively. MDS incurred costs to maintain the defined contribution plans of \$0.0 million, \$0.1 million and \$0.2 million in fiscal 2010, 2009 and 2008, respectively.

(10) Stock-Based Compensation and Other Equity Instruments

Stock Options

The Midas Stock Incentive Plan, the Midas Treasury Stock Plan and the Midas Directors' Deferred Compensation Plan (the "Plans") authorize the issuance of up to 4,806,886 shares of Midas common stock pursuant to the exercise of incentive stock options, non-qualified stock options and stock appreciation rights and the grant of restricted stock and performance awards. Options granted pursuant to the Plans generally vest over a period of four or five years commencing one year after the date of grant. It is the Company's policy to issue shares out of treasury when options are exercised. The following table summarizes information regarding the outstanding stock options as of January 1, 2011:

	<u>Number of Shares</u>	<u>Option Price Ranges</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Term (in years)</u>	<u>Aggregate Intrinsic Value (in millions)</u>
Outstanding at fiscal year end 2007	1,551,249	\$6.77– \$34.66	\$14.33		
<u>GRANTED</u>	230,000	15.22– 15.22	15.22		
Exercised	(14,088)	8.09– 15.65	14.04		
Cancelled and forfeited.....	<u>(89,608)</u>	15.65– 22.17	21.40		
Outstanding at fiscal year end 2008	1,677,553	6.77– 34.66	14.08		
<u>GRANTED</u>	298,000	9.87– 9.87	9.87		
Cancelled and forfeited.....	<u>(48,500)</u>	14.88– 34.66	26.41		
Outstanding at fiscal year end 2009	1,927,053	6.77– 23.99	13.12		
<u>GRANTED</u>	5,000	7.00– 7.00	7.00		
<u>CANCELLED AND FORFEITED</u>	(74,550)	8.09– 22.17	16.20		
<u>TENDERED IN EXCHANGE</u>	(747,090)	15.22– 23.99	18.91		
Issued in exchange.....	<u>297,760</u>	7.52– 7.52	7.52		
Outstanding at fiscal year end 2010	<u>1,408,173</u>	6.77– 22.17	8.73	5.1	\$0.9
Exercisable at fiscal year end 2010	<u>1,055,135</u>	6.77– 22.17	8.55	3.8	0.8

At its annual meeting of shareholders on May 11, 2010, the Company received shareholder approval to implement an employee stock option exchange program. Under this program, employees holding stock options granted between 2004 and 2008 with exercise prices ranging from \$15.22 to \$23.99 were offered the opportunity to exchange their existing stock options for a lesser number of replacement stock options. The exchange program was completed on September 10, 2010. As a result of this exchange, 747,090 options were retired and 297,760 replacement options were issued at a strike price of \$7.52. The replacement options will vest in two equal installments of 50% per year on the first and second anniversaries of the grant date and are exercisable for a period of 10 years from the grant date. The number of replacement stock options granted was determined using an exchange ratio such that the fair

value of the replacement options received in the exchange equaled the fair value of the options surrendered in the exchange. The stock option exchange program did not result in additional expense.

Additional information pertaining to option activity during fiscal 2010, 2009 and 2008 was as follows (in millions):

Weighted average grant-date fair value of stock options issued (returned):	<u>2010</u>	<u>2009</u>	<u>2008</u>
Stock options granted.....	\$—	\$ 1.3	\$ 1.3
Stock options exercised.....	—	—	0.1
Stock options vested	0.7	1.2	2.3
Stock options tendered for exchange	(14.1)	—	—
Stock options issued in exchange.....	2.2	—	—
Stock options cancelled and forfeited	(1.2)	(0.7)	(1.1)

The weighted average estimated fair value of the options granted or issued in exchange in fiscal 2010, 2009 and 2008 was \$3.47, \$4.52 and \$5.82, respectively, based on the Black-Scholes valuation model using the following assumptions:

<u>Fiscal Year</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Risk-free interest rate.....	1.84%	2.45%	3.06%
Dividend yield.....	0.0%	0.0%	0.0%
Expected volatility	47.5	43.4	32.5
	0%	8%	0%
Expected life in years.....	5.75	6.25	6.25

As of January 2, 2011, there was \$1.7 million in stock option compensation expense related to unvested awards not yet recognized, which is expected to be recognized over a weighted average period of 1.1 years. Due to the limited number of stock option recipients, the Company uses the simplified method to estimate the expected life.

Restricted Stock

Annually the Company grants shares of restricted stock to certain of its employees, officers and directors. Certain restricted stock vests at the five or seven year anniversary, with provisions for accelerated vesting upon the occurrence of certain pre-determined events (“cliff-vesting shares”), while other restricted stock vests equally over periods of three to five-years or only upon the occurrence of certain pre-determined events (the latter being referred to as “performance shares”). The fair value of all but the performance share grants is equal to the stock price on the date of the grant. The fair value of the performance share grants is based on their derived service period calculated using either a Monte Carlo simulation model or management’s expectations of achieving the objectives depending on the nature of the performance criteria. Activity for restricted shares for the prior three years, including the non-vested restricted shares outstanding and the weighted average grant-date fair value of those restricted shares is shown in the table below:

	Number of Restricted <u>Shares</u>	Weighted Average Grant-Date <u>Fair Value</u>
Non-vested balance at fiscal year end 2007.....	570,045	\$15.75
Granted	208,000	10.08
Vested	<u>(87,680)</u>	12.30
Non-vested balance at fiscal year end 2008.....	690,365	14.66
Granted	288,900	9.03
Vested	<u>(221,062)</u>	(20.14)
Non-vested balance at fiscal year end 2009.....	758,203	10.57
Granted	15,000	9.32
Forfeited.....	(33,379)	(11.67)
Vested	<u>(108,988)</u>	(12.56)
Non-vested balance at fiscal year end 2010.....	<u>630,836</u>	10.37

The shares granted in 2010 included independent directors and a special grant to one employee.

The performance shares granted in fiscal 2009 and fiscal 2008 vest only if certain internal performance measures, all pertaining to growth of the company's cash flow, are met or exceeded. These conditionally vested grants were valued based on management's estimate of meeting the performance requirement.

As of January 1, 2011, there was \$2.3 million of unamortized restricted stock compensation of which \$6.1 million was included as a reduction to paid-in capital and \$3.8 million was included in non-vested restricted stock subject to redemption. The \$2.3 million of unamortized restricted stock compensation is expected to be recognized over a weighted average period of 1.4 years.

Restricted stock grants include a "change in control" provision, which provides for cash redemption of unvested restricted stock in certain circumstances. ASC Topic 480, Distinguishing Liabilities From Equity requires securities with contingent cash settlement provisions that are not solely in the control of the issuer, without regard to probability of occurrence, to be classified outside of shareholders' equity. While the Company believes the possibility of occurrence of any such change of control event is remote, the contingent cash settlement of the restricted stock as a result of such event would not be solely in the control of the Company. As such, the Company presents the \$3.8 million value of unvested restricted stock as temporary equity on the consolidated balance sheet. Upon the vesting of the restricted stock the Company reclassifies the value of the restricted stock to permanent equity.

Common Stock Warrants

On March 27, 2003, the Company issued 1.0 million warrants valued at \$5.0 million in connection with its 2003 debt restructuring. On January 5, 2004, 500,000 of these warrants were automatically cancelled because the Company met certain financial objectives contained in the warrant agreements. As of January 1, 2011, a total of 41,273 warrants remained outstanding. The exercise price of the warrants is \$0.01, and the warrants are exercisable at any time up to March 27, 2013. Any warrants that remain unexercised at March 27, 2013 are automatically exercised as of that date.

(11) Shareholder Rights Agreement and Series A Junior Participating Preferred Stock

In fiscal 2007, MDS adopted a Rights Agreement providing for the issuance of one Preferred Stock Purchase Right (a "Right") with each share of MDS common stock. Each Right entitles the registered holder to purchase from MDS one one-hundredth of a share of Series A Junior Participating Preferred Stock (a "Preferred Share") at a price of \$80 per one one-hundredth of a Preferred Share (the "Purchase Price"), subject to adjustment. The Rights will become exercisable on the Rights Distribution Date, which is the earlier of the tenth day following a public announcement that a person(s) has acquired beneficial ownership of 20% or more of the MDS common stock (an "Acquiring Person"), or ten business days after the commencement of a tender offer or exchange offer that would result in a person(s) acquiring beneficial ownership of 20% or more of the outstanding shares of Midas common stock.

If a person becomes an Acquiring Person, each Right holder (other than the Acquiring Person) will be entitled to receive, upon exercise of the Right, a number of shares of MDS common stock having a market value of two times the exercise price of the Right. If MDS is acquired in a merger or other business combination, each Right holder (other than the Acquiring Person) will be entitled to receive, upon exercise of a Right, a number of the acquiring Company's common shares having a market value at that time of two times the exercise price of the Right.

In general, MDS can redeem all the Rights for one cent per Right at any time until the date that a person has become an Acquiring Person. On December 14, 2009, the Rights Agreement was amended to exempt certain institutional investors from the definition of Acquiring Person. Specifically, it exempted investors who have Beneficially Owned (as defined in the Rights Agreement) more than 5% of the Company's outstanding common stock during the preceding three years and do not Beneficially Own 24.5% or more of the Company's outstanding common stock.

The Rights will expire on December 31, 2017. Until a Right is exercised, the holder of a Right (merely by being a Right holder) will have no rights as a shareholder of Midas, including voting or dividend rights.

Each Preferred Share will be entitled to a minimum preferential quarterly dividend payment of \$0.01 per share, but will be entitled to an aggregate dividend of 100 times the dividend declared per share of MDS common stock. Each Preferred Share will have 100 votes, voting together with the MDS common stock. In the event of a merger or other transaction in which shares of common stock of the Company are exchanged, each Preferred Share will be entitled to receive 100 times the amount received per share of MDS common stock.

The Company has 20 million authorized shares of Series A Junior Participating Preferred Stock. There are no Series A Junior Participating Preferred Stock issued or outstanding.

(12) Contingencies

MDS has certain contingent liabilities arising from various pending claims and litigation related to a number of matters. While the Company believes the claims are without merit, an adverse outcome could have a material adverse effect on the business.

California Class Action

The Company is currently involved in a class action lawsuit filed in the Superior Court of California for the County of Los Angeles in June 2006 that alleges that certain franchised California Midas shops intentionally issued invoices to certain brake customers that incorrectly indicated that the customers had received Midas-branded brake products when, in fact, they had received inferior non-Midas brake

products. MDS denies the plaintiffs' allegations and is vigorously defending this lawsuit. MDS has thus far been successful in challenging the legal sufficiency of the plaintiffs' claims. The plaintiffs' third amended complaint was dismissed in February 2009. The plaintiffs filed a fourth amended complaint in March of 2009. The Company continues to believe that the allegations are without merit. However, there can be no assurance the Company will prevail in such proceedings. An adverse ruling could have a material adverse effect on the Company's financial condition and results of operations.

Canadian Franchise Purported Class Action

A class action lawsuit was filed against the Company in the Ontario Superior Court of Justice by two Canadian Midas franchisees. The plaintiffs alleged various violations of the Midas Franchise and Trademark Agreement and applicable law and sought class certification and monetary damages of approximately \$168 million. The class certification hearing took place in February 2009 and the court released its certification ruling on March 26, 2009. Of the many claims asserted by the plaintiff, the only claim for which class certification was granted was the issue of whether Midas Canada breached its common law and statutory duties of good faith and fair dealing when it implemented its new supply chain program in 2003. All other causes of action were rejected by the court. The Company is currently in the process of compiling historical documents as a result of the plaintiffs' discovery request. The Company continues to believe this lawsuit is without merit. However, there can be no assurance the Company will prevail in such proceedings. An adverse ruling could have a material adverse effect on the Company's financial condition and results of operations.

(13) Derivative Instruments

The Company has market risk exposure to changes in interest rates, principally in the United States. MDS attempts to minimize this risk and fix a portion of its overall borrowing costs through the utilization of interest rate swaps. MDS hedges variable cash flows resulting from floating-rate debt. Variable cash flows from outstanding debt are converted to fixed-rate cash flows by entering into receive-variable, pay-fixed interest-rate swaps. Hedge ineffectiveness is eliminated by matching all terms of the hedged item and the hedging derivative at inception and on an ongoing basis. MDS does not exclude any terms from consideration when applying the matched terms method.

The fair values of the Company's interest rate swaps are estimated using Level 2 inputs, which are based on model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. The Company also considers counterparty credit-risk and bilateral or "own" credit risk adjustments in estimating fair value, in accordance with the requirements of U.S. GAAP.

The fair value of derivative instruments is summarized as follows (in millions):

	<u>As of January 1, 2011</u>		<u>As of January 2, 2010</u>	
	<u>Balance Sheet Location</u>	<u>Fair Value</u>	<u>Balance Sheet Location</u>	<u>Fair Value</u>
<u>Derivatives designed as hedging instruments</u>				
Interest rate contracts	Accrued expenses	\$ —	Accrued expenses	\$ 1.8
Interest rate contracts	Other liabilities	<u>1.8</u>	Other liabilities	<u>—</u>
Total		<u>\$ 1.8</u>		<u>\$ 1.8</u>

Because the interest rate contracts have been designated as cash flow hedges and have been evaluated to be highly effective, there is no impact on the Statement of Operations. The after-tax change in the fair value of these swaps is recorded in accumulated other comprehensive income as a gain or loss on derivative financial instruments.

(14) Business Segment Information

MDS operates in a single business segment and provides retail automotive services principally through franchised and company-operated shops located in North America (United States and Canada) and through franchised and licensed shops in international markets. The Company's U.S. operations receive royalties from franchisees located in Central America. Such revenues amounted to less than one percent of U.S. sales and revenues in each of the fiscal years presented.

No MDS customer accounted for more than 10% of the Company's total sales and revenues in fiscal 2010, 2009 or fiscal 2008.

The following tables present financial information for each of the principal geographic areas in which the Company operates. Sales and revenues are attributed to geographic areas based on the location of customers.

<i>Fiscal Year</i>	<u>Sales and Revenues</u>		
	<u>2010</u>	<u>2009</u>	<u>2008</u>
	(in millions)		
North American Operations:			
U.S.	\$ 167.6	\$ 156.9	\$ 159.7
Canada	<u>20.5</u>	<u>21.5</u>	<u>23.2</u>
Total North America	188.1	178.4	182.9
International Operations	<u>4.3</u>	<u>4.4</u>	<u>4.5</u>
Total	<u>\$ 192.4</u>	<u>\$ 182.8</u>	<u>\$ 187.4</u>

<i>Fiscal Year End</i>	<u>Identifiable Assets</u>		
	<u>2010</u>	<u>2009</u>	<u>2008</u>
	(in millions)		
North American Operations:			
U.S.	\$ 215.7	\$ 215.6	\$ 223.2
Canada	<u>11.9</u>	<u>12.4</u>	<u>11.9</u>
Total North America	227.6	228.0	235.1
International Operations	<u>2.1</u>	<u>0.6</u>	<u>0.3</u>
Total	<u>\$ 229.7</u>	<u>\$ 228.6</u>	<u>\$ 235.4</u>

(15) Selected Quarterly Financial Data (Unaudited)

Each quarter presented in the following table contains 13 weeks.

	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>Full Year</u>
	(in millions, except per share data)				
Fiscal 2010					
Sales and revenues	\$ 47.7	\$ 49.3	\$ 48.8	\$ 46.6	\$ 192.4
Franchised shops – occupancy expenses	5.5	5.4	5.7	5.9	22.5
Company-operated shop costs and expenses	20.0	21.0	20.9	19.1	81.0
Replacement part cost of sales	4.9	4.6	5.1	6.4	21.0
Warranty expense (benefit)	0.2	0.4	0.3	—	0.9
Selling, general and administrative expenses	13.7	13.9	12.7	10.2	50.5
European arbitration award	—	—	—	25.5	25.5
(Gain) loss on sale of assets, net	(0.1)	—	0.2	(0.1)	—
Total operating costs and expenses	<u>44.2</u>	<u>45.3</u>	<u>44.9</u>	<u>67.0</u>	<u>201.4</u>
Operating income (loss)	3.5	4.0	3.9	(20.4)	(9.0)
Interest expense	(2.5)	(2.4)	(2.4)	(2.0)	(9.3)
Other income, net	0.2	—	0.1	—	0.3
Income (loss) before taxes	1.2	1.6	1.6	(22.4)	(18.0)
Income tax expense (benefit)	<u>0.5</u>	<u>0.8</u>	<u>0.8</u>	<u>(6.7)</u>	<u>(4.6)</u>
Net income (loss)	\$ <u>0.7</u>	\$ <u>0.8</u>	\$ <u>0.8</u>	\$ <u>(15.7)</u>	\$ <u>(13.4)</u>
Earnings (loss) per share—diluted	\$ <u>0.05</u>	\$ <u>0.06</u>	\$ <u>0.06</u>	\$ <u>(1.14)</u>	\$ <u>(0.97)</u>
Fiscal 2009					
Sales and revenues	\$ 44.3	\$ 46.4	\$ 46.4	\$ 45.7	\$ 182.8
Franchised shops – occupancy expenses	5.7	5.6	5.8	5.6	22.7
Company-operated shop costs and expenses	16.2	17.2	18.0	16.9	68.3
Replacement part cost of sales	5.3	5.3	5.2	7.1	22.9
Warranty expense (benefit)	0.1	0.3	0.1	(0.4)	0.1
Selling, general and administrative expenses	13.2	13.9	12.5	11.6	51.2
Loss on sale of assets, net	0.1	—	0.1	—	0.2
Business transformation charges	—	0.2	0.1	2.9	3.2
Total operating costs and expenses	<u>40.6</u>	<u>42.5</u>	<u>41.8</u>	<u>43.7</u>	<u>168.6</u>
Operating income	3.7	3.9	4.6	2.0	14.2
Interest expense	(2.0)	(2.1)	(2.0)	(2.2)	(8.3)
Other income (expense), net	<u>0.1</u>	<u>0.2</u>	<u>0.1</u>	—	<u>0.4</u>
Income (loss) before taxes	1.8	2.0	2.7	(0.2)	6.3
Income tax expense	<u>0.8</u>	<u>1.6</u>	<u>1.3</u>	—	<u>3.7</u>
Net income (loss)	\$ <u>1.0</u>	\$ <u>0.4</u>	\$ <u>1.4</u>	\$ <u>(0.2)</u>	\$ <u>2.6</u>
Earnings (loss) per share—diluted	\$ <u>0.07</u>	\$ <u>0.03</u>	\$ <u>0.10</u>	\$ <u>(0.02)</u>	\$ <u>0.19</u>

The sum of earnings per share for the quarters may not equal the full year amount in each year due to the impact of changes in the average shares outstanding.

As a result of changes in the Company's business model over the past five years, the seasonality of the Company's sales has been reduced. In fiscal 2010 and fiscal 2009 revenues by quarter were not significantly different.

Certain factors other than seasonality have impacted the Company's quarterly net income and earnings per share and these are discussed in greater detail below.

Quarterly Variations—Fiscal 2010

MDS incurred significant legal costs associated with the MESA arbitration of \$0.8 million, \$1.1 million and \$0.8 million in the first, second and third quarters, respectively. An approximate \$2.5 million recovery of these fees was granted by an arbitral tribunal in March 2011, and the Company recorded a corresponding credit to selling, general and administrative expense in the fourth quarter. In addition, the tribunal awarded a \$25.5 million judgment against the Company that was recorded as an expense in the fourth quarter. In the second quarter MDS recorded incremental operating expenses of \$0.2 million related to the vesting of certain restricted stock. Fourth quarter revenues and replacement part cost of sales were higher because of a seasonal increase in tire sales. Fourth quarter tire sales accounted for 29% of tire sales recorded for the year. In the fourth quarter the Company reduced its warranty liability by \$0.3 million. The reduction was the result of the Company's change in estimate for the warranty reserves.

Quarterly Variations—Fiscal 2009

In the second quarter MDS recorded incremental operating expenses of \$0.4 million related to the vesting of certain restricted stock. Fourth quarter revenues and replacement part cost of sales were higher because of a seasonal increase in tire sales. Fourth quarter tire sales accounted for 31% of tire sales recorded for the year. In the fourth quarter the Company reduced its warranty liability by \$0.6 million. The reduction was the result of the Company's change in estimate for the warranty reserves. In the fourth quarter a pension adjustment resulted in a \$0.4 million reduction in expenses.

The \$2.9 million of business transformation charges recorded in the fourth quarter of fiscal 2009 consisted of \$0.4 million related to a reduction-in-force announced in October of 2009, \$1.5 million for third party consulting costs related to the development of the co-brand image, a re-design of the customer sales and follow-up process in Midas shops and a study of the Midas France business and marketplace, \$0.8 million in connection with the closure of four under-performing company-operated shops and \$0.2 million pertaining to the Company's final funding of a new shop image for Midas.

In the second quarter of fiscal 2009, MDS recorded business transformation charges of \$0.1 million in connection with the Company's change in the Canadian warranty program. The remaining business transformation charges relate primarily to the Company's partial funding of the rollout of a new shop image for Midas shops.

(16) Acquisitions and Divestitures

In January 2010, MDS acquired 22 Midas shops from an existing Midas franchisee. MDS acquired these shops to be run as company-operated shops in connection with a settlement between the franchisee and the California Attorney General and the California Bureau of Automotive Repair. The franchisee had been charged with violating state business and professional codes in a suit seeking civil penalties and costs. The Company was not named in the suit and worked closely with the California Attorney General's Office on acquiring these shops.

Simultaneous with and as part of the transaction, the Company re-franchised two of the locations to a new franchisee and bought out of the lease on a third location, bringing the net acquisition to 19 shops. The Company is actively seeking to re-franchise the remainder of these shops.

MDS gave total consideration of approximately \$6.6 million for the shops. The total cash outlay for the purchase was approximately \$3.5 million. The acquisition also resulted in an approximately \$2.5 million non-cash reduction of accounts receivable. MDS also assumed certain liabilities of \$0.5 million and assumed a capital lease liability of \$0.1 million. As a result of this acquisition, the Company recorded \$5.5 million in incremental goodwill and other intangibles, which included \$1.9 million of intangible franchise agreements, \$0.2 million of customer lists and \$3.4 million of goodwill.

MDS re-franchised 18 company-operated Midas and two company-operated Speedee shops in fiscal 2010. The re-franchising of these 20 company-operated shops resulted in a write-down of \$0.7 million of intangible assets. The Company opened a previously closed Midas shop and a previously closed Speedee shop as company-operated shops. In addition a company-operated Midas shop was closed during fiscal 2010.

As a result of these actions, the total number of company-operated Midas and Speedee shops at the end of fiscal 2010 was 107, unchanged from the end of fiscal 2009. No net gain or loss was recorded on the acquisition or divestiture of company-operated shops in fiscal 2010.

During fiscal 2009, the Company acquired 10 franchised Midas shops from Midas franchisees to be run as company-operated shops for \$1.6 million, which generated \$1.3 million of incremental goodwill, trademark and customer list intangibles. In addition, MDS completed the acquisition of three franchised Speedee shops from the founders of the Speedee business. This acquisition was part of the March 2008 Speedee acquisition, but the transfer of the shops from G.C. & K.B. Investments, Inc. to MDS was delayed due to lease issues. Funds held in escrow were released to G.C. & K.B. Investments, Inc. and \$0.8 million of incremental goodwill was recorded. Goodwill, trademark and customer list intangibles were reduced by \$0.3 million in connection with the re-franchising of four company-operated shops and the closure of four under performing company-operated shops.

(17) Business Transformation Charges

The company recorded business transformation charges of \$3.2 million in fiscal 2009 and \$1.6 million in 2008 as part of a multi-year plan to reposition the business, eliminate highly unprofitable company-operated shops, and reduce costs. No such charges were recorded in 2010.

The fiscal 2009 charges of \$3.2 million included \$0.4 million of salary continuation and outplacement costs related to the elimination of 19 corporate positions and \$0.8 million in estimated non-recoverable lease costs and asset write-downs related to the closing of four underperforming company-operated shops. Also included was \$1.5 million in third party consulting costs to develop the co-brand shop image, re-design the customer sales and follow-up process in Midas shops and a study of the Midas France business and marketplace. The Company also incurred \$0.5 million in retail image update and other costs. The retail image update was a program that ended in 2009 whereby a franchisee could get a \$2,600 subsidy per shop from the Company if they invested in new paint, signage and point-of-purchase material.

The fiscal 2008 charges of \$1.6 million included \$1.3 million related to the image update program and \$0.3 million in connection with the closing of one underperforming shop.

Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, does not expect that its disclosure controls and procedures and its internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

(b) Changes in internal controls over financial reporting.

There were no changes in internal controls during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that:

- * Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of MDS;

- * Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and

- * Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of January 1, 2011. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*. Based on our assessment and those criteria, management believes that MDS maintained effective internal control over financial reporting as of January 1, 2011.

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

The Board of Directors and Shareholders
Midas, Inc.:

We have audited Midas, Inc.'s (the Company) internal control over financial reporting as of January 1, 2011, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Midas, Inc. maintained, in all material respects, effective internal control over financial reporting as of January 1, 2011, based on criteria established in *Internal Control - Integrated Framework* issued by the COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Midas, Inc. as of fiscal-year end 2010 and 2009, and the related consolidated statements of operations, cash flows, and changes in shareholders' equity for each of the fiscal years 2010, 2009 and 2008, and our report dated March 17, 2011 expressed an unqualified opinion on those consolidated financial statements.

KPMG LLP

Chicago, Illinois
March 17, 2011

EXHIBIT C-1: APPLICATION FOR MIDAS SHOP FRANCHISE

APPLICATION FOR MIDAS SHOP FRANCHISE (“APPLICATION”)

Section 1. Application: _____
 (“Applicant”) hereby applies to Midas International Corporation (“Midas”) for a Midas shop ("Shop") franchise at a specific site, subject to the approval of Midas, in the following area:

 (“Market Area”), pursuant to a Midas Franchise and Trademark Agreement ("Franchise Agreement") to be executed and entered into by Applicant (or a corporation or other business entity owned by Applicant).

Section 2. Deposit: Applicant hereby deposits \$5,000 (“Deposit”) with Midas. The Deposit shall be credited against the Franchise Fee (as defined below).

Section 3. Applicant’s Information; Acceptance by Midas: Applicant shall submit to Midas a completed Personal Data Sheet (“PDS”) and such other information requested by Midas to determine whether Applicant is acceptable to Midas as a franchisee (the PDS and such other information, collectively, “Applicant’s Information”). Midas shall have 90 days from receipt of Applicant’s Information to accept or reject this Application, in Midas’ sole discretion. If Midas does not respond in said 90 days, this Application shall be deemed rejected. If Midas does not accept this Application, it shall return the Deposit.

Section 4. Applicant's Shop Development Obligation: If Midas accepts this Application, Applicant, at its sole cost, shall research, locate and acquire a site, and construct a Shop thereon, all subject to the written approval of Midas which Midas may grant or not grant in its sole discretion.

Section 5. Site Approval: Applicant shall obtain Midas' written approval of a site ("Site Approval") within 12 months after Midas' acceptance of this Application ("Site Approval Deadline"). Only a written notice signed by a corporate officer of Midas shall constitute Site Approval. A site which has received Site Approval shall be the “Approved Site”. If Applicant wishes to propose a site to Midas, Applicant shall submit to Midas a site package which shall include the following information about the proposed site: address; legal description; proposed lease or purchase contract (or deed if the site is already owned by Applicant); proposed site plan (and site plan of shopping center, if applicable) including all ingress/egress points; proposed interior layout of Shop; and site photographs. Site Approval may be made subject to conditions, including, but not limited to, Midas’ approval of Applicant’s proposed lease; easements, covenants and conditions affecting the proposed site; the size or type of Shop to be developed or the site layout. If Applicant does not obtain Site Approval (or accept a Midas Site, as defined below) by the Site Approval Deadline, this Application shall automatically terminate, and thereupon: (a) Applicant shall have no rights under this Application or in connection with the Market Area; (b) Midas shall have no further obligation to Applicant under this Application or in connection with the Market Area; and (c) Midas shall have the right to retain the Deposit.

Section 6. Midas Site: Midas may propose one or more sites in the Market Area to Applicant (“Midas Site”). Midas shall provide Applicant with general information regarding the site, the size and type of the proposed Shop and the purchase price, rent and other basic purchase or lease terms. Applicant shall have 20 days to notify Midas whether Applicant accepts the Midas Site. If Applicant accepts the Midas Site, it shall be the Approved Site. If Applicant rejects the Midas Site or does not accept it within such 20 days, Midas shall have the right to terminate this Application, and thereupon: (a) Applicant shall have no rights under this Application or in connection with the Market Area; (b) Midas shall have no

further obligation to Applicant under this Application or in connection with Midas Site or the Market Area; and (c) Midas shall have the right to retain the Deposit.

Section 7. Approval of Building Plans: Prior to constructing the Shop, Applicant shall obtain Midas' written approval of the building plans and specifications. Applicant shall construct the Shop only in accordance with the approved plans and specifications. Midas shall provide unsealed copies of prototype plans and specifications for new, ground-up Shops. Any further architectural or engineering work shall be Applicant's responsibility.

Section 8. Required Documents: Applicant agrees to execute (or cause to be executed), within 30 days after submittal by Midas (but not sooner than five business days after receipt thereof) and as a material condition of being authorized to open the Shop for business, the then-current, standard form Franchise Agreement and such other standard Midas franchise and real estate documents Midas determines appropriate including, but not limited to: personal guaranties of all franchise, real estate and other obligations (to be signed by all stockholders, members or partners of the "Franchisee" executing the Franchise Agreement); subordination agreement; lease (if Midas owns the site); sublease (if Midas leases the site); Option and Shop Lease including the lender's execution of Midas' standard non-disturbance agreement (if Applicant owns the site); Conditional Assignment of Lease including the landlord's execution of the lessor's consent (if Applicant leases the site from a landlord other than Midas); and recording memorandum (the Franchise Agreement and such other documents, collectively, "Required Documents"). If Applicant does not return the executed Required Documents to Midas within 30 days, Midas shall have the right to terminate this Application upon 10 days written notice to Applicant, but Applicant may void such termination notice by returning the executed Required Documents to Midas and by complying with all other obligations under this Application within such 10-day period. If Applicant fails to void such termination in the manner aforesaid, this Application shall automatically terminate, and: (a) Applicant shall have no rights under this Application or in connection with the Market Area; (b) Midas shall have no further obligation to Applicant under this Application or in connection with the Market Area; and (c) Midas shall have the right to retain the Deposit. Midas will date the Franchise Agreement and insert the term dates upon Shop opening.

Section 9. Franchise Fee: Upon executing the Franchise Agreement, Applicant shall pay Midas the initial franchise fee required under the Franchise Agreement ("Franchise Fee"). The Deposit shall be credited against the Franchise Fee. The Franchise Fee is \$30,000, unless Applicant qualifies for a \$25,000 or \$20,000 Franchise Fee by meeting all the conditions, requirements and criteria set forth in Midas' Franchise Disclosure Document ("FDD"). If the Shop is Applicant's first Midas shop, and if Applicant is a veteran of, or currently serving in, the U.S. armed services and otherwise meets the criteria for Midas' Veterans' Incentive Program described in the FDD, Applicant would be entitled to a \$5,000 discount on the \$30,000 Franchise Fee.

Section 10. Site Approval Fee: Upon executing the Franchise Agreement, Applicant shall pay Midas a "Site Approval Fee", in addition to the Franchise Fee, to compensate Midas for a portion of its administrative costs of reviewing and approving the Approved Site. The Site Approval Fee is: (a) \$1,000, if the Approved Site is proposed by Applicant pursuant to Section 5; or (b) \$2,500, if the Approved Site is a Midas Site.

Section 11. Termination: Except as otherwise provided herein, either party may terminate this Application at any time upon notice to the other party. If this Application is terminated at any time up to 30 days after Midas accepts this Application, Applicant shall receive a refund of the Deposit. If this Application is terminated any time thereafter, the Deposit shall be forfeited by Applicant and retained by Midas. If this Application is terminated: (a) all of Applicant's rights hereunder and rights to the Market Area shall automatically terminate; and (b) Midas shall have no further obligations to Applicant under

this Application or in connection with the Market Area (except for refunding the Deposit in those certain specific circumstances expressly provided for in this Application).

Section 12. Confidentiality: Applicant will receive from Midas certain real estate, market planning, demographic, financial, marketing, operating and other information relating to Midas, its plans and operations which information is confidential and proprietary to Midas ("Confidential Information"). Applicant shall: (a) maintain the Confidential Information in strict confidence; (b) not use any Confidential Information for Applicant's own benefit; (c) not disclose any Confidential Information to, or use it for the benefit of, any third party; and (d) upon request, immediately return to Midas all forms of the Confidential Information. If Applicant breaches the provisions of this section, Midas shall be entitled to injunctive and other equitable relief. The following is not Confidential Information: (i) information which is already in Applicant's possession; (ii) information which is or becomes public knowledge through no fault or act of Applicant.

Section 13. Amendment: This Application can be altered or amended only via a written instrument signed by Applicant and an authorized officer of Midas.

Section 14. Notices: Notices hereunder shall be in writing and shall be deemed effective: (1) if personally delivered, on the date delivered; (2) if sent via registered or certified mail with a return receipt, postage prepaid, on the third business day following the mailing date; or (3) if sent via overnight courier for guaranteed next business day delivery, on the next business day after placing the notice with the courier; addressed to Applicant at its address below; addressed to Midas at 1300 Arlington Heights Rd., Itasca, Illinois 60143, attention: Vice President - Development; or elsewhere as either party may notify the other.

Applicant:

Applicant's address:

Date: _____, 200__

Applicant:

Applicant's address:

Date: _____, 20__

Midas International Corporation

By: _____

Acceptance date: _____, 20__

EXHIBIT C-2: FRANCHISE APPLICANT QUESTIONNAIRE

MIDAS INTERNATIONAL CORPORATION

FRANCHISE APPLICANT QUESTIONNAIRE

As you know, Midas International Corporation (“Midas”) and you are preparing to enter into a Franchise and Trademark Agreement for the operation of a Midas Shop (the “Shop”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that Midas has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. I had my first face-to-face meeting with one of Midas’s representatives on _____, 20____.

2. Were you advised of the various formats in which you could receive Midas’ Franchise Disclosure Document (paper copy or electronic)?

Yes _____ No _____

3. Have you received and personally reviewed Midas’s Franchise Disclosure Document (the “FDD”) that was provided to you?

Yes _____ No _____

4. Did you sign a receipt for the FDD indicating the date you received it?

Yes _____ No _____

5. Do you understand all of the information contained in the FDD and any state-specific Addendum to the FDD?

Yes _____ No _____

If no, what parts of the FDD and/or Addendum do you not understand? (Attach additional pages as needed.)

6. Have you received and personally reviewed the Midas Franchise and Trademark Agreement (the “Franchise Agreement”) and each Exhibit and Addendum (if any) attached to it?

Yes _____ No _____

7. Do you understand all of the information contained in the Franchise Agreement and each Exhibit and Addendum (if any) provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, Exhibit or Addendum (if any) do you not understand?
(Attach additional pages as needed.)

8. Please insert the date on which you received a copy of the Franchise Agreement and each Exhibit and Addendum (if any) attached to it with all material blanks fully completed:
_____, 20_____

9. Do you understand your financial and other obligations under the Franchise Agreement?

Yes _____ No _____

10. Have you discussed with an attorney, accountant or other professional advisor the benefits and risks of establishing and operating a Shop as a franchised business?

Yes _____ No _____

11. Do you understand the economic and business risks associated with operating a Midas Shop?

Yes _____ No _____

12. Do you understand that the success or failure of your franchised Shop business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes _____ No _____

13. Has any employee or other person speaking on behalf of Midas made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) concerning the actual or possible revenues, profits or operating costs of a Midas Shop franchised business operated by Midas or any of its franchisees, that is contrary to, or different from, the information provided in the FDD?

Yes _____ No _____

14. Has any employee or other person speaking on behalf of Midas made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) regarding the amount of money you may earn in operating the Shop as a franchise business, that is contrary to, or different from, the information contained in the FDD?
- Yes _____ No _____
15. Has any employee or other person speaking on behalf of Midas made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) concerning the total amount of revenue that the Shop as a franchise business will or may generate, that is contrary to, or different from, the information contained in the FDD?
- Yes _____ No _____
16. Has any employee or other person speaking on behalf of Midas made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) regarding the costs you may incur in operating the Shop as a franchise business, that is contrary to, or different from, the information contained in the FDD?
- Yes _____ No _____
17. Has any employee or other person speaking on behalf of Midas made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) concerning the likelihood of success that you should or might expect to achieve from operating the Shop as a franchise business?
- Yes _____ No _____
18. Has any employee or other person speaking on behalf of Midas made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) concerning advertising, marketing, training, support service or assistance that Midas will furnish to you that is contrary to, or different from, the information contained in the FDD?
- Yes _____ No _____
19. Have you entered into any binding agreement with Midas concerning the purchase of this franchise prior to today?
- Yes _____ No _____
20. Have you paid any money to Midas concerning the purchase of this franchise prior to today?
- Yes _____ No _____
21. Do you understand that you have not and will not be granted an exclusive territory regarding the location of the Shop?
- Yes _____ No _____

22. Do you understand that Midas retains at all times the right to either establish and operate itself, or to grant one or more franchises to any other party or parties to establish and operate a Midas Shop or Shops at any other location or locations whatsoever?

Yes _____ No _____

23. Do you understand that the Franchise Agreement contains the entire agreement between you and Midas concerning the franchise for the Shop, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding?

Yes _____ No _____

24. If you have answered "Yes" to any of questions 13-20 or "No" to any of questions 9 – 12 or 21-23, please provide a full explanation of each such answer in the following blank lines. Attach additional pages, as needed, and refer to them below. If you have answered "No" to each of questions 13-20 and "Yes" to each of questions 9-12 and 21-23, then please leave the following blank.

25. I signed the Franchise Agreement and Exhibits and Addendum (if any) on _____, 20____, and acknowledge that no agreement or addendum is effective until signed and dated by Midas.

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO MIDAS AND THAT MIDAS WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

SHOP ADDRESS:

FRANCHISE APPLICANT:

Signed

Printed Name

_____, 20____
Date

EXHIBIT D-1: MIDAS FRANCHISE AND TRADEMARK AGREEMENT

Address
City, State

This Midas Franchise and Trademark Agreement (“Agreement”) is made as of _____, 20____, by and between MIDAS INTERNATIONAL CORPORATION, a Delaware corporation (hereafter referred to as “Midas”), and _____, a _____ corporation (hereafter referred to as “Franchisee”).

RECITALS:

Midas and Franchisee mutually acknowledge as follows:

Midas is engaged in the business of operating, and of licensing the operation by others, of automotive specialty shops known as “Midas Shops”, which engage in the sale and installation of those products listed in Schedule A attached hereto, and in the performance of those services listed in said Schedule A. Midas makes available and furnishes to its franchisees genuine Midas products which are offered, sold, and installed by said shops, certain of which products carry a unique and valuable guarantee to the consumer public.

All of said Midas Shops are operated in connection with and through the use of various trademarks, tradenames, and service marks consisting of or containing the words "Midas", "Midas Shops", and certain related words, letters, and symbols, (all of which are hereafter collectively referred to as the “Proprietary Marks”), and in connection with certain designs of signs and buildings, logos, and copyrighted materials, (all of which are hereafter collectively referred to as the Midas “indicia”). The Proprietary Marks include, but are not limited to, those registered in the United States Patent Office as Nos. 620,322, 641,711, 651,747, 655,353, 657,036, 674,939, 678,396, 681,974, 700,490, 716,626, 716,627, 722,195, 726,350, 733,724, 736,168, 749,922, 753,876, 757,630, 798,254, 803,611, 803,612, 803,613, 803,614, 855,053, 855,054, 858,213, 864,048, 864,049, 864,889, 867,496, 864,889, 886,623, 886,624, 888,471, 892,784, 902,166, 1,238,734, 1,247,295, 1,244,801, and 1,258,822. In addition, other applications for registration are presently pending and/or may be applied for in the future.

Midas has also developed a unique and successful system for the establishment and operation of said shops (hereinafter referred to as the "Midas System"), which includes site selection, shop construction and layout, equipment selection and installation, purchasing and inventory control methods, accounting methods, merchandising, advertising, sales, and promotional techniques, installation techniques, personnel training, and other matters relating to the efficient and successful operation of said shops and the maintenance of high standards of quality.

Midas has expended large sums of money over a period of many years in developing and improving the Midas System, and in advertising, promoting, and publicizing the Midas Proprietary Marks and indicia, as well as the various unique Midas guarantees, all of which have become well and favorably known to the public throughout the United States and Canada, and Midas has acquired a valuable goodwill therein. The public has come to associate said Proprietary Marks and indicia exclusively with the products and services offered, sold, installed, and rendered by authorized Midas Shops.

In order to assist authorized Midas franchisees to get started in business and to achieve maximum results, Midas makes available to all franchisees both initial and continuing information, experience, advice, guidance, and know-how with respect to shop management, operation, financing, and promotion.

Franchisee desires to establish and operate a Midas Shop at the location hereafter designated, to use in connection therewith the Midas Proprietary Marks and indicia and the Midas System, to have the right to sell and install therein genuine Midas products and to issue and honor the Midas guarantees in connection therewith, and to derive the benefits of Midas' information, experience, advice, guidance, know-how, and customer goodwill.

Franchisee acknowledges that it is essential to the maintenance of the high standards which the public has come to expect of authorized Midas Shops, to the preservation of the integrity of the Midas Proprietary Marks, indicia, and goodwill, and to the value of the Midas guarantees, that each franchisee adhere to certain uniform standards, procedures and policies hereafter described.

In consideration of the foregoing recitals, of the mutual covenants hereafter set forth, and of other good and valuable considerations, Midas and Franchisee agree as follows:

Article One: GRANT, TERM AND INITIAL FEE

1.1 Grant of License. Midas hereby grants to Franchisee, and Franchisee hereby accepts from Midas, the right, franchise and license, for the term and upon the terms and conditions hereafter set forth:

(a) To establish and operate a Midas Shop at the following location only:
_____;

(b) To use, in connection with the operation of said shop, the Midas Proprietary Marks and indicia, and the Midas System;

(c) To purchase from Midas and to resell from said shop those genuine Midas products listed in Schedule A attached hereto, and to sell and install said genuine Midas products in or from Franchisee's shop;

(d) To perform in Franchisee's shop those genuine Midas services listed in Schedule A attached hereto; and

(e) To issue and honor the various Midas guarantees in connection with such of said products and services as may be subject to guarantee from time to time.

1.2 Non-Exclusivity. The right, franchise, and license granted herein shall be non-exclusive. Midas shall at all times have the right either to establish and operate itself, or to license any other party or parties to establish and operate, a Midas Shop or Shops at any other location or locations whatever.

1.3 Term. The term of this Agreement and of the right, franchise, and license herein granted shall commence on _____, 20__, and shall run through and include _____, 20__, unless sooner terminated in accordance with the terms hereof.

1.4 Initial Franchise Fee. Franchisee has paid to Midas, or will concurrently with the execution of this Agreement pay to Midas, the sum of _____ dollars (\$_____) as an initial fee for the right, franchise and license hereby granted. Said fee shall be deemed fully earned by Midas upon the execution and delivery of this Agreement by Midas and is in addition to the periodic royalty payable pursuant to Section 4.1 below, to any and all amounts paid or to be paid by Franchisee to Midas Realty Corporation (a wholly-owned subsidiary of Midas International Corporation) for its services in relation to the location and development of the shop, and to any and all other amounts, whether for merchandise, or for any other reason, which may be owed to Midas from time to time.

Article Two: PROPRIETARY MARKS, INDICIA, AND CONFIDENTIAL INFORMATION

2.1 Validity and Use of Proprietary Marks. Franchisee hereby acknowledges the validity of the Proprietary Marks, and acknowledges that the same are the sole property of Midas. Franchisee shall use the Proprietary Marks only for so long as the right, franchise, and license granted herein remains in force, and only in connection with the sale and installation of genuine Midas products and the rendition of genuine authorized Midas services, in the manner and for the purposes specified in this Agreement. Franchisee shall not, either during or after the term of this Agreement, do anything, or aid or assist any other party to do anything, which would infringe upon, harm, or contest the rights of Midas in any of the Proprietary Marks or in any other mark or name which incorporates the word "Midas." Franchisee shall not use any mark or name other than as herein licensed in connection with the sale of any genuine Midas products or services, and shall not place any name or mark, other than the names or marks originally appearing thereon, on any products, packages, or other materials which Franchisee obtains from Midas.

2.2 Designation of Shop and Firm Name. Franchisee shall operate, advertise and promote his shop under the designation "Midas", without the addition of any prefix or suffix, or under such other name or names as Midas, in its sole discretion, may from time to time designate, and under no other name or designation. However, Franchisee shall not use the name "Midas Shop", any other name containing the word "Midas" or any other Proprietary Mark in or as part of the firm or corporate name of Franchisee. Franchisee shall, upon the demand of Midas at any time, promptly discontinue the use of any such name or word (or any confusingly similar name or word) in its firm or corporate name, and shall promptly take such steps as may be necessary or appropriate in the opinion of Midas to eliminate any such name or word from Franchisee's firm or corporate name.

2.3 Validity and Use of Midas Indicia. Franchisee acknowledges that the Midas indicia are the exclusive property of Midas. Franchisee shall not, either during or after the term of this Agreement, utilize any of the Midas indicia, or any indicia confusingly similar thereto, except in accordance with the terms of this Agreement. Franchisee agrees that any further rights that may develop in any Proprietary Marks or in any of the Midas indicia in the future as trade names, trademarks, or service marks shall inure and accrue to the benefit of Midas.

2.4 Confidential Nature of Midas System.

(a) **Non-Disclosure of Confidential Information.** Franchisee hereby acknowledges that Midas is the sole owner of all proprietary rights in and to the Midas System and each and every part thereof and all material and information now or hereafter revealed to Franchisee under this Agreement relating to the System. Franchisee further acknowledges that the Midas System, in its entirety, constitutes trade secrets of Midas which are revealed to Franchisee in confidence, solely for the purpose of enabling Franchisee to establish and operate the shop herein licensed in accordance with the terms of this Agreement. Such trade secrets include, but are not limited to, product catalogues, price lists, training manuals, policy manuals, sales promotion aids, business forms, accounting procedures, marketing reports, informational bulletins, and inventory systems. Franchisee agrees that both during and after the term of this Agreement, (a) he will not reveal any of such trade secrets to any other person, firm, or entity, and (b), he will not use any of such trade secrets in connection with any business or venture in which he has a direct or indirect interest, whether as proprietor, partner, joint venture, shareholder, officer, director, or in any other capacity whatever, other than in connection with the operation of the shop herein licensed.

(b) **In-Term Non-Competition Obligations.** Franchisee acknowledges that the products, methods of doing business, and other elements of the Midas System are unique and distinctive and have been developed by Midas at great effort, time and expense; that Franchisee has regular and continuing access to valuable and confidential information, training, and trade secrets regarding the Midas System; that as a result of the foregoing, it would be impossible for Franchisee to engage in a similar business

without making use of or revealing Midas, confidential information, procedures, and trade secrets; and that Franchisee has an obligation to promote sales under the Midas System. Franchisee accordingly agrees that during the term of this Agreement, including any renewals or extensions thereof, Franchisee shall not, without the prior written consent of Midas, directly or indirectly, individually or as a member of any business organization, engage or have an interest, as an employee, owner, investor, partner (inactive or otherwise) or agent, or as a stockholder, director or officer of a corporation, or otherwise, in any business whose activities include the sale at wholesale or the sale or installation at retail of exhaust system components, shock absorbers, or any other product or service nationally offered by Midas Shops and which conducts such activities --

- (i) within 15 miles of the Midas Shop licensed herein,
- (ii) within 15 miles of any other then-existing Midas Shop, or
- (iii) at any other location.

The terms “*direct*”, “*directly*”, “*indirect*” and “*indirectly*”, as used in this Section 2.4, shall include, but not be limited to, any interest described herein held by, or any activities described herein engaged in, by or through a member of Franchisee’s immediate family. Franchisee’s “*immediate family*” includes Franchisee’s spouse, parents, step-parents, children, step-children, brothers and sisters, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and any person (other than a tenant or employee) sharing Franchisee’s household. In the event that Franchisee is a corporation, the foregoing restrictions shall apply to each shareholder owning 25% or more of the capital stock thereof, and in the event that Franchisee is more than one person, the foregoing restrictions shall apply to them jointly and severally; provided that the foregoing restrictions shall not apply to investment in the shares or stock of a public company which at the time of investment is listed on a recognized stock exchange so long as such shares or stock are listed. The restrictions contained in this Section 2.4 shall be severable in accordance with the provisions of Section 10.7 of this Agreement.

(c) **Post-Termination Non-Competition Obligations.** Franchisee covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, for a continuous uninterrupted period commencing upon any termination or expiration of this Agreement, regardless of the cause for termination, and continuing for two (2) years thereafter, either directly or indirectly, for himself or herself or through, on behalf of or in conjunction with any person, corporation, limited liability company, limited liability partnership, partnership or other business association or non-individual legal entity own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any interest in any business which is the same as or substantially similar to the business of the shop or any other Midas Shop and which is located within the locations described in Subsections 2.4(b)(i), (ii) and (iii) above.

(d) **Remedy.** Franchisee acknowledges that any violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Midas for which no adequate remedy at law will be available. Accordingly, Franchisee hereby consents to the entry of an injunction prohibiting any conduct by Franchisee in violation of the terms of the covenants not to compete set forth in this Agreement. Franchisee expressly agrees that any violation of the terms of said covenants not to compete can be conclusively presumed to have been accomplished by and through Franchisee's unlawful utilization of Midas’ confidential information. Further, Franchisee expressly agrees that the existence of any claims that he or she may have against Midas, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Midas of the covenants not to compete set forth in this Agreement.

(e) **Fairness and Reasonableness.** Franchisee acknowledges and agrees that the covenants not to compete set forth above are fair and reasonable and will not impose any undue hardship on Franchisee (and/or on the owners of its equity interests), as Franchisee and the owners of its equity interests, as applicable, have other considerable skills, experience and education which afford Franchisee and the owners of its equity interests, as applicable, the opportunity to derive income from other endeavors.

2.5 Goodwill. Franchisee acknowledges that all goodwill which may arise from Franchisee's use of the Proprietary Marks, the Midas indicia, or the Midas System, is and shall at all times remain the sole and exclusive property of Midas and shall inure to the sole benefit of Midas. Nothing contained in the preceding sentence shall be construed to prohibit Franchisee from receiving for a sale of his business made in compliance with the provisions of Article Seven a price which includes payment for any goodwill belonging to Franchisee.

2.6 Unauthorized Use. Franchisee shall promptly report to Midas any unauthorized use of the Proprietary Marks or Midas indicia that comes to his attention in any manner whatsoever. If requested by Midas, Franchisee will cooperate with Midas in precluding unauthorized use of the Proprietary Marks and Midas indicia, or any confusingly similar mark or indicia, but at the sole expense of Midas.

Article Three: CONTINUING OBLIGATIONS OF MIDAS

3.1 Services to be Rendered by Midas. In addition to any assistance which Midas may have heretofore rendered to Franchisee relating to site selection, shop construction and layout, and equipment selection and installation, Midas agrees that it will perform the following continuing services for the benefit of Franchisee:

(a) If Franchisee's shop has not yet opened, Midas will instruct Franchisee, prior to the opening of Franchisee's shop, in all aspects of the Midas System by providing a training program which shall be attended by Franchisee and such of his management and supervisory personnel as Midas may reasonably designate. From time to time after the opening of Franchisee's shop, Midas may, at its option, provide a training program or programs to Franchisee and such of his employees as Midas may reasonably designate, and Franchisee agrees to attend and to cause all such designated employees to attend such training program or programs. All expenses of travel, lodging, meals, and other living expenses, incurred by Franchisee and/or such employees in attending such initial or subsequent program or programs shall be borne and paid by Franchisee.

(b) Midas agrees to make available to Franchisee from time to time all improvements and additions to the Midas System, to the same extent and in the same manner as they are made available to Midas franchisees generally.

(c) Midas agrees to counsel with and to assist Franchisee on a continuing basis with respect to the management and operation of Franchisee's shop, and will make available to Franchisee the benefits of Midas' information, experience, advice, guidance, and know-how in connection therewith.

(d) Midas agrees that it will purchase and place from time to time advertising promoting the products and services sold by Franchisees. Subject to the provisions hereafter set forth, all decisions from time to time regarding whether to utilize national/ regional, or local advertising, or some combination thereof, and regarding selection of the particular media and advertising content, shall be within the sole discretion of Midas and such agencies or others as it may appoint. Midas agrees that it will expend for media costs, commissions and fees, production costs, and other costs of such advertising, with respect to all Midas franchisees, an amount not less than one-half of the royalties actually received by Midas from all Midas franchisees. Such amounts, as so computed, shall be expended for advertising which is published, broadcast, displayed, or otherwise disseminated either during the calendar year within which

such royalties are received by Midas, or during the immediately succeeding calendar year. Nothing herein shall be deemed to prohibit Franchisee from engaging in any advertising or promotion of his shop or business, in addition to the advertising paid for by Midas, provided such advertising or promotion shall be at the sole cost of Franchisee and without deduction or credit against royalties or other amounts owed by Franchisee to Midas, and shall be subject to the provisions of Section 6.8.

(e) On or before May 1st of each year, Midas shall provide Franchisee with its certificate, signed by an officer of Midas, stating with respect to the preceding calendar year, (1) the amount of royalties actually received, and (2) the amount expended for advertising pursuant to this Section 3.1. Midas shall also provide Franchisee with details of the amounts expended for media costs, commission and fees, and production costs relating to the advertising.

In the event Midas expends for such advertising an amount in excess of one-half of royalties actually received in any calendar year, then such excess may be applied by Midas in satisfying the expenditure requirement during the succeeding calendar year.

3.2 Sales of Products by Midas. (a) Midas agrees to sell to Franchisee, during the term of this Agreement and subject to the terms hereafter set forth, such quantities of those genuine Midas products referred to in Schedule A attached hereto as Franchisee may order from time to time, provided however, that Midas may at any time and from time to time, in its sole discretion, discontinue the sale to all its franchisees of any product or products, if, in the opinion of Midas, the continued sale of such product or products becomes unfeasible, unprofitable, or otherwise undesirable, and upon such discontinuation the license herein granted with respect to such product or products shall terminate unless Midas has provided for alternative sources of supply meeting its standards and specifications and expressly elects to continue such license subject to such standards and specifications.

(b) The prices, delivery terms, terms of payment, and other terms relating to the sale of such products by Midas shall be as prescribed by Midas from time to time, and shall be subject to change by Midas without prior notice at any time.

(c) Upon the giving by Franchisee of notice of termination of this Agreement pursuant to Section 8.1, or upon the giving by Midas of notice of termination pursuant to Section 8.2 (subject to the provisions of paragraph (e) of such Section 8.2), or upon the termination of this Agreement pursuant to Section 8.3. Midas shall not be obligated to fill or ship any orders for merchandise theretofore or at any time thereafter received from Franchisee.

(c) Midas shall in no event be liable to Franchisee for unavailability of or delay in shipment or receipt of merchandise due to temporary product shortages or unavailabilities, order backlogs, production difficulties, delays in or unavailability of transportation, fire, strikes, work stoppages, or other causes beyond the reasonable control of Midas.

Article Four: ROYALTIES

4.1 Payment of Royalty. (a) Except as set forth in Sections 4.1(b), 4.1(c) and 4.1(d), Franchisee agrees to pay to Midas, within ten days after the close of each calendar month during the term of this Agreement, a royalty in an amount equal to ten percent (10%) of Franchisee's Net Revenue for said preceding month. For purposes of this Section 4.1, Net Revenue is defined as the total gross revenue derived by Franchisee from the operation of his shop, whether from sales for cash or credit, and irrespective of the collection thereof, including sales of both merchandise and services, and including installation charges for installation of automobile mufflers or any other products which may be permitted pursuant to the terms of the Midas guarantees on such mufflers and other products, but exclusive of all sales taxes, use taxes, gross receipts taxes, and other similar taxes added to the sales price and collected

from the customer, and less any bona fide refunds, rebates, and discounts. Royalties received by Midas pursuant to this Section 4.1 shall not be deemed trust funds nor shall Midas be required to segregate such funds in any way, but they shall be deemed general funds of Midas for all purposes.

(b) During the term of this Agreement, Franchisee agrees to pay to Midas, at the same time the royalties provided for in Section 4.1(a) are payable, a reduced royalty in an amount equal to six percent (6%) of Franchisee's Net Revenue for the preceding calendar month from the sale of motor vehicle tires only (hereinafter referred to as the "Tire Royalty"). In addition to the foregoing, commencing on the date of this Agreement or January 1, 2009, whichever is later, and for the remainder of the term of this Agreement (hereinafter referred to as the "Royalty Adjustment Term"), the Tire Royalty shall be further reduced in the event that the rebate provided by the preferred tire supplier(s) designated by Midas from time to time (hereinafter referred to as the "Preferred Tire Supplier") reduces the rebate that it provides to Midas shops generally (hereinafter referred to as the "Supplier Rebate") to below seven percent (7%) in the aggregate. In such event, the Tire Royalty shall be further reduced on a prospective basis by an amount equal to half of the percentage by which the aggregate Supplier Rebate is less than seven percent (7%); provided, however, that in no event shall the Tire Royalty be reduced to less than four percent (4%) pursuant to this Section 4.1(b). By way of example only, if, during the Royalty Adjustment Term, the aggregate Supplier Rebate provided by the Preferred Tire Supplier is reduced from 7% to 5%, the Tire Royalty shall, in turn, be reduced on a prospective basis by 1%, from 6% to 5% (i.e., half of the difference between 7% and 5%). All increases to the Supplier Rebate made by the Preferred Tire Supplier during the Royalty Adjustment Term shall also be taken into account for purposes of determining the applicable Tire Royalty under this Section 4.1(b). By way of example only, if, during the Royalty Adjustment Term, the Tire Royalty has been reduced to 5% in accordance with this Section 4.1(b) (i.e., as a result of the Preferred Tire Supplier's previous reduction of the aggregate Supplier Rebate from 7% to 5%) and the Preferred Tire Supplier subsequently increases the aggregate Supplier Rebate from 5% to 6%, the Tire Royalty shall, in turn, be increased on a prospective basis by 0.5%, from 5% to 5.5% (i.e., half of the difference between 7% and 6%). In no event shall the Tire Royalty be increased to more than six percent (6%) pursuant to this Section 4.1(b). The Tire Royalty shall also apply to sales of the following tire-related products and services (hereinafter referred to collectively as "Tire-Related Products and Services"): valve stems and wheel weights, and mounting, balancing, tire repair and road hazard. For purposes of this Agreement, "Tire-Related Products and Services" shall expressly exclude all other tire-related products, labor and services, including, without limitation, wheel rotations and alignments, and, accordingly, all such other products, labor and services shall be subject to the full ten percent (10%) royalty provided in Section 4.1(a).

(c) During the term of this Agreement, Franchisee agrees to pay to Midas, at the same time the royalties provided for in Section 4.1(a) are payable, a reduced royalty in an amount equal to two percent (2%) of Franchisee's Net Revenue for the preceding calendar month from the sale of motor vehicle batteries only (hereinafter referred to as the "Battery Royalty"). The Battery Royalty shall apply solely with respect to the sale of motor vehicle batteries by Franchisee during the term of this Agreement. Accordingly, the ten percent (10%) royalty rate specified in Section 4.1(a) shall apply with respect to sales of related products and starting and charging services, including cables, mounting plates and brackets, installation, labor, diagnostic testing, road service and all other battery-related products, labor and services. As a condition to qualifying for the Battery Royalty, Franchisee agrees to break out and list separately all battery-related parts, labor and services on each customer invoice and on Franchisee's monthly Net Revenue report required under Section 4.2.

(d) Except as otherwise provided herein, at all times during which Franchisee is in compliance with the requirements for transmission of Data (as defined below) set forth in Section 6.17(a) below, the royalty rate applicable to all Exempt Sales (as defined below) which are provided at or in connection with the Shop shall be zero percent (0%). "Exempt Sales" shall mean, and shall be limited solely to, the following: third party vehicle towing, third party rental car services and the cost of state inspection

stickers. Midas' agreement to a zero percent (0%) royalty rate on Exempt Sales is expressly contingent upon Franchisee charging the applicable customer only an amount equal to the actual cost to Franchisee of providing the Exempt Sale in question. Accordingly, in the event that Franchisee elects to charge a fee or other amount in excess of the actual cost to Franchisee of providing the Exempt Sale in question, such fee or other amount (hereinafter referred to as the "Additional Fee") shall be subject to the ten percent (10%) royalty rate specified in Section 4.1(a). The determination as to whether Franchisee has charged a customer an Additional Fee for an Exempt Sale shall be made solely by Midas, and such determination shall be final and binding on Franchisee.

4.2 Reports and Records. (a) Franchisee shall submit to Midas, with and at the time each monthly payment of royalty is required pursuant to Section 4.1 above, a true, correct and complete statement of Net Revenue (as defined in Section 4.1) on forms provided by Midas, containing all information called for by such forms and certified to by Franchisee.

(b) If the term of this Agreement commences or ends on a day other than the first or last day of a calendar month, respectively, the royalty for such month shall be based upon Net Revenue for the portion of the month commencing or ending with the date of commencement or termination of the term of this Agreement, as the case may be.

(c) Within sixty days after the close of Franchisee's fiscal year, Franchisee shall furnish a statement, on forms provided by Midas, containing all the information requested on such forms, certified to by Franchisee and signed by Franchisee's accountant, showing the total Net Revenue for said preceding fiscal year, as finally adjusted and reconciled after the closing and review of Franchisee's books and records for such fiscal year. If such statement disclosed any underpayment of royalties for such fiscal year, Franchisee shall pay to Midas, at the time of submitting such statement, the amount of any such underpayment. Any overpayment shall be credited to Franchisee's account.

(d) Franchisee shall maintain his books and records in such manner as to clearly and accurately reflect Net Revenue as defined in Section 4.1. All such books and records shall also be maintained in accordance with the minimum standards as prescribed from time to time by Midas, and shall be preserved for a period of not less than five years after the close of Franchisee's fiscal year to which they relate and shall be open at all reasonable times to inspection and verification by Midas or any of its representatives. Midas shall be entitled at any time to have Franchisee's books and records (including federal, state and local tax returns) examined or audited at Midas' expense, and Franchisee shall cooperate fully with the party or parties making such examination or audit on behalf of Midas. Franchisee shall promptly pay to Midas, or Midas shall credit to Franchisee's account, as the case may be, any underpayment or overpayment of royalties disclosed by such examination or audit. If any examination or audit is necessitated by Franchisee's failure to submit statements of Net Revenue or to maintain books and records as required by this Section 4.2, or in the event that the Net Revenues reported by Franchisee for any period of twelve consecutive months are more than five percent (5%) below the actual Net Revenues of Franchisee for such period as determined by any such examination or audit, then Franchisee shall immediately pay to Midas the cost of such examination or audit (including reasonable compensation for any time necessarily expended by Midas' own employees and reimbursement for expenses necessarily incurred by them), as well as any additional amount of royalties shown to be due. Such payments shall be without prejudice to any right of Midas to terminate this Agreement on account of such defaults by Franchisee, in accordance with the terms of Section 8.2 below.

(e) Any amount properly owing from Franchisee to Midas for royalties, if not paid when due, whether such amount has been shown on any report required to be submitted by Franchisee or has subsequently been determined by verification, examination, or audit to have been due for any month, shall bear interest at the rate per annum of three percentage points above the prime lending rate of JP Morgan Chase Bank, or its successor, in effect on the first day of each month for the period during which any such

amount is outstanding, beginning ten (10) days after the date such amount was or would have been due until paid, except that if the amount is not paid within thirty (30) days after the due date, it shall bear the said interest from the due date.

Article Five: WARRANTIES AND GUARANTEES

5.1 Exclusion of Warranties and Guarantees. There are no warranties or guarantees, expressed or implied, made by Midas either to Franchisee or to any of his customers, with respect to any products purchased by Franchisee from or through Midas, except as expressly set forth in Sections 5.2 and 5.3 below. Franchisee shall make no warranties or guarantees to his customers with respect to any such product or with respect to any services licensed hereunder except as expressly set forth in said Sections 5.2 and 5.3. Midas shall not be liable to Franchisee or to any of his customers, on account of any alleged warranty, express or implied, except to the extent and in the manner set forth in Sections 5.2 and 5.3.

5.2 Warranty Against Factory Defects. All products purchased by Franchisee from Midas, including those covered by specific guarantees as set forth in Section 5.3, are warranted by Midas to the ultimate consumer for 90 days from the date of such consumer's purchase against defects in materials and workmanship. If a product disclosing any such defect is returned to Franchisee within that time, whether the product was installed by Franchisee or any other Midas franchisee, Franchisee shall replace the product by installation of another genuine Midas product of like grade and quality and which is proper for the application as specified in the Midas parts catalogue or product bulletins issued pursuant thereto, and shall make no charge whatever to the customer either for the product or for installation thereof. Upon compliance with policies and procedures then in force governing the return of such defective products, Franchisee shall be entitled to credit in an amount equal to the then current price at which such product is being offered by Midas to Franchisee, plus the cost of shipping such product back to Midas or its supplier if and as directed by Midas, but exclusive of any other freight or any other applicable charges.

5.3 Midas Guarantees. Certain products purchased by Franchisee from Midas are and may from time to time be guaranteed by Midas to the ultimate consumer in accordance with the terms of a printed "Guarantee", furnished by Midas. With respect to those products as to which Midas from time to time furnishes such a printed Guarantee, it is agreed by Midas and Franchisee as follows:

(a) Franchisee will deliver to each and every customer who purchases such a product (except such classes of customers as Midas may from time to time expressly exclude from the operation of such Guarantee) the printed Midas Guarantee applicable thereto, and will not issue, deliver, or otherwise furnish any other warranty or guarantee whatsoever in connection therewith.

(b) Franchisee will not deliver or otherwise furnish any such printed Midas Guarantee in connection with any product other than the genuine Midas product to which such Guarantee is made applicable by Midas.

(c) Franchisee will honor each such printed Midas Guarantee presented to Franchisee by the holder thereof, in accordance with the respective terms thereof and in accordance with policies and procedures promulgated by Midas from time to time, irrespective of whether such Guarantee was furnished by Franchisee or by any other Midas franchisee. Franchisee will replace the part so guaranteed only with another genuine Midas part of like grade and quality, and which is proper for the application as specified in the Midas parts catalogue or product bulletins issued pursuant thereto, and shall deliver to the customer a like Guarantee in connection with such replacement part.

(d) Franchisee will make no charge to the customer for honoring any such printed Guarantee, except to the extent permitted by the express terms of the Guarantee. Where such terms permit the

making of an installation charge, such charge shall not exceed an amount which is reasonable for the labor involved in installing the part so installed pursuant to the Guarantee.

(e) Franchisee will comply with all reasonable policies and procedures promulgated from time to time by Midas relating to such Guarantees, including but not limited to the delivery and validation thereof, the honoring thereof, and the presentation thereof to Midas for credit.

(f) Upon presentation to Midas of proper evidence of having duly honored any such printed Guarantee and upon having complied with all applicable policies and procedures then in force with respect to requests for credit thereunder, Franchisee shall be entitled to full or partial credit from Midas, if any, in such amounts and in such manner as may be prescribed from time to time by Midas, subject to the provisions of paragraph (g) below.

(g) Midas may from time to time furnish such printed Guarantees with respect to additional categories of products, or may discontinue or modify said Guarantees or the policies of reimbursement to its franchisees therefor, with respect to any category or categories of products now or hereafter covered, without any liability to Franchisee, provided however, that notwithstanding any such discontinuance or modification by Midas, Franchisee shall honor, in accordance with the terms thereof, all Guarantees delivered to customers prior to the date of such discontinuance or modification, and Franchisee shall remain entitled, with respect to all such previously delivered Guarantees, to credit from Midas in the same amounts as were available at the time of delivery of such Guarantees.

5.4 No Set-Off. Franchisee agrees not to set off against any amounts due to Midas any claims for credit pursuant to warranties or Guarantees honored by Franchisee, except to the extent that such credits have been granted by the issuance of a written credit memorandum to Franchisee prior to the dates such amounts are due to Midas. If, after such payment is made by Franchisee, Franchisee shall receive any such written credit memorandum, Midas agrees to credit the same against the next future payments owing from Franchisee, or to pay Franchisee the amount thereof if Franchisee is not then indebted to Midas and has no orders pending.

5.5 Misrepresentation and Disclosure. Franchisee shall make no untrue or misleading representations to customers or potential customers, whether written or oral, concerning the warranties or Guarantees described in Sections 5.2 and 5.3 above, and shall make all affirmative disclosures which may at any time be required by Midas or by law in order to properly advise customers with respect to such warranties and Guarantees and to avoid possible deception or confusion in connection therewith.

5.6 Improper Work and Unauthorized Guarantees. In the event any Midas franchisee replaces or does corrective work with respect to a product sold or installed by Franchisee, whether or not pursuant to any warranty or Guarantee, and such replacement or corrective work is the result of an improper, incorrect, faulty, or defective installation by Franchisee, or any such Guarantee was issued in violation of the provisions of Section 5.3 or of the policies and procedures applicable thereto, Franchisee shall promptly pay to Midas for reimbursement to the shop making such replacement or doing such corrective work the total cost to the shop of all parts and the total labor cost involved, or if Franchisee is the shop making such replacement or doing such corrective work, then Franchisee shall receive no credit from Midas with respect thereto. Subject to the right of reimbursement as provided in the preceding sentence, Franchisee shall honor all Midas warranties and Guarantees presented by customers, irrespective of whether Franchisee or any other Midas franchisee made an improper, incorrect, faulty, or defective installation or issued such a Guarantee in violation of the provisions of Section 5.3 or of the policies and procedures applicable thereto. Nothing contained in this Section 5.6 shall authorize a violation of such provisions, policies, or procedures, or shall impair any remedy given Midas elsewhere in this Agreement for such violation.

5.7 Post-Termination Obligations. Midas agrees that every warranty or Guarantee properly issued to Franchisee's customers during the term of this Agreement will be honored by Midas or by an authorized Midas franchisee. Upon termination of this Agreement under any circumstances, Franchisee shall not honor any further warranties or Guarantees and shall not be entitled to credit with respect to any such further warranties or Guarantees honored by Franchisee in violation of the provisions of this Section 5.7. Franchisee shall thereafter refer all requests for honoring of such warranties and Guarantees to Midas or to such other Midas franchisee or franchisees as Midas may from time to time designate.

Article Six: AGREEMENTS OF FRANCHISEE WITH RESPECT TO OPERATION OF SHOP

6.1 General. Franchisee will keep his shop open to the public during all normal business days and hours throughout the year during the term of this Agreement, and will at all times operate the shop diligently so as to maximize the revenues and profits therefrom.

6.2 Promotion of Midas Products and Services. Franchisee will at all times actively promote the sale of Midas products and services and will use his best efforts to cultivate, develop, and expand the market therefor. Franchisee shall not sell any product or perform any service not listed on Schedule A to this Agreement without the prior written consent of Midas.

6.3 Maintenance of Inventory. Franchisee acknowledges that a large public demand has been created and exists for genuine Midas products of all types, and that members of the public have come to expect that they will be able to obtain such products at an authorized Midas Shop. Accordingly, Franchisee agrees that he will at all times during the term of this Agreement maintain an inventory of those genuine Midas products listed in Schedule A attached hereto which is adequate both in terms of range of items covered and in terms of quantities of the respective items, to fulfill the public demand in Franchisee's market for such genuine Midas products and to promptly satisfy customers seeking such genuine Midas products at Franchisee's shop, including customers' requests for replacement under the terms of the Midas Guarantees.

6.4 Managerial Responsibility. (a) Subject to the provisions of paragraphs (b) and (c) of this Section 6.4, it is agreed that at all times during the term of this Agreement, _____: (i) shall devote his full time and effort to the active management and operation of Franchisee's shop, (ii) shall, irrespective of any delegation of authority not inconsistent with clause (i), reserve and exercise ultimate authority and responsibility with respect to the management and operation of Franchisee's shop, and (iii) shall represent and act on behalf of Franchisee in all dealings with Midas. If two or more individuals are named in this paragraph (a), each of them shall fulfill the requirements of clause (i), and both or all of them shall jointly fulfill the requirements of clauses (ii) and (iii).

(b) If Franchisee operates or hereafter commences to operate under license from Midas, one or more additional Midas Shops, and if the individual or individuals named in paragraph (a) of this Section 6.4 is or are also named in the corresponding provision of such other agreement or agreements, then such provisions shall be deemed to apply to all such shops in the aggregate.

(c) In the event of the resignation, disability, or death of such individual or individuals, the provisions of Article Seven shall govern, provided however that if two or more individuals are named in paragraph (a) of this Section 6.4, then upon the resignation, disability, or death of one or more but less than all of such individuals, the provisions of Article Seven shall not govern and the provisions of this Section 6.4 shall apply to the remaining or surviving individual or individuals.

6.5 Shop Design and Appearance. Franchisee acknowledges that the design and appearance of both the exterior and interior of his shop building are part of the Midas indicia, subject to modification of such indicia from time to time by Midas, and that it is essential to the integrity of said indicia that as great a

degree of uniformity as possible be maintained among the various shop premises of Midas franchisees. Accordingly, Franchisee agrees that:

(a) He will make no change, addition, or alteration of any kind to the structural elements of the shop building or to the adjacent areas, without the prior written consent of Midas.

(b) He will at his sole expense maintain interior and exterior painting and decor in such manner and form as may be reasonably prescribed from time to time by Midas.

(c) He will follow the reasonable instructions of Midas with respect to floor layout and character of interior furnishings.

(d) He will purchase and display, on and about the interior and exterior of the shop building, such and only such signs, emblems, logos, lettering, and pictorial materials as may be reasonably prescribed by Midas from time to time.

6.6 Shop Maintenance. Franchisee will at all times maintain his shop premises in a clean, wholesome, attractive, and safe condition, and will keep the same in good maintenance and repair.

6.7 Standards of Operation. Franchisee will at all times give prompt, courteous, and efficient service to the public will perform work competently and in a workmanlike manner; and in all business dealings with members of the public will be governed by the highest standards of honesty, integrity, fair dealing, and ethical conduct. Franchisee will do nothing which would tend to discredit, dishonor, reflect adversely upon, or in any manner injure the reputation of Midas, Franchisee, or any other Midas franchisee.

6.8 Advertising Materials. Franchisee will not use, display, publish, broadcast, or in any manner disseminate any advertising or promotional material unless the same has first been approved in writing by Midas. In the event that Midas from time to time furnishes to Franchisee any advertising, promotional or informational materials to be used, displayed, or distributed in or about Franchisee's shop, Franchisee agrees to follow the instructions of Midas in connection therewith.

6.9 Insurance. Franchisee alone shall be responsible for all loss or damage arising out of or relating to the operation of Franchisee's shop or arising out of the acts or omissions of Franchisee or any of his agents, servants, or contractors in connection with the sale of products or rendering of services by Franchisee, and for all claims for damage to property or for injury or death of any persons directly or indirectly resulting therefrom, and Franchisee agrees to indemnify and hold Midas harmless against and from any and all such claims, loss, and damage, including costs and reasonable attorney fees. Franchisee shall obtain and at all times during the term of this Agreement maintain in force and pay the premiums for general liability and garage liability insurance, in either case with completed operations coverage, in companies acceptable to Midas, with \$2,000,000 combined single limit per occurrence as well as all other insurance policies and coverages as described in Midas' policies and procedures manuals, from time to time. Such limits of liability shall be increased, and modified or additional types of coverage shall be obtained at the direction of Midas, as and when changed circumstances reasonably so require. All insurance policies shall provide coverage on an "occurrence" rather than a "claims made" basis. Said policies of insurance shall expressly protect both Franchisee and Midas and shall require the insurer to defend both Franchisee and Midas in any such action. Franchisee shall furnish to Midas a certified copy or certificate with respect to each such policy, evidencing coverage as set forth above, naming Midas as an additional insured, stating that coverage applies to "all operations during the policy period" and providing that such policy shall not be canceled, amended, or modified except upon ten days prior written notice to Midas. The additional insured endorsement must provide coverage at least as broad as the ISO CG2010 1001 together with the CG2037 1001. The coverage afforded Midas as an additional insured

must provide that such insurance shall be primary to any liability insurance carried by Midas. Maintenance of the insurance required under this Section 6.9 shall not relieve Franchisee of the obligations of indemnification contained in the first sentence of this Section 6.9. If Franchisee fails to procure or maintain in force any insurance as required by this Section 6.9 or to furnish the certified copies or certificates thereof required hereunder, Midas may, in addition to all other remedies it may have, procure such insurance and/or certified copies or certificates, and Franchisee shall promptly reimburse Midas for all premiums and other costs incurred in connection therewith.

6.10 Financial Information. In addition to the reports required of Franchisee pursuant to Sections 4.2(a) and 4.2(c) above. Franchisee shall submit to Midas, within ninety days after the end of each fiscal year of Franchisee, complete financial statements in form prescribed by Midas, including balance sheet, profit and loss statement, and statement of source and disposition of funds. In addition Franchisee shall submit to Midas such other reports and financial information as Midas may from time to time require, including by way of example and not limitation, sales and cost data and analyses, data on jobs performed under the Midas Guarantee, and personal financial statements of any persons having a material financial interest in Franchisee's business. If any report actually submitted willfully and materially understates Net Revenue, then Midas may, in addition to its other rights under this Agreement including termination, require Franchisee to have its annual financial statement audited by a certified public accountant and submitted to Midas, beginning for the fiscal year in which the request is made, and for each subsequent year thereafter until Midas, determines that Franchisee's books and records clearly and accurately reflect the business of the Shop.

6.11 Payment of Bills. Franchisee will pay all indebtedness to Midas, as reflected by invoices and customer statements rendered by Midas, in strict accordance with the payment and credit terms applicable thereto from time to time. Any such amount not paid when due, as well as any amount due from Franchisee pursuant to Section 5.6 or Section 6.9, shall bear interest at the rate per annum of three percentage points above the prime lending rate of JP Morgan Chase Bank, or its successor, in effect on the first day of each month for the period during which any such amount is outstanding, beginning ten (10) days after the date such amount was or would have been due until paid, except that if the amount is not paid within thirty (30) days after the due date, it shall bear the said interest from the due date. The payment of such interest shall not be deemed to authorize any delay in payment of such invoices, statements or other amounts. Franchisee will further pay when due all bills and other amounts owed to third parties, but Midas shall not by virtue hereof become liable to any such third party.

6.12 Compliance With Laws. Franchisee shall comply with all federal, state, county, municipal, or other statutes, laws, ordinances, regulations, rules, or orders of any governmental or quasi-governmental entity, body, agency, commission, board, or official applicable to the Franchisee's shop or business. Nothing herein shall prevent Franchisee from engaging in a bona fide contest of the validity or applicability thereof in any manner permitted by law.

6.13 Interference With Employment Relations. During the term of this agreement, and for a period of 12 months thereafter, Franchisee shall not, without the written consent of such person's employer, employ or attempt to employ any person who is at the time employed by Midas or by any other Midas franchisee, and Midas shall not, without the written consent of Franchisee, employ or attempt to employ any person who is at the time employed by Franchisee, nor shall Franchisee or Midas otherwise directly or indirectly induce or attempt to induce any such person to leave his employment as aforesaid.

6.14 Franchisee Not Agent of Midas. This Agreement does not in any way create the relationship of principal and agent between Midas and Franchisee, and in no circumstances shall Franchisee be considered an agent of Midas. Franchisee shall not act or attempt to act, or represent himself, directly, or by implication, as an agent of Midas or in any manner assume or create or attempt to assume or create any

obligation on behalf of or in the name of Midas, nor shall Franchisee act or represent himself as an affiliate of any other authorized Midas franchisee.

6.15 Compliance with Policies, Regulations, and Procedures. Franchisee shall at all times comply with all lawful and reasonable policies, regulations, and procedures promulgated or prescribed from time to time by Midas in connection with Franchisee's shop or business, including but not limited to standards, techniques, and procedures in the installation or servicing of products or the rendering of other services, selection, supervision, and training of personnel, sales, advertising, and promotional techniques, programs, and procedures, maintenance and appearance of shop and shop premises, policies and procedures relating to warranties or guarantees, payment, credit, and accounting, and financial reporting policies and procedures.

6.16 Right To Inspect Shop. Midas, through its authorized representatives, shall have the right at all reasonable times, to visit Franchisee's shop for the purpose of inspecting the merchandise and equipment on hand, inspecting the nature and quality of goods sold and services rendered, examining and auditing Franchisee's books and records, and observing the manner and method of operating the shop. If any of Franchisee's books, records, or inventory is located outside the shop premises, Midas shall have similar rights with regard to the same.

6.17 Data Sharing. (a) In addition to the reports required of Franchisee pursuant to Section 4.2, and without limiting the generality of Section 6.10, Franchisee agrees to electronically transmit to Midas, on a daily basis (or such lesser frequency as may be agreed to by Midas) using such electronic means as determined by Midas from time to time, Shop-level sales data by part number/labor operation and by customer (hereinafter referred to collectively as the "Data").

(b) (i) Franchisee shall be permitted to use the Data only for purposes of operating the Shop or any other Midas shop(s) owned by Franchisee. Franchisee shall not use the Data in any manner that is inconsistent with, or in violation of, any other provision of this Agreement. For so long as this Agreement remains in effect, Franchisee shall refrain from selling or transferring any of the Data to any third parties (other than for purposes of increasing business and improving operations at the Shop or in connection with an assignment of this Agreement in accordance with Article Seven), unless otherwise agreed to in writing by Midas.

(ii) Midas shall be permitted to use the Data for the following purposes:

- (A) sales analysis (to evaluate overall performance of the Shop and to provide feedback to Franchisee as to how the Shop is performing in relation to its region and in relation to the rest of the country);
- (B) warranty administration (to properly administer and maintain the Midas warranty program);
- (C) inventory support (to manage supplier relationships and provide guidance regarding inventory levels); and
- (D) marketing (for sales and marketing analysis, as well as for the development and implementation of marketing programs and promotions);

provided, however, that Midas shall not be permitted to share the Shop-specific Data with other Midas franchisees, unless otherwise agreed to by Franchisee. Notwithstanding the foregoing, Midas shall be entitled to share Data Compilations (as defined below) containing Shop-specific Data with any third party without Franchisee's consent. In addition, for so long as this Agreement remains in effect, Midas shall

refrain from selling or transferring any of the Data to any third parties (other than in connection with an assignment of this Agreement in accordance with Section 7.12), unless otherwise agreed to in writing by Franchisee.

(c) All Data transmitted by Franchisee to Midas pursuant to this Section 6.17 shall be jointly owned by Midas and Franchisee, with no duty on the part of either party to account to the other with respect to its use and exploitation of the same. In the event of any termination of this Agreement (other than by Midas pursuant to Section 8.2), both Midas and Franchisee shall continue to have an undivided ownership interest in the Data. However, in such event, the restrictions on use contained in Subsection 6.17(b) shall no longer apply. Notwithstanding anything contained herein to the contrary, Franchisee acknowledges and agrees that Midas shall be the sole and exclusive owner of any and all summaries and compilations (i.e., non-Shop-specific data) generated or created by or for Midas from the Data (hereinafter referred to collectively as "Data Compilations"). However, Midas agrees to make available to Franchisee, as and when reasonably requested, comparative market-level Data Compilations which specifically relate to the Shop.

Article Seven: TRANSFERABILITY

7.1 General. Except as set forth in sections 7.2 through 7.10, inclusive, and subject to all the terms and provisions thereof and of Section 7.11, Franchisee shall not make or suffer any assignment of this Agreement or of any rights or interest herein. For all purposes of this Agreement, each of the following shall be deemed to be an assignment of this Agreement:

(a) Any sale, assignment, transfer, subfranchise, or sublicense by Franchisee of or with respect to this Agreement or any rights or interest herein.

(b) Any pledge, encumbrance, or grant of any security interest herein by Franchisee.

(c) Sale at judicial sale or under power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the terms of any pledge, encumbrance, or security interest in this Agreement which results in disposition of Franchisee's interest herein.

(d) The passing by operation of law to any other party or parties of Franchisee's interest in this Agreement or any part thereof.

(e) In the event Franchisee is a corporation, partnership, or other form of business association, any act, transaction, or event of a nature described in paragraphs (a), (b), (c), or (d) above which, instead of operating upon this Agreement as such, operates upon or affects any interest in such corporation, partnership, or association and results in any change in the present controlling interest in such corporation, partnership, or association, whether by means of one or a sequence of more than one transaction or event. If Franchisee herein is two or more individuals, Franchisee shall be deemed to be a partnership for all purposes of this Article Seven, irrespective of whether or not such individuals are designated herein as a partnership.

(f) In the event the person or persons designated in Section 6.4 of this Agreement cease to comply with any one or more of the provisions of that Section, whether by reason of voluntary action or inaction, disability, death, or other cause, subject however, to the proviso of paragraph (c) of Section 6.4.

Any assignment of this Agreement, other than in accordance with and subject to all the terms and provisions of Sections 7.2 through 7.1 1 inclusive, shall constitute a breach of this Agreement, shall be subject to the provisions of Section 8.2(d)(iv), and shall confer no rights or interest whatever under this Agreement upon any other party.

7.2 Transfer To Controlled Corporation. If Franchisee is an individual or a partnership, he or they may at any time assign and transfer this Agreement to a corporation organized and operated for the sole purpose of conducting the business for which Franchisee is franchised and licensed hereunder, subject to the following conditions:

(a) Franchisee shall be and remain the owner of one hundred percent (100%) of the issued and outstanding capital stock of said corporation, provided that he or they may cause stock possessing not more than forty-nine percent (49%) of the total voting power in said corporation to be issued to his or their wife or wives.

(b) The person or persons designated in Section 6.4 shall continue to comply with all the requirements of that Section.

(c) Such assignment and transfer shall be evidenced by a written instrument, in form reasonably satisfactory to Midas, in which said corporation expressly assumes all obligations of Franchisee hereunder, whether accrued at the time of such assignment or arising thereafter, and agrees to be bound by all the terms and provisions of this Agreement to the same extent and in the same manner as Franchisee. A copy of said instrument, executed by both Franchisee and said corporation, shall be promptly delivered to Midas.

(d) Franchisee shall execute and deliver to Midas its then standard forms of personal guaranty of such corporation's debts to Midas and of subordination agreement. Further, Franchisee shall not be released from but shall remain personally bound and liable to Midas, notwithstanding said assignment and transfer, with respect to all non-monetary obligations of Franchisee under this Agreement then accrued or thereafter arising, and to evidence such obligations shall execute the personal undertaking set forth at the end of this Agreement, following the signatures of Midas and Franchisee.

7.3 Sale of Business. In the event it is proposed to sell the business operated pursuant to this Agreement, whether by sale of assets thereof, by sale of a controlling interest in Franchisee if Franchisee is a corporation, partnership, or other form of business association, or by any other means which directly or indirectly transfers said business or control thereof, there shall first be submitted to Midas a copy of any bona fide written offer made or received, or if none, a statement in writing of all the terms of the proposed sale and the identity of any proposed purchaser. Midas shall have the irrevocable first right and option to purchase the business on the same terms as stated therein, exercisable by notifying Franchisee in writing of its election to do so within 14 days after its receipt of such written offer or statement. If Midas does not so notify Franchisee within said 14-day period, then a sale of the business to a third party may be consummated, but only on all the same terms as are set forth in said written offer or statement and to the same party, if any, identified therein, and subject to all the provisions, conditions, and limitations of Sections 7.1 and 7.4. If such a sale is not consummated with the third party within 120 days after receipt by Midas of such written offer or statement, then the proposed sale shall be deemed withdrawn, and all the provisions of this Section 7.3 shall again become fully applicable, as if no such sale had been proposed. Nothing contained in this Section 7.3 shall abrogate, impair, or limit the application of any of the provisions of Section 7.1 or 7.4.

7.4 Consent of Midas to Voluntary Assignment. In the event Franchisee desires or proposes to voluntarily sell, assign, or transfer this Agreement to any party other than a corporation described in Section 7.2, or if Franchisee is a corporation, partnership, or other form of business association, then in the event Franchisee and/or the holder or holders of any interest in such corporation, partnership, or association desire or propose to take any action which would constitute or create an assignment of this Agreement within the meaning of Section 7.1, Franchisee or the holders of such interest, as the case may be, shall first notify Midas in writing of such proposed sale, assignment, transfer, or other action, setting

forth in detail the nature of the item or interest to be sold, assigned, transferred, or otherwise acted upon, the name and address of the proposed purchaser, assignee, or transferee, or party acquiring any interest, and the consideration, if any, therefor. Subject to prior compliance with the provisions of Section 7.3, Midas shall consent to the proposed transaction provided that each of the following conditions is fulfilled:

(a) It shall be demonstrated to the reasonable satisfaction of Midas that the proposed purchaser, assignee, transferee, or person otherwise to acquire an interest, is of good moral character, and possesses the business experience and capability, credit standing, health, and financial resources necessary to successfully operate Franchisee's shop in accordance with the terms of this Agreement. If the proposed purchaser, assignee, or transferee is a corporation, partnership, or other business association, the provisions of the preceding sentence shall apply to the individuals who are to own such corporation, partnership, or association. Franchisee shall cooperate with Midas in making available such information as Midas may require to make the above-described determinations.

(b) The person who is to be substituted in Section 6.4 of this Agreement shall have been approved by Midas and shall have successfully completed the training course then in effect for Midas franchisees. Upon consummation of the transaction, this Agreement shall be deemed amended to insert the name of such person in Section 6.4 hereof.

(c) Franchisee shall not be in default under any provision of this Agreement, and shall pay in full all amounts owed to Midas at or prior to the closing of the transaction.

(d) Any sale, assignment or transfer of this Agreement as such to be made by Franchisee shall be evidenced by a written assignment agreement ("Assignment"), in form satisfactory to Midas, in which the purchaser, assignee or transferee expressly assumes all obligations of Franchisee under this Agreement, whether accrued at the time of the assignment or arising thereafter, and agrees to be bound by all the terms and provisions of this Agreement to the same extent and in the same manner as Franchisee. A copy of the Assignment executed by both Franchisee and such purchaser, assignee or transferee, shall be promptly delivered to Midas. If the purchaser, assignee or transferee is a corporation, limited partnership, or other entity any of the owners of which enjoy limited liability by law, the individual or individuals who own interests therein shall execute and deliver to Midas its then standard forms of personal guaranty and subordination agreement and shall further execute the personal undertaking set forth at the end of this Agreement following the signatures of Midas and Franchisee. In addition, at the election of Midas (in its sole discretion), the purchaser, assignee or transferee shall, as an integral part of the transaction contemplated by the Assignment, execute, concurrently with execution of the Assignment, an agreement, in form satisfactory to Midas, amending and restating this Agreement to reflect the terms and conditions of Midas' then-current form of franchise agreement for Midas Shops ("Amended and Restated Agreement"). The Amended and Restated Agreement may differ materially from the terms of this Agreement including, without limitation, the length of the term, royalty rate, advertising fee, termination right and right to renewal or extension, if any. The aforementioned owners shall also sign Midas' then standard forms of personal guaranty and subordination agreement with respect to the Amended and Restated Agreement. Franchisee shall, in such event, execute an instrument whereby it consents to the Amended and Restated Agreement and agrees to be bound by the terms thereof.

(e) In the case of any party or parties who are to acquire an interest in Franchisee, the individual or individuals who are to acquire, directly or indirectly, the controlling interest in Franchisee shall have executed and delivered to Midas its then standard forms of personal guaranty and subordination agreement, and shall further execute the personal undertaking set forth at the end of this Agreement following the signatures of Midas and Franchisee.

(f) Franchisee and each of its stockholders, directors, and officers shall have executed and delivered to Midas a general release of any and all claims and causes of action against Midas, its affiliated corporation, and their respective officers, agents, and employees.

(g) That Franchisee shall have paid Midas a transfer fee equal to the greater of (i) \$5,000 or (ii) fifteen percent (15%) of the standard initial franchise fee Midas charges new franchisees (i.e., franchisees who own no other Midas Shops) at the time of the closing of the proposed transaction. If the shop is sold following the refusal of Midas to extend the franchise relationship as provided for in Section 9.6, no transfer fee shall be due Midas.

7.5 Consent of Midas To Pledge. In the event Franchisee desires or proposes to pledge, encumber, or grant any security interest in this Agreement, or, if Franchisee is a corporation, partnership, or other form of business association, then in the event the holder of any interest in such corporation, partnership, or association desires or proposes to pledge, encumber, or grant any security interest therein under circumstances which would constitute or create an assignment of this Agreement within the meaning of Section 7.1, Franchisee or the holder of such interest, as the case may be, shall first notify Midas in writing of such proposed transaction. Midas shall not unreasonably withhold its consent to such transaction, subject, however, to the following conditions:

(a) Any consent so granted shall not be deemed a consent to such pledgee, encumbrancer, or secured party exercising any rights or prerogatives of Franchisee under this Agreement, nor to its exercise of any rights or prerogatives of a holder of an ownership interest in Franchisee.

(b) Any consent so granted shall not be deemed a consent to any subsequent disposition described in Section 7.1(c) or so much of Section 7.1(e) as refers to Section 7.1(c). Any such subsequent disposition shall be deemed an assignment of this Agreement within the meaning of Section 7.1, and shall be subject to the provisions of Section 7.6.

(c) The pledgee, encumbrancer, or secured party shall have executed and delivered to Midas an instrument in writing agreeing to be bound by the provisions of this Article Seven.

7.6 Consent of Midas To Disposition To or By Secured Party. In the event any party proposes to acquire the interest of Franchisee in this Agreement, if Franchisee is an individual, in a transaction described in Section 7.1(c), or any such party proposes to acquire the interest of any party or parties having an interest in Franchisee, if Franchisee is a corporation, partnership, or other business association, in a transaction described in Section 7.1(e) of a type described in Section 7.1(c), the party proposing to acquire such interest shall notify Midas thereof in writing. Subject to prior compliance with the provisions of Section 7.3, Midas shall consent to the proposed transaction, provided that each of the following conditions is fulfilled:

(a) It shall be demonstrated to the reasonable satisfaction of Midas that such party is of good moral character, and possesses the business experience and capability, credit standing, health, and financial resources necessary to successfully operate Franchisee's shop in accordance with the terms of this Agreement. If such party is a corporation, partnership, or other business association, other than a corporation whose stock is publicly traded, the provisions of the preceding sentence shall apply to the individuals who own the same.

(b) The person who is to be substituted in Section 6.4 of this Agreement shall have been approved by Midas and shall have successfully completed the training course then in effect for Midas franchisees. Upon consummation of the transaction, this Agreement shall be deemed amended to insert the name of such person in Section 6.4 thereof.

(c) There shall be no existing default in any of the obligations of Franchisee under this Agreement, and all amounts owed to Midas shall be paid in full at or prior to the consummation of such transaction.

(d) Such party shall have submitted to Midas satisfactory evidence that he has acquired and has become entitled to all rights of Franchisee hereunder, or to all rights in Franchisee belonging to the party or parties whose interests have been acquired as the case may be. If the interest of Franchisee hereunder is to be acquired, the party acquiring such interest shall have executed and delivered to Midas a written instrument, in form reasonably satisfactory to Midas, by which he expressly assumes all obligations of Franchisee hereunder, whether then accrued or thereafter arising, and agrees to be bound by all the terms and provisions of this Agreement to the same extent and in the same manner as Franchisee. In addition, if such acquiring party is a corporation other than a corporation whose stock is publicly traded or is a limited partnership or other entity any of whose owners enjoy limited liability by law, the individual or individuals who own the controlling interest therein shall execute and deliver to Midas its then standard forms of personal guaranty and subordination agreement, and shall further execute the personal undertaking set forth at the end of this Agreement, following the signatures of Franchisee and Midas. If an interest in Franchisee is to be acquired, the individual or individuals who are to acquire, directly, or indirectly, the controlling interest in Franchisee shall have executed and delivered to Midas said forms of guaranty and subordination agreement and shall have executed the said personal undertaking set forth at the end of this Agreement.

7.7 Death. In the event of the death of Franchisee, if Franchisee is an individual, or, if Franchisee is a corporation, partnership, or other form of business association, then in the event of the death of any party or parties owning an interest in Franchisee, which death results in an assignment of this Agreement within the meaning of Section 7.1, Midas shall consent to an assignment and transfer of this Agreement to the executor, administrator, or other personal representative of the deceased, and subsequently to the person or persons entitled to distribution from the deceased's estate, (or directly to the latter persons if no probate proceedings are instituted with respect to the estate), provided that each of the following conditions is fulfilled with respect to each such assignment and transfer:

(a) It shall be demonstrated to the reasonable satisfaction of Midas that such executor, administrator, personal representative, or distributee is of good moral character, and possesses the business experience and capability, credit standing, health, and financial resources necessary to successfully operate Franchisee's shop in accordance with the terms of this Agreement. Such executor, administrator, personal representative, or distributee shall cooperate with Midas in making available such information as Midas may require to make the above-described determinations.

(b) The person who is to be substituted in Section 6.4 of this Agreement shall have been approved by Midas and shall have successfully completed the training course then in effect for Midas franchisees. Upon such approval and completion, this Agreement shall be deemed amended to insert the name of such person in Section 6.4 thereof.

(c) There shall not be an existing default in any of the obligations of Franchisee hereunder, and all amounts owed to Midas as of the date of death shall be paid in full.

(d) Such executor, administrator, personal representative, or distributee shall have submitted to Midas satisfactory evidence that he has succeeded or otherwise become entitled to all rights of Franchisee hereunder, or to all rights of the deceased in Franchisee, as the case may be. If the deceased was the Franchisee, such executor, administrator, personal representative, or distributee shall have executed and delivered to Midas a written instrument, in form satisfactory to Midas, by which he expressly assumes all obligations of Franchisee hereunder, whether accrued at the date of Franchisee's death or arising thereafter, and agrees to be bound by all the terms and provisions of this Agreement to the same extent

and in the same manner as Franchisee. If the deceased was the owner of an interest in Franchisee, such executor, administrator, personal representative, or distributee shall execute and deliver to Midas its then standard forms of personal guaranty and subordination agreement (limited, in the case of an executor, administrator, or personal representative to his representative capacity), and shall execute the personal undertaking (similarly limited to such representative capacity) set forth at the end of this Agreement, following the signatures of Midas and Franchisee.

Any consent by Midas to an assignment and transfer of this Agreement or of any interest in Franchisee to the executor, administrator, or personal representative of the deceased shall not constitute a consent to any subsequent assignment or transfer thereof from such executor, administrator, or personal representative of the estate. Any consent by Midas to such subsequent assignment or transfer shall be subject to fulfillment, with respect to said subsequent assignment or transfer separately and specifically, of all the conditions stated in this Section 7.7.

7.8 Consent to Transfer of Managerial Responsibility. In the event the person designated in Section 6.4 of this Agreement ceases to comply with any one or more of the provisions thereof, whether by reason of voluntary action or inaction, disability, death, or other cause, (or, if two or more persons are designated in Section 6.4, then in the event all of them cease to comply as aforesaid), other than in connection with a transaction described in Sections 7.4, 7.6, or 7.7, Midas shall consent to the designation by Franchisee of another person or persons to be substituted therein, and Section 6.4 hereof shall be amended accordingly, but only if Midas in its reasonable discretion finds such person or persons acceptable and he or they shall thereafter successfully complete the training course then in effect for Midas franchisees.

7.9 Time Limitation. In the case of any transaction described in Section 7.2, 7.4, 7.5, 7.6, or 7.7, Midas shall not be required to give its consent to such transaction unless each condition precedent to such consent requiring action by Franchisee or any third party has been fulfilled within 90 days from the date of the event giving rise to the requirements of such consent, provided however, if in any case the person who is to be substituted in Section 6.4 of this Agreement has been unable, within said 90-day period, to complete the required training course solely by reason of such course not having been offered by Midas at an earlier date, and if all other conditions to Midas' consent have been fulfilled within said 90-day period, then Midas shall consent to such transaction conditioned upon successful completion of such training course by such person at the earliest practicable date.

7.10 Exclusion. Nothing contained in this Article Seven shall be deemed to refer to any event referred to in paragraph (b), (c), or (d) of Section 8.3.

7.11 Arbitration. In the event that Midas is requested, pursuant to Section 7.4, 7.5, 7.6, 7.7, or 7.8, to grant any consent, subject to the conditions set forth in said sections and in Section 7.9, and if Midas fails or refuses to grant such consent, then upon written demand made by Franchisee upon Midas at any time within 10 days after Franchisee's receipt of written refusal by Midas to grant such consent, or if no such written refusal is sent by Midas, then at any time within 10 days after expiration of the period defined in Section 7.9 within which the conditions to Midas' consent are to be fulfilled or within 10 days after earlier written notice of Franchisee's binding election to waive the balance of such period and to stand upon the circumstances then existing, such dispute shall be submitted to arbitration in accordance with and subject to all the same terms, provisions, and conditions as are set forth in paragraph (e) of Section 8.2 (including all subparagraphs thereof except subparagraphs (vi) and (vii), and except that the time within which such arbitration is to be requested shall be as provided in this Section 7.11, and except further that the issues of fact and law referred to in subparagraph (iii) of said paragraph (e) shall be those the determination of which is necessary to determine whether Midas is required, pursuant to and subject to all the conditions of Section 7.4, 7.5, 7.6, 7.7, or 7.8, and of Section 7.9, to grant such consent. If Franchisee fails to serve proper written demand for arbitration as set forth in this Section 7.11 within the

time specified herein, Franchisee shall be barred from seeking any relief, whether by way of arbitration or by way of action or defense in any court, with respect to any matter of issue which was subject to arbitration pursuant to this Section 7.11. If Franchisee makes proper and timely written demand for arbitration pursuant to this Section 7.11, then Midas shall grant the required consent promptly upon termination of the proceedings in favor of Franchisee, either by rendition of final decision or award by the arbitrator or by entry of a final and non-appealable order of any court of competent jurisdiction in which lawful review of such decision or award may be sought by Midas or Franchisee. Midas shall not be liable to Franchisee for any damage alleged to have accrued to Franchisee by reason of the fact that such consent shall have been delayed until termination of the proceedings as aforesaid.

7.12 Assignability by Midas. This Agreement may be assigned by Midas or by any hereafter referred-to successor, to any corporation which may succeed to the business of Midas or of such successor by sale of assets, merger, or consolidation, and may also be assigned by Midas or by such successor to the shareholder or shareholders thereof in connection with any distribution of the assets of said corporation.

Article Eight: DEFAULT AND TERMINATION

8.1 Termination By Franchisee. Franchisee may terminate this Agreement at any time, at the will of Franchisee and without cause, by giving to Midas written notice of such termination no less than thirty days prior to the date of termination.

8.2 Termination By Midas. (a) In the event Franchisee fails to make any payment of money owed to Midas when due, or fails to submit to Midas when due any report required by Section 4.2 or 6.10 hereof, and such default is not totally cured within thirty days after Midas gives written notice of such default to Franchisee, then Midas may terminate this Agreement at any time thereafter by giving written notice of such termination to Franchisee.

(b) In the event Franchisee fails to perform any obligation imposed upon Franchisee by this Agreement, other than those referred to in paragraph (a) or (d) of this Section 8.2, and such default is not totally cured within thirty day after Midas gives written notice of such default to Franchisee, then Midas may terminate this Agreement at any time thereafter by giving written notice of such termination to Franchisee, provided however, that if the default is of such nature that it is not capable of being totally cured with reasonable diligence by Franchisee within said thirty-day period, then this Agreement shall not be terminated by Midas if Franchisee has commenced, immediately upon receipt of such notice, to exercise reasonable diligence to cure such default, Franchisee continues to be diligently engaged in curing same upon the expiration of said thirty-day period, and the curing thereof is completed as soon thereafter as is reasonably practicable.

(c) In the event Franchisee has been given written notice of default by Midas three times within any period of twelve consecutive months pursuant to paragraphs (a) and/or (b) above, and in each of such prior instances Franchisee has cured the default within the time permitted, then in the event Franchisee again fails, within said twelve-month period, to perform any obligation referred to in paragraph (a) or (b), Midas may at any time thereafter terminate this Agreement forthwith, without giving prior notice of such default and without affording Franchisee any period in which to cure such default, by giving written notice of such termination to Franchisee.

(d) Midas may terminate this Agreement forthwith, by giving written notice to Franchisee, on account of any of the following matters:

(i) Any willful and material falsification by Franchisee of any report, statement, or other written data furnished to Midas. Any report submitted pursuant to Section 4.2 shall be conclusively deemed to be materially false if it willfully understates Net Revenue.

(ii) Any willful and repeated deception of customers by Franchisee, relating to the source, nature, or quality of goods sold, or relating to the terms or applicability of any of the Midas Guarantees.

(iii) Any willful and repeated refusal to honor any of the Midas Guarantees in accordance with the provisions of Article Five, or any willful and repeated issuance of guarantees other than those permitted and authorized by said Article Five.

(iv) Any attempted or purported assignment of this Agreement (as defined in Section 7.1) not in compliance with Sections 7.2 through 7.11, provided that if Midas does not elect to exercise its right to terminate this Agreement pursuant to this Section 8(d)(iv), such inaction shall not be deemed to constitute a consent to such assignment nor to confer any rights or interest whatever upon the purported assignee, but this Agreement shall remain binding and in full force and effect as between Midas and Franchisee herein unless and until Midas elects to terminate the same.

(v) The conviction of, or a plea of guilty or no contest to, any crime for which the maximum penalty includes imprisonment for one year or more.

Any act or omission described in subparagraph (ii) or (iii) above shall be conclusively deemed to be willful and repeated if it occurs after written notice from Midas to cease and desist therefrom, but nothing in this sentence shall be construed to mean that acts or omissions described in either of said subparagraphs may not be considered to be willful and repeated in the absence of such notice from Midas. Any notice of termination given by Midas pursuant to this paragraph (d) shall be fully effective, and this Agreement shall thereby be terminated, notwithstanding that Franchisee may have ceased engaging in, or may not at the time of such notice be engaged in, any of the acts which give rise to such notice, and notwithstanding that Franchisee may have taken steps to counteract the effects of any such acts.

(e) (i) In the event that Midas gives to Franchisee any notice of default and/or notice of termination pursuant to paragraph (a), (b), (c), or (d) of this Section 8.2, and Franchisee disputes the right of Midas to terminate this Agreement pursuant to said notice or notices, then upon written demand made by Franchisee upon Midas at any time prior to or within ten days after notice of termination, such dispute shall be submitted to arbitration in accordance with the rules and procedures for commercial arbitration of the American Arbitration Association or any successor organization, and in accordance with and subject to all the provisions of the Uniform Arbitration Act as in force in the State of Illinois. The place of arbitration shall be Chicago, Illinois.

(ii) The procedure for selection of the arbitrator shall be as may be then prescribed by said Association or its successor, provided however, that if said Association or a successor is not in existence or does not provide such a procedure, then Midas and Franchisee shall each select one arbitrator and said arbitrators shall select a third, and in the event of the death, resignation, or disability of any such arbitrator, his successor shall be chosen in the same manner as the arbitrator so succeeded.

(iii) The arbitrator or arbitrators shall have full power to determine all issues of fact and of law necessary to determine whether Midas has the right to terminate this Agreement pursuant to the notice or notices given, and the determination of the arbitrators thereon shall be final and conclusive upon the parties, subject only to the provisions of said Uniform Arbitration Act. Any such determination of an issue of fact or law made by the arbitrators, however, shall be binding upon the parties only with respect to and in connection with the particular arbitration proceeding and the specific final decision or award of

the arbitrators made therein, and shall not be binding upon the parties nor shall it be admissible in any other proceeding or for any other purpose, provided that nothing herein shall prevent any party from enforcing the specific decision or award of the arbitrators by any appropriate and lawful means.

(iv) The costs of arbitration (not including attorneys fees) shall be taxed and borne as provided in said Uniform Arbitration Act.

(v) The arbitrators shall not have the power to determine or decide any issue or matter other than those hereinabove expressly set forth, and shall in no event have any right or power to award or assess damages to or against any party.

(vi) The serving of a proper and timely demand for arbitration shall suspend the running of any period for curing a default or shall suspend the effectiveness of any termination of this Agreement, as the case may be, until the decision or award of the arbitrator is made. If such decision or award is in favor of Midas, such curative period shall immediately resume running or such termination shall immediately take effect, as the case may be, notwithstanding the pendency of any proceedings to modify, set aside, or vacate said decision or award, whether taken or brought before the arbitrators or in any court.

(vii) If Franchisee fails to serve proper written demand for arbitration as set forth in subparagraph (i) above within the time specified in said subparagraph, Franchisee shall be barred from seeking any relief, whether by way of arbitration or by way of action or defense in any court, with respect to any matter or issue which was subject to arbitration in accordance with this paragraph (e).

(f) No notice of default or notice of termination purporting to be given pursuant to paragraph (a), (b), (c), or (d) of this Section 8.2 shall be of any force or effect unless signed by a corporate officer of Midas. Regional directors, district managers, and other agents of Midas having authority with respect to a specific geographic area shall in no event be deemed corporate officers for purposes of this paragraph (f).

(g) The right of Midas to terminate this Agreement pursuant to this Section 8.2, whether or not exercised, shall not be exclusive of any other remedies given Midas by this Agreement or by law on account of any default of Franchisee hereunder.

8.3 Automatic Termination. This Agreement shall terminate immediately upon the occurrence of any of the following events, without the necessity of notice of any kind by Midas or Franchisee:

(a) Any termination of Franchisee's right to possession of the premises designated in Section 1.1(a), subject however, to the provisions of Section 8.4.

(b) The adjudication of Franchisee a bankrupt, or the filing of any petition by or against Franchisee, under the Federal Bankruptcy laws or the laws of any State or territory relating to relief of debtors, for reorganization, arrangement, or other similar relief provided therein, unless such petition filed against Franchisee is dismissed within 30 days, or the making by Franchisee of a general assignment for the benefit of creditors.

(c) The appointment of any receiver, trustee, sequestrator, or similar officer to take charge of Franchisee's business, or any attachment, execution, levy, seizure, or appropriation by any legal process of Franchisee's interest in this Agreement, unless the appointment of such officer is vacated or discharged or the effect of such legal process is otherwise released within thirty days.

(d) If Franchisee is a corporation, partnership, or other business association, the occurrence of any act of a type described in paragraph (b) or (c) above which relates to, involves, or affects the interest of any person owning a controlling interest in Franchisee.

8.4 Relocation of Shop In Certain Events. (a) If Franchisee's right to possession of the premises designated in Section 1.1(a) is terminated, prior to expiration of the term of this Agreement specified in Section 1.3, without fault or affirmative action on the part of Franchisee, including without limitation,

(i) expiration of the term of Franchisee's lease or sublease by lapse of time,

(ii) destruction by casualty or taking by eminent domain of all or part of the premises resulting in termination of such lease or sublease by its terms or by action of a party other than Franchisee, or

(iii) the taking by eminent domain of all or a material part of the premises if such premises are owned by Franchisee,

then within 120 days after Franchisee notifies Midas in writing that such event has occurred or will occur on a date certain not more than six months after the date of such notice, Midas shall, subject to the provisions of paragraphs (b), (c), and (d) of this Section 8.4, propose to Franchisee a new location at which Franchisee's shop may be operated for the remainder of the term of this Agreement specified in Section 1.3.

(b) The location to be proposed by Midas as provided in paragraph (a) of this Section 8.4 shall be within the trading area of the shop theretofore operated by Franchisee, provided however, that if Midas determines that no appropriate location is available within said trading area, then Midas shall propose the next nearest location determined by it to be appropriate and available. The definition of the trading area of Franchisee's shop, the selection of a particular location within such trading area, the determination that an appropriate location is not available within such trading area, and the determination, if necessary, of the next nearest appropriate and available location outside Franchisee's trading area, shall all be within the sole and absolute discretion of Midas, and its decisions thereon shall be final, provided however, that a given location within or without the trading area of the shop theretofore operated by Franchisee shall not be deemed inappropriate or unavailable pursuant to this paragraph (b) solely because of a determination by Midas to establish and operate itself, or to license any party other than Franchisee to establish and operate, a shop at such location, if Midas has not become legally committed with respect thereto.

(c) The proposal by Midas of a new location at which Franchisee's shop may be operated, as provided in paragraphs (a) and (b) of this Section 8.4, shall be given to Franchisee in writing. If such location is to be leased, subleased, or sold by Midas or any affiliated corporation to Franchisee, such proposal shall be accompanied by the form of lease, sublease, or sale contract to be entered into by Franchisee, which shall include such provisions as may be prescribed by Midas relating to the construction or alteration of improvements on the premises. If such location is not leased, subleased, or sold by Midas or any affiliated corporation to Franchisee, such proposal shall be accompanied by a statement of such requirements as may be prescribed by Midas relating to the construction or alteration of improvements on the premises, but Midas shall not require that Franchisee sell, assign, grant, or transfer to Midas or any affiliated entity, upon termination of this Agreement, ownership of or a leasehold interest in such premises. Midas shall not submit to Franchisee any lease or sublease with Midas or any affiliated entity the terms of which extends beyond the term of this Agreement specified in Section 1.3.

(d) If, within 30 days after receipt of Midas, proposal of such location, Franchisee gives to Midas written notice of acceptance of such proposal, and either enters into such tendered lease, sublease, or sale contract, or if none is tendered, agrees in writing to comply with any and all requirements prescribed by Midas relating to construction or alteration of improvements on the premises, then notwithstanding the provisions of paragraph (a) of Section 8.3, this Agreement shall be reinstated for the remainder of the term specified in Section 1.3 as if it has not been terminated, and paragraph (a) of Section 1.1 shall be

deemed amended to refer to such new location. If Franchisee fails to comply with the provisions of this paragraph (d) within said 30-day period, then the termination of this Agreement pursuant to Section 8.3(a) shall be and remain effective and Franchisee shall have no further rights under or by virtue of this Section 8.4.

8.5 Relief In Equity Against Certain Defaults. Franchisee agrees that neither termination of this Agreement, nor an action at law, nor both, would be an adequate remedy for a breach or default by Franchisee, or by any other persons bound thereby, in the performance of any obligation relating to the Midas Proprietary Marks or indicia, the trade secrets revealed to Franchisee in confidence hereunder, the Midas Guarantees, or the obligations of Franchisee and such others upon and after termination of this Agreement, including, but not limited to, the provisions of Sections 2.1, 2.2, 2.3, 2.4, 2.5, 5.1, 5.2, 5.3, 5.5, 5.6, 5.7, 6.4, 6.5, 6.7, 6.8, 6.13, 6.14, 6.15 (including any policies, regulations and procedures referred to therein), 6.16, 6.17, 8.7 and 8.8(c). It is agreed that in the event of any such breach or default, in addition to all other remedies provided elsewhere in this Agreement or by law, Midas shall be entitled to relief in equity (including a temporary restraining order, temporary or preliminary injunction, and permanent mandatory or prohibitory injunction), to restrain the continuation of any such breach or default or to compel compliance with such provisions of this Agreement.

8.6 Liquidated Damages. Midas, Franchisee, and the other parties bound hereunder, mutually acknowledge that it would be difficult to ascertain the exact amount of damages incurred by Midas in the event of any breach or default described in Section 8.5, and that in addition to all other remedies provided elsewhere in this Agreement or by law, Midas shall be entitled to recover from all such parties jointly and severally, as and for its liquidated damages, the sum of \$100.00 for each day's continuance of such breach or default after written notification thereof by Midas to Franchisee, it being agreed that said sum represents a reasonable estimate of the damage which would thereby accrue to Midas, reserving to Midas the right to recover such other or additional damages as may be provided by law.

8.7 Obligations Upon and After Termination. Upon termination of this Agreement, whether by lapse of time, by termination pursuant to any provision of this Article Eight, by mutual consent of the parties, by operation of law, or in any other manner, Franchisee shall cease to be an authorized Midas franchisee as to any products or services whatever, and Franchisee and all persons directly or indirectly owning any interest in Franchisee or in any way associated with or related to Franchisee shall:

(a) Promptly cause Franchisee to pay Midas all liquidated or ascertainable sums owing from Franchisee to Midas, without set-off or other diminution on account of unliquidated claims.

(b) Immediately and permanently discontinue the use of any of the Proprietary Marks, any of the Midas indicia or the Midas System, or any marks, names or indicia which in the opinion of Midas are confusingly similar thereto, or any other materials which may in any way indicate or tend to indicate that Franchisee is or was an authorized Midas franchisee or is or was in any way associated with Midas.

(c) Immediately and permanently remove, destroy, or obliterate, at Franchisee's expense, all signs containing any of the marks, names, indicia, or other things the use of which is prohibited by paragraph (b) above, and shall also sell to Midas, f.o.b. Franchisee's shop, such of the aforesaid signs as Midas may request, at a price equal to the original installed cost thereof to Franchisee minus a reasonable allowance for depreciation, wear and tear, and obsolescence.

(d) Promptly destroy or surrender to Midas all stationery, letterheads, forms, printed matter, promotional displays, and advertising containing any of the marks, names, indicia, or other things the use of which is prohibited by paragraph (b) above.

(e) Immediately and permanently discontinue all advertising placed by Franchisee as an authorized Midas franchisee or which contains or makes reference to any of the marks, names, indicia, or other things the use of which is prohibited by paragraph (b) above, and will cancel all such advertising already placed or contracted for which would otherwise be published, broadcast, displayed, or disseminated after the date of termination hereof.

(f) Immediately cease using or claiming any right to use any telephone number which Midas, as the subscriber therefor, has allowed Franchisee to use during the term of this Agreement and pay all bills incurred for the period during which Franchisee used such number or numbers. Franchisee shall immediately transfer and assign to Midas (or to such person or firm as Midas may designate) the telephone number(s) for Franchisee's shop and shall immediately execute such instruments (whether required by the phone carrier, Midas or any other party) and take such steps as in the opinion of Midas may be necessary or appropriate to transfer and assign each such telephone number. Franchisee further irrevocably appoints a duly authorized officer of Midas as Franchisee's duly authorized agent and attorney-in-fact to execute all such instruments and take all such steps to transfer and assign each such telephone number. Franchisee agrees to promptly pay all outstanding phone bills (including any interest and penalties) for each such telephone number to be assigned.

(g) Immediately and permanently discontinue any use of the word "Midas" or any word confusingly similar thereto in Franchisee's firm name, corporate name, or trade name, and take such steps as may be necessary or appropriate in the opinion of Midas to change such names to eliminate therefrom the word "Midas" or any word confusingly similar thereto.

(h) Sell to Midas, f.o.b. Franchisee's shop, all or such part of inventories of genuine Midas products on hand as of the date of termination as Midas may request in writing prior to or within 30 days after the date of termination (and will surrender all Midas guarantee certificates in Franchisee's possession or control), at the current published prices then being charged by Midas to authorized Midas franchisees operating under agreements in form similar to this Agreement, not including any costs of storage or transportation paid by Franchisee to bring the goods initially to the shop, minus all costs incurred or to be incurred by Midas to restore such goods or packaging thereof to a saleable condition, and minus a reasonable allowance for physical deterioration, obsolescence, or damage to the extent not restored under the preceding clause. Midas shall have the right to set off and apply any amounts due to Franchisee pursuant to this paragraph (h) against any and all other amounts which may be due from Franchisee to Midas.

(i) Thereafter refrain from doing anything tending to indicate that Franchisee is or was an authorized Midas franchisee, or is or was in any way associated with Midas.

8.8 General Provisions Regarding Termination. (a) Termination of this Agreement under any circumstances shall not abrogate, impair, release, or extinguish any debt, obligation, or liability of Franchisee to Midas which may have accrued hereunder, including without limitation, any such debt, obligation, or liability which was the cause of termination or arose out of such cause.

(b) All covenants and agreements of Franchisee which by their terms or by reasonable implication are to be performed, in whole or in part, after the termination of this Agreement, shall survive such termination.

(c) In the event this Agreement is assigned by Franchisee within the meaning of Section 7.1, and such assignment is consented to by Midas pursuant to the provisions of Sections 7.4, 7.6, or 7.7, this Agreement shall be deemed to have terminated as to the assignor or assignors as of the date of such consent, and such assignor or assignors shall thereupon be bound by all the provisions of Section 8.7

(except paragraph (h) thereof) and this Section 8.8, to the same extent and in the same manner as if this Agreement had been terminated in its entirety as of said date.

(d) Nothing contained in Section 8.7 shall be deemed to apply to or affect the operation by Franchisee or by any other party bound thereby of a Midas Shop at any other location pursuant to and in accordance with the provisions of any other valid and outstanding agreement with Midas.

Article Nine: EXTENSION OF FRANCHISE RELATIONSHIP

9.1 Notification Regarding Extension. On or before the first day of the thirtieth (30th) month prior to the expiration of the term of this Agreement as set forth in Section 1.3, Midas will notify Franchisee in writing whether or not Midas will extend the franchise relationship with Franchisee with respect to the shop, and under what special conditions, if any, such extension will be granted.

9.2 Grounds for Refusal to Extend or Imposition of Conditions. If there is good cause, Midas may refuse to extend the franchise relationship with Franchisee or impose special conditions for such extension. As the basis for refusing to extend, good cause shall mean the failure of Franchisee through act or omission to achieve and maintain those standards of operation reasonably required by Midas to maximize the sale of goods and services or to preserve the goodwill of the Midas indicia and franchise program. By way of illustration, but not limitation, inadequate inventory, chronic late payment of sums due Midas, failure to devote sufficient personal time to the business, poor quality or workmanship performed and or products sold, substandard maintenance of shop premises, unsatisfactory customer relations as evidenced by the number of complaints, and inadequate hours of operation shall constitute good cause for refusing to extend. Special conditions which Midas may impose for extending the franchise relationship are those changes in franchisee's operations which Midas reasonably requires to maximize the sale of goods and services by Franchisee and to preserve the goodwill of the Midas indicia and franchise program, and could include by way of illustration, but not limitation, renovation of shop premises or relocation of the shop. It is agreed and understood that good cause as used herein includes conduct by Franchisee which would not constitute grounds for termination of this Agreement under Article Eight.

9.3 Terms of Franchise during Extension Period. The term of the extension of the franchise relationship shall be twenty (20) years, and the franchise fee for such extension shall be one-half of the franchise fee which, at the time of the extension, Midas charges franchisees who own three or more Midas Shops. In all other respects, the form of agreement governing the extension of the franchise relationship shall be the same as that granted to new franchisees at the time of such extension except for special conditions, if any, which are imposed in connection with the extension. Franchisee and each of its stockholders, directors, and officers shall as a condition for the extension of the franchise relationship, execute and deliver to Midas a general release of any and all claims and causes of action against Midas, its affiliated corporations, and their respective officers, agents, and employees.

9.4 Payment of Franchise Fees Upon Extension. If Franchisee has only one Midas Shop franchise the franchise fee charged for the extension of the relationship shall be paid to Midas in two equal installments: one on the date of extension and the second on the same date one year later. If Franchisee has more than one Midas Shop franchise (including franchises granted to corporations controlled by Franchisee or its principals) for which extensions are to be granted within any 12-month period, then the total of all the franchisee fees must be paid in the same number of equal annual installments as the number of relationships so extended, but not to exceed ten (10) installments, beginning on the date of the first extension and on the same date each year thereafter until fully paid.

9.5 Extension Under Special Conditions. If Midas notifies Franchisee that it will extend the franchise relationship, but only under special conditions, Midas shall set forth in detail the nature of such conditions and, if applicable, the time within which such conditions shall be met by Franchisee.

9.6 Franchisee's Right to Sell Franchised Shop. If Midas notifies Franchisee that the franchise relationship will not be extended upon the expiration of the term of this Agreement or that the franchise relationship will be extended only upon compliance with special conditions, Midas shall, in such notice set forth the reasons therefor. Franchisee may thereafter at his option if he is not in default under this Agreement sell his franchised Midas Shop. Midas shall grant the transferee a new franchise agreement, provided the provisions of Section 7.4 are satisfied and the transferee agrees to perform all of the special conditions, if any, set forth by Midas in its notice to Franchisee. The term of the franchise agreement granted to the transferee shall be twenty (20) years, and the franchise fee shall be one-half of the franchise fee charged new franchisees by Midas at the time of the sale. In all other respects, the form of the franchise agreement shall be the same as that granted to new franchisees at the time of such sale.

9.7 Arbitration. (a) If Franchisee disputes the refusal of Midas to extend the franchise relationship or disputes the imposition of special conditions for extending the franchise relationship, then upon written demand made by Franchisee upon Midas at any time within sixty (60) days after receipt of notice of such refusal or imposition of special conditions, the dispute shall be submitted to arbitration in accordance with Section 9.7(b) below. The rules and procedures for commercial arbitration of the American Arbitration Association or any successor organization, and all the provisions of the Uniform Arbitration Act as in force in the State of Illinois shall apply to an arbitration under this Article. The place of arbitration shall be in Chicago, Illinois.

(b) Midas and Franchisee shall each select one arbitrator, (who need not be neutral), and said arbitrators shall select a third arbitrator from a panel submitted by the American Arbitration Association and in accordance with the rules of the Association pertaining thereto. In the event of the death, resignation, or disability of any such arbitrator, his successor shall be chosen in the same manner as the arbitrator so succeeded.

(c) The arbitrators shall have full power to determine whether Midas has good cause to refuse to extend the franchise relationship or to impose special conditions for extending the franchise relationship pursuant to the notice or notices given. The determination of the arbitrators thereon shall be final and conclusive upon the parties, subject only to the provisions of said Uniform Arbitration Act. Any determination of an issue of fact or law made by the arbitrators, however, shall be binding upon the parties only with respect to and in connection with the particular arbitration proceeding and the specific final decision or award of the arbitrators made therein, and shall not be binding upon the parties nor shall it be admissible in any other proceeding or for any other purpose, provided that nothing herein shall prevent any party from enforcing the specific decision or award of the arbitrators by an appropriate and lawful means.

(d) The cost of arbitration (not including attorneys fees) shall be taxed and borne as provided in said Uniform Arbitration Act.

(e) The arbitrators shall not have the power to determine or decide any issue or matter other than those hereinabove expressly set forth, and shall in no event have any right or power to award or assess damages to or against any party.

(f) If Franchisee fails to serve proper written demand for arbitration as set forth in Section 9.7(a) within the time specified therein, Franchisee shall be barred from seeking any relief, whether by way of arbitration or by way of action or defense in any court, with respect to any matter or issue which was subject to arbitration under this Article Nine. Even though a dispute is referred to arbitration, and even

though the arbitration should result in an award favorable to Midas, Franchisee may sell his franchised Midas Shop as permitted in Section 9.6, provided that the transferee agrees to meet any special conditions imposed by Midas which are sustained by arbitration.

Article Ten: MISCELLANEOUS PROVISIONS

10.1 Grammar. The masculine of any pronoun shall include the feminine and/or the neuter thereof, and the singular of any noun or pronoun shall include the plural, or vice-versa, wherever the context shall require.

10.2 Franchisee. Upon any effective assignment of Franchisee's interest in this Agreement pursuant to Article Seven, any and all references herein to "Franchisee" shall, unless the context otherwise requires, mean and refer to such assignee.

10.3 Section Headings. Section headings are for convenience of reference only, and shall not be construed as part of this Agreement, nor shall they limit or define the meaning of any provision herein.

10.4 Cost of Enforcement or Defense. In the event Midas is required to employ legal counsel or to incur other expense to enforce any obligation of Franchisee hereunder, or to defend against any claim, demand, action, or proceeding by reason of Franchisee's failure to perform any obligation imposed upon Franchisee by this agreement, and provided that legal action is filed by or against Midas and such action or the settlement thereof establishes Franchisee's default hereunder, then Midas shall be entitled to recover from Franchisee the amount of all reasonable attorneys fees of such counsel and all other expenses incurred in enforcing such obligation or in defending against such claim, demand, action, or proceeding, whether incurred prior to or in preparation for or contemplation of the filing of such action or thereafter. Nothing contained in this Section 10.4 shall relate to arbitration proceedings pursuant to Section 7.11 or 8.2(e).

10.5 Remedies Cumulative. All rights and remedies conferred upon Midas by this Agreement and by law shall be cumulative of each other, and neither the exercise nor the failure to exercise any such right or remedy shall preclude the exercise of any other such right or remedy.

10.6 Non-Waiver. No failure by Midas to take action on account of any default by Franchisee, whether in a single instance or repeatedly, shall constitute a waiver of any such default or of the performance required of Franchisee. No express waiver by Midas of any provision or performance hereunder or of any default by Franchisee shall be construed as a waiver of any other or future provision, performance, or default.

10.7 Invalidity. If any provision of this Agreement shall be invalid or unenforceable, either in its entirety or by virtue of its scope or application to given circumstances, such provision shall be deemed modified to the extent necessary to render the same valid, or as not applicable to given circumstances, or to be excised from this Agreement, as the situation may require, and this Agreement shall be construed and enforced as if such provision had been included herein as so modified in scope or application, or had not been included herein, as the case may be, it being the stated intention of the parties that had they known of such invalidity or unenforceability at the time of entering into this Agreement, they would have nevertheless contracted upon the terms contained herein, either excluding such provisions, or including such provisions only to the maximum scope and application permitted by law, as the case may be. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this Section 10.7 shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision.

10.8 Notices. Any notice or demand given or made pursuant to this Agreement shall be served in the following manner:

(a) If to or upon Midas, it shall be sent by: (i) United States registered or certified mail, postage prepaid; or (ii) reputable overnight courier service which provides proof of delivery; addressed to Midas International Corporation, 1300 Arlington Heights Road, Itasca, Illinois 60143, or at such address(es) as Midas may designate.

(b) If to or upon Franchisee, it shall either be delivered personally to the person (or any one of the persons) designated in Section 6.4, or sent by: (i) United States registered or certified mail, postage prepaid; or (ii) reputable overnight courier service which provides proof of delivery; addressed to Franchisee at the address of the Midas Shop in Section 1.1(a) hereof.

Any such notice or demand shall be deemed to have been given or made and shall be deemed effective when received; provided that any demand for arbitration pursuant to Section 7.11 or 8.2(e) or any notice pursuant to Section 8.4(d) shall be deemed to have been made or given and shall be deemed effective when sent in accordance with this Section 10.8, provided that it is received by Midas within five business days after expiration of the period for making or giving such demand or notice.

10.9 Entire Agreement. This Agreement, together with any written lease or sublease of the shop premises described in Section 1.1(a) entered into between Franchisee and Midas or any of its subsidiaries or affiliated corporations, constitutes and contains the entire agreement and understanding of the parties with respect to the subject matter hereof and thereof. There are no representations, undertakings, agreements, terms or conditions not contained or referred to herein or in any such lease or sublease. This Agreement supersedes and extinguishes any prior written agreement between the parties or any of them relating to the shop location described in Section 1.1(a) hereof, provided that it shall not abrogate, impair, release, or extinguish any debt, obligation or liability of Franchisee to Midas accrued immediately prior to the execution of this Agreement nor cancel any credit owed by Midas to Franchisee at said time, nor shall it abrogate or impair any action heretofore taken by Midas or Franchisee under any "Dealer Application, Receipt, and Agreement, executed by Midas and Franchisee or their predecessors, or any understandings or approvals relating to plans and specifications for the shop building and premises or the equipment and opening inventory to be installed or placed therein. Nothing contained herein shall affect or relate to any agreement between the parties or any of them relating to any shop location other than the one described in Section 1.1(a) of this Agreement, except as expressly stated in Section 6.4 hereof. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Franchisee to waive reliance on any representation made by Midas in its most recent disclosure document (including exhibits and amendments) delivered to Franchisee or its representative.

10.10 Binding Effect. Subject to all the provisions of Article Seven and Section 8.8(c), this Agreement shall be binding upon and shall inure to the benefit of the parties hereto (including the parties whose signatures follow those of Midas and Franchisee) and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

10.11 Reference to Midas. Midas International Corporation may, as it deems appropriate, assign this Agreement to its wholly owned subsidiary, Midas Illinois Inc., an Illinois corporation, provided that Midas International Corporation shall remain responsible for the performance of Midas Illinois Inc. under this Agreement, and all references in this Agreement to Midas shall include either Midas International Corporation or Midas Illinois Inc. as the case may be.

10.12 Controlling Law. This Agreement, including all matters relating to the validity, construction, performance, and enforcement thereof, shall be governed by the laws of the state in which the shop is located.

10.13 Counterparts. This Agreement may be executed in any number of identical counterparts, and each such counterpart shall be deemed a duplicate original hereof.

IN WITNESS WHEREOF, Midas and Franchisee have caused this Agreement to be executed and entered into as of the day and year first above written.

MIDAS INTERNATIONAL CORPORATION

FRANCHISEE:

By: _____
Alan D. Feldman, Chief Executive Officer

By: _____
, President

Each of the undersigned, being directly or indirectly beneficially interested in the business to be conducted by Franchisee pursuant to the foregoing Agreement, and in order to induce Midas to enter into said Agreement and in consideration of its doing so, hereby joins in and agrees to be personally bound by all the terms and provisions of this Agreement, other than those requiring the payment of money by Franchisee, to the same extent and in the same manner as Franchisee is bound. Nothing herein shall be deemed to abrogate or impair any separate instrument of guaranty or subordination which any of the undersigned may have heretofore executed or may contemporaneously herewith or hereafter execute.

Schedule A

REQUIRED SERVICES

REQUIRED PRODUCTS AND PARTS

Brake system services

Brake pads, shoes and other braking system parts

Exhaust system services

Mufflers and other exhaust system parts

Steering and suspension services

Shock absorbers, struts and other suspension and chassis parts

Starting and charging services

Batteries, battery parts and accessories

Heating and cooling services

Heating, cooling and heat transfer parts

Air conditioning services

Refrigerant

Fuel system services

Fuel filters and fuel system cleaners

Fluid exchange services

Oil and filters, transmission fluid, differential fluid, brake fluid, power steering fluid, coolant, engine flush

Scheduled and general maintenance services

Scheduled and general maintenance products and maintenance parts including filters (air, cabin and transmission), belts, wiper blades and motors, headlamps, light bulbs, window motors and hoses

Drive train services

CV boots, halfshafts and other drive train parts

Tire mounting, balancing, installation and repair and other tire-related services

Motor vehicle tires, valve stems and wheel weights

Wheel alignment services

Shims

AUTHORIZED SERVICES

AUTHORIZED PRODUCTS AND PARTS

Other starting and charging services

Other starting and charging products including alternators, starters and solenoids

Engine diagnostic and tune-up services (ignition)

Engine tune-up parts

Trailer hitch installation services

Trailer hitches, towing products and other towing parts

Third party vehicle towing, third party rental car services, and State inspection services and stickers

ANY OTHER SERVICES, PRODUCTS AND PARTS REQUIRE FRANCHISOR'S WRITTEN AUTHORIZATION

EXHIBIT D-2: PERSONAL GUARANTY

With reference to the Franchisee(s) holding a Midas Franchise and Trademark Agreements(s) for the Midas shop(s) at the address(es) listed below ("Debtor"), it is and will be to the interest and advantage of the undersigned person(s) or entity(ies) ("Guarantor"), that Debtor obtain credit, procure goods or services, or obtain other financial assistance from Midas International Corporation, Midas Realty Corporation, Midas Properties, Inc. and their parents, subsidiaries, and affiliates (collectively "Midas"). If there is more than one Guarantor, their obligations hereunder shall be joint and several.

Accordingly, Guarantor requests that Midas extend credit or other financial accommodation, sell goods, lease real estate, equipment, or other property, with or without security, to or for the account of Debtor, or in respect of which Debtor may be liable to Midas in any capacity. Midas is authorized to purchase, accept as collateral or as security, or otherwise acquire from Debtor, accounts receivable, notes, evidences of indebtedness, contracts, leases, agreements, purchase orders, choses in action, conditional sale or lease agreements, chattel mortgages, real estate mortgages or trust deeds, liens, other security instruments, drafts, bills, acceptances, trust receipts, warehouse receipts, guarantees, securities, certificates of beneficial interest in trust agreements, or other obligations (collectively "Receivables"). Midas may factor any sales or finance the Receivables. Midas may refrain from collecting sums due from Debtor for Receivables, royalties, franchise fees, rents, or any other sums due Midas. Guarantor consents to and waives notice of any and all agreements, terms and arrangements, and changes thereof. Midas is authorized to make loans or advance funds to Debtor whether or not secured, and if secured, secured by Debtor's Receivables. Midas may otherwise directly or indirectly advance money or give or extend credit to Debtor, or otherwise assist Debtor in financing the business or sales of Debtor without obligating Midas to do so.

Guarantor, for value received, hereby unconditionally guarantees to Midas the prompt payment in full when due or declared due and at all times thereafter of any and all indebtedness, liability or liabilities, primary, secondary or contingent, of any and every kind or nature, now or hereafter owing or to become owing by Debtor to Midas however arising, incurred or evidenced, and of any and all Receivables heretofore or hereafter acquired by Midas from Debtor by assignment, pledge or otherwise, made, executed and/or delivered to Midas by Debtor, or in respect of which Debtor has, or may become, in any way liable. Guarantor guarantees to Midas the prompt, full, and faithful performance and discharge by Debtor of each and every one of the terms, conditions, agreements, representations, warranties, covenants, guarantees and provisions on the part of Debtor contained in any agreement or arrangement, note, lease, sublease, security instrument, schedule and assignment of accounts or other instrument heretofore or hereafter given by or on behalf of Debtor in connection with the sale, assignment, or pledge of any Receivables to Midas, or any agreement or indebtedness assigned to Midas of any kind or nature, or in any renewal, extension, modification or addenda of any of the foregoing. Guarantor also hereby agrees on demand to reimburse Midas for all expenses, collection charges, court costs and attorney's fees incurred in endeavoring to collect or enforce any of the foregoing against Debtor and/or Guarantor or any other person or entity liable thereon. For all of these obligations with interest at the highest contract rate provided for in any of the foregoing instruments, after due until paid, Guarantor hereby agrees to be directly, unconditionally, and primarily liable jointly and severally with Debtor, and Guarantor agrees that the same may be recovered in the same or separate actions brought to recover the principal indebtedness.

Notice of acceptance of this guaranty, or pledge, the giving or extension of credit to Debtor, the purchase, acquisition, or pledge of notes, Receivables, security instruments or other instruments, or the advancement of money or credit thereon, and presentment, demand, notices of default, nonpayment or partial payments and protest, notice of protest and all other notices of formalities to which Debtor might otherwise be entitled are hereby waived. Guarantor waives notice of, and consents to, the granting of extension(s) of time for payment, the taking and releasing of security in respect to any note, indebtedness or liabilities so guaranteed hereunder, or Midas accepting partial payments thereon or Midas settling,

subordinating, compromising, compounding, discharging or releasing any obligations as Midas may deem advisable, without in any way impairing or affecting Guarantor's liability to the full amount thereof. Midas shall not be required to prosecute collection, enforcement or other remedies against Debtor or against any person liable on any said notes, Receivables, security instruments, instruments, agreements, obligations, indebtedness or liabilities so guaranteed, or to enforce or resort to any security, liens, collateral or other rights or remedies before calling on Guarantor for payment or performance. Guarantor's liability shall not in any way be released or affected by reason of any failure or delay on Midas' part to take that action.

This guaranty is absolute, unconditional and continuing, and payment of the sums for which Guarantor becomes liable shall be made to Midas at its office from time to time, on demand, or as the same become or are declared due, notwithstanding that Midas holds Receivables against which Midas may be entitled to resort for payment; and one or more successive or concurrent actions may be brought hereon against Guarantor, either in the same action in which Debtor is sued or in separate actions, as often as deemed advisable. Guarantor expressly waives any right to set-off, recoup or counter-claim any claim or demand against Midas, or against any other person or concern liable on the Receivables; and, as further security to Midas, any assets of Guarantor of any kind, nature, or description in Midas' possession, custody or control, may without further notice, be reduced to cash, or if cash or an indebtedness owed to Guarantor by Midas, may be applied by Midas in reduction or payment of any liability incurred hereunder, and all debts or liabilities now or hereafter owing to Guarantor by Debtor or by any other person are hereby subordinated to Midas and are hereby assigned to Midas.

The acceptance of any partial payment by Midas, after the time when it becomes due as herein set forth, shall not be held to establish a custom or waive any rights Midas has to enforce prompt payment of this guaranty. Demand, presentment for payment, protest, notice of a non-payment, or protest of any notes pledged hereunder, is hereby waived by Guarantor. Midas shall not be required to look to the Receivables for the payment of this guaranty, but may proceed against Guarantor in such manner as Midas may deem desirable. Midas shall not be required to demand or obtain payment from any other guarantor of Debtor, prior to making demand upon Guarantor. None of the rights or remedies Midas has is to be deemed waived or affected by failure to exercise or delay in exercising same. All remedies conferred by Guarantor upon Midas or any of the collateral pledged hereunder shall be cumulative, and none is exclusive, and Midas may, at its option, exercise such remedies concurrently or consecutively.

This guaranty shall inure to the benefit of Midas and its successors and assigns. This guaranty shall be governed as to validity, interpretation, effect, and in all other respects by the laws and decisions of the State of Illinois, except as may otherwise be determined by a court of competent jurisdiction.

Franchisee/Debtor:

Shops covered by guaranty:

GUARANTOR:

Date: _____, 20____ Date: _____, 20____

Subscribed and sworn to before me this _____ day of _____, 20____.

Notary Public

EXHIBIT D-3: SUBORDINATION AGREEMENT



SUBORDINATION AGREEMENT

The undersigned parties (individually and collectively, "Undersigned") represent and warrant that they are all of the officers and owners (shareholders, members, partners, etc.) of the franchisee identified below ("Franchisee"), in the Midas Franchise and Trademark Agreement(s) for the shop(s) at the address(es) indicated below. Undersigned hereby request that Midas International Corporation and its subsidiaries/affiliates (individually and collectively, "Midas") extend credit to Franchisee.

In order to induce Midas to extend credit to Franchisee, Undersigned and Franchisee hereby agree that any past, current or future indebtedness owed by Franchisee to Undersigned ("Indebtedness") shall at all times be subordinate to any royalty, trade, rent, promissory note or other account owed by Franchisee to Midas ("Money Owed Midas").

Franchisee and Undersigned agree that as long there is any Money Owed Midas, Franchisee shall not pay, and Undersigned shall not accept payment of, any Indebtedness, directly or indirectly via payments, loans, advances, gifts or any other form or manner of cash or other consideration, other than Undersigned's agreed compensation, without Midas' consent.

Shop address(es): _____

Franchisee: _____

By: _____

Date: _____, 20__

Owners/officers:

Date: _____, 20__

Date: _____, 20__

EXHIBIT D-4: PARTICIPATION COMMITMENT AND AGREEMENT

As the Franchisee of the Midas Shop listed below (“Midas Shop”), effective as of the date written below, I hereby agree to participate in the “Midas SecureStop™ Brake Service” program as follows:

1. I have read the following claims (collectively, “Claims”) and understand that these and other similar claims may be made by Midas International Corporation (“Midas”) in forms of marketing messages and media, including but not limited to, television and radio commercials, CRM, direct mail, internet, in-store POP and brochures:

- “Midas SecureStop™ Brake Service, with pads manufactured to the highest brake standards in the industry.”
- “Midas SecureStop™ Brake Service, with pads engineered to provide exceptional stopping power and outstanding durability.”
- “Midas SecureStop™ Brake Service, with pads designed to meet or exceed the specifications of the brake pads that came with your car when it was new.”

2. I acknowledge that, in order to make the Claims in media, Midas is relying on my commitment and agreement to sell and install, as lifetime guaranteed brake pads, only the approved lines listed on pages 2 and 3 of this Participation Commitment and Agreement (collectively, “Approved Brake Pads”). I understand that Midas may modify these lists at any time or times in the future, at its sole discretion. Therefore, in accordance with Section 6.3 of the Midas Franchise and Trademark Agreement for the Midas Shop (“Franchise Agreement”), I commit and agree to sell and install the Approved Brake Pads in every instance that a lifetime guaranteed brake pad is sold and installed by the Midas Shop during the term of the Franchise Agreement, subject to availability.

3. I will notify Midas immediately if Approved Brake Pads are not readily available for purchase by the Midas Shop.

4. I acknowledge and agree that I, and not Midas, shall be responsible for any claims, liabilities or losses that may arise out of my breach of this Participation Commitment and Agreement at any time and for any reason. Accordingly, I agree to indemnify, defend and hold Midas harmless from and against any and all such claims, liabilities or losses.

5. I acknowledge that the Claims marketing is being implemented by Midas for the benefit of all Midas shops, including the Midas Shop, and that Midas’ agreement to implement this program constitutes consideration for my agreements contained herein.

6. This Participation Commitment and Agreement shall commence on the date appearing below and shall continue for the term of the Franchise Agreement, including any and all extensions and renewals thereof.

FRANCHISEE: _____

BY: _____

NAME: _____

TITLE: _____

DATE: _____

MIDAS SHOP ADDRESS: _____

APPROVED BRAKE PADS

Available upon request.

EXHIBIT D-5: AUTHORIZATION FOR AUTOMATED CLEARING HOUSE DEBITS

In this ACH Agreement, "Midas" means and includes Midas International Corporation, Midas Properties, Inc. and Midas Realty Corporation.

_____ ("Franchisee"), has entered into a Midas Franchise and Trademark Agreement, dated _____ ("Franchise Agreement"), with Midas for the operation of a Midas shop at _____ ("Shop").

To ensure prompt payment of royalties due Midas pursuant to the Franchise Agreement, Franchisee hereby authorizes Midas to debit from its account, as identified below, the amount of each monthly royalty due to Midas, as calculated from Franchisee's monthly M2 sales report, on or after the 10th day of each month, commencing immediately. Franchisee agrees to deliver its monthly M2 sales report, as required by Section 4.2 of the Franchise Agreement, by the 5th day of each month. In the event Franchisee fails to deliver its monthly M2 sales report to Midas on or before the 5th day of each month, Franchisee hereby authorizes Midas to debit from its account, as identified below, the estimated monthly royalty amount due to Midas, as calculated by Midas, on or after the 10th day of each month, commencing immediately.

In addition, in order to ensure prompt payment of the rent, real estate taxes, rent tax, common area charges and any other monetary obligations due Midas under Franchisee's lease or sublease from Midas, Franchisee hereby authorizes Midas to debit the amount of rent (both fixed minimum rent and percentage rent), real estate taxes, rent tax, common area charges and other monetary obligations from Franchisee's account, as identified below, on or after the first of each month (or otherwise when due), commencing immediately.

Franchisee hereby grants Midas all right and authority necessary to deduct such amounts from its account. Franchisee shall make the appropriate requests to its bank to ensure that Midas can make the debits as described in this ACH Agreement. Franchisee's account information for purposes of deducting the payments described herein is as follows:

Bank: _____
Account No.: _____
ABA No.: _____

Please attach a copy of a voided check.

This automated clearing house ("ACH") debit authorization is also applicable to any other account now or hereafter maintained by Franchisee, should the above-referenced account be closed, deemed inactive, have a zero balance or for any other reasonable determination by Midas. Franchisee agrees to assist Midas in every way to secure payment of the amounts described herein including, without limitation, providing Midas information regarding the above-referenced account or any of Franchisee's other accounts, signing documents necessary to allow Midas to deduct the amounts described herein from Franchisee's account, and providing alternative payment methods, if requested by Midas, in the event the ACH debit is unsuccessful. Further, if the ACH debit is unsuccessful and Midas incurs any bank fees or other charges as a result thereof, Franchisee agrees that Midas may subsequently debit Franchisee's account in the amount of such fees or charges.

Agreed to this _____ day of _____, 20__.

Franchisee:

By: _____
, President

, individually

, individually

**EXHIBIT D-6: FLEET PROGRAM PARTICIPATION AMENDMENT TO MIDAS
FRANCHISE AND TRADEMARK AGREEMENT**

This Fleet Program Participation Amendment to Midas Franchise and Trademark Agreement (this “Amendment”), dated effective as of _____, 20____ (the “Effective Date”), is by and between Midas International Corporation (“Midas”) and _____ (“Franchisee”).

Midas and Franchisee are parties to a Midas Franchise and Trademark Agreement (the “Franchise Agreement”), which grants Franchisee the right to operate a Midas shop at the following location: _____ (the “Shop”).

Midas has developed a program (the “Program”) that provides Midas franchisees the opportunity to sell automotive aftermarket products and services to commercial fleet customers and national rebillers and resellers of aftermarket automotive goods and services (collectively, “Fleet Customers”).

Midas and Franchisee wish to amend the Franchise Agreement to authorize Franchisee to participate in the Program, upon the terms and subject to the conditions described herein.

NOW, THEREFORE, it is mutually agreed that the Franchise Agreement shall be amended in the following respects:

1. Definitions. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meaning set forth in the Franchise Agreement.

2. Term of Amendment. The term of this Amendment (such term, including any and all extension terms, referred to herein as the “Amendment Term”) shall commence on the Effective Date and shall end on the earlier to occur of (i) the expiration or any termination of the Franchise Agreement, (ii) any date that Midas notifies Franchisee of Midas’ election to terminate this Amendment pursuant to Section 7 hereof, or (iii) January 31, 2015.

Midas shall have the right, but not the obligation, in its sole discretion, to extend the Program for one or more consecutive five (5) year extension terms. Midas shall notify Franchisee of any such decision to extend by providing Franchisee with written notice thereof no later than three (3) months prior to the expiration of the then-current term. Within ninety (90) days of its receipt of Midas’ notice of extension, Franchisee shall notify Midas, in writing, as to whether Franchisee wishes to continue its participation in the Program for the next upcoming extension term. Any failure by Franchisee to provide Midas with the foregoing notification shall constitute Franchisee’s formal, irrevocable notice to Midas of its decision not to continue its participation in the Program following the then-current term.

Notwithstanding the foregoing, and without limiting the generality of Section 7 below, Midas reserves the right to cancel any then upcoming extension term in the event that less than ninety percent (90%) (or such other percentage as determined by Midas, in its sole discretion) of the then-existing Midas shops located in the United States provide notice to Midas of their intention to participate in the Program during the next upcoming extension term as of the expiration date of the then-current term or extension term.

3. Program Requirements. In consideration of the agreements of Midas contained herein, Franchisee hereby agrees to participate in the Program and to fully comply with all Program

requirements, policies and procedures described on Exhibit A attached hereto and made a part hereof, as well as any and all additional Program requirements, policies and procedures that Midas may from time to time hereafter adopt in connection with the Program (collectively, the “Program Requirements”), at all times during the Amendment Term.

4. Program Guidelines; National Fleet Customer Contracts. In order to meet the specific automotive aftermarket products and services needs of Fleet Customers whose business operations are conducted in more than one Designated Marketing Area, as determined by Nielsen Media Research, Inc. or its successor (each a “National Fleet Customer”), Franchisee agrees to offer and make available to all National Fleet Customers, and otherwise to fully comply with, at all times during the Amendment Term, the standard menu of services and prices (and the guidelines relating to products and/or services not appearing on said standard menu) set forth on Exhibit B attached hereto and made a part hereof, as well as any and all additional menu items and/or guidelines that Midas may from time to time hereafter adopt for the Program (collectively, the “Program Guidelines”). Franchisee further agrees to fully comply with the Program Guidelines at all times during the Amendment Term. Franchisee hereby acknowledges and agrees that Midas shall be entitled to make reasonable changes and adjustments to the Program Guidelines, including the prices appearing thereon, from time to time during the Amendment Term, and Franchisee agrees to abide by such changes and/or adjustments. Franchisee hereby further acknowledges and agrees that, at all times during the Amendment Term, Midas shall be authorized to enter into, on behalf of Franchisee and other Program participants, contracts with National Fleet Customers which are consistent with the Program Guidelines (each a “National Fleet Customer Contract”). Franchisee agrees to fully comply with any and all National Fleet Customer Contracts to the full extent provided therein.

No less frequently than annually during the Amendment Term, Midas agrees to confer with such committee of the International Midas Dealers Association (the “IMDA”), as determined by the IMDA, in order to obtain the IMDA’s input regarding the Program Guidelines; provided, however, that Midas shall have the ultimate authority as to decisions regarding the Program Guidelines and any changes thereto.

Franchisee acknowledges and agrees that the Program Guidelines apply specifically to National Fleet Customers only and are not required to be used by Franchisee for any other customers or any other purposes whatsoever, including, without limitation, for purposes of determining Franchisee’s standard retail pricing and local fleet customer pricing (which pricing shall at all times be determined by Franchisee in its sole and absolute discretion). The parties understand and agree that Franchisee’s decision whether to enter into this Amendment and whether to continue to participate in the Program is voluntary and within Franchisee’s sole and absolute discretion. Accordingly, Franchisee shall not be subject to any penalty or other adverse action by Midas if Franchisee elects not to enter into this Amendment and/or participate in the Program.

5. Service Provider Agreement(s). As part of Franchisee’s agreement to participate in the Program, Franchisee shall enter into one or more separate agreements (each a “Service Provider Agreement”) with such processor(s)/service provider(s) as from time to time may be designated by Midas for the Program (each a “Service Provider”). Franchisee acknowledges that, as of the date of this Amendment, the Service Provider for the Program is Comdata Network, Inc. d/b/a Comdata Corporation. However, Franchisee further acknowledges that Midas may, in its sole discretion, designate a different and/or additional Service Provider(s) for the Program at any time or times hereafter. Franchisee agrees to fully comply with all of the terms and conditions of any and all Service Provider Agreements to the full extent provided therein.

6. List of Participating Midas Shops. Midas agrees, and Franchisee hereby authorizes Midas, to include the Shop in Midas’ master list of Midas shops participating in the Program during the Amendment Term.

7. Termination of Amendment. Franchisee agrees that its failure to fully comply with the Program Requirements, the Program Guidelines, the National Fleet Customer Contracts and the Service Provider Agreement(s), as well as the terms and conditions of this Amendment, shall constitute a breach of this Amendment. In the event of any such breach, Midas shall have the right, in its sole discretion, to immediately terminate this Amendment upon delivery of written notice thereof to Franchisee. Such right to terminate shall be in addition to all other rights and remedies as may be available to Midas at law, in equity or by contract; provided, however, that, notwithstanding anything contained herein to the contrary, the parties hereto agree that Franchisee's breach of this Amendment shall not, in and of itself, constitute a breach under, nor grounds for termination of, the Franchise Agreement (unless and only to the extent that the action or inaction giving rise to the breach under this Amendment would also give rise to a breach under the Franchise Agreement in the absence of this Amendment). Upon any such termination of this Amendment, Franchisee shall no longer be entitled to participate in the Program.

In addition to the foregoing, Midas shall have the right, in its sole discretion, to immediately terminate this Amendment upon delivery of written notice thereof to Franchisee in the event that, at any time during the Amendment Term, less than ninety percent (90%) of the then existing Midas shops located in the United States are participating in the Program (as evidenced by the then-effective Fleet Program Participation Amendments), but only to the extent that such termination is in connection with a corresponding termination of the entire Program by Midas.

In the event of the expiration or any termination of this Amendment, Franchisee shall immediately cease using any and all materials regarding the Program, and shall cease advertising, promoting, holding itself out as a participant of, or otherwise attempting to participate in, the Program. Further, in such event, Franchisee agrees to return to Midas, at Franchisee's cost, all Program-related materials then in its possession or otherwise under its control.

Franchisee acknowledges and agrees that nothing contained in this Amendment shall be deemed to constitute a promise, commitment or guarantee on the part of Midas that the Program will remain in effect for the entire Amendment Term. Rather, Franchisee understands and agrees that Midas shall have the right, in its sole discretion, to terminate, discontinue and/or cease maintenance of the Program, for any or no reason, at any time prior to the commencement of, during or after the Amendment Term.

8. Amendment to Section 3.1(d). Section 3.1(d) of the Franchise Agreement is hereby amended by adding "Except as otherwise provided in Section 4.3 below," to the beginning of the third sentence thereof.

9. Amendment to Section 4.1(a). Section 4.1(a) of the Franchise Agreement is hereby amended by deleting the first sentence thereof in its entirety and replacing it with the following:

"Except as set forth in Sections 4.1(b), 4.1(c), 4.1(d) and 4.3 (as applicable) below, Franchisee agrees to pay to Midas, within ten (10) days after the close of each calendar month during the term of this Agreement, a royalty in an amount equal to ten percent (10%) of Franchisee's Net Revenue for said preceding month."

10. Addition of New Section 4.3. The Franchise Agreement is hereby further amended by adding the following as a new Section 4.3 thereto:

"4.3 Royalty on Qualifying Fleet Customer Sales. From time to time during the term of this Agreement, Midas may, in its sole discretion, implement and administer a National Fleet Program

for the Midas System (hereinafter referred to as the "Fleet Program"). Franchisee may participate in such Fleet Program by executing a written amendment to this Agreement (the "Fleet Amendment"). In such event and notwithstanding the foregoing to the contrary, during the Amendment Term (as defined in the Fleet Amendment), Franchisee agrees to pay to Midas, at the same time the royalties provided for in Section 4.1 above are payable, a reduced royalty (the "Fleet Royalty") as follows:

- (a) for the five (5) year period commencing on the effective date of the Fleet Amendment and ending on January 31, 2015, seven percent (7%) of Franchisee's Net Revenue for the preceding calendar month from sales to Qualifying Fleet Customers (as hereinafter defined); provided, however, that Franchisee understands and agrees that only an amount equal to 2% of such Net Revenue is required to be expended by Midas for advertising pursuant to Section 3.1(d) above; and
- (b) for the remainder of the term of this Agreement, ten percent (10%) of Franchisee's Net Revenue for the preceding calendar month from sales to all Qualifying Fleet Customers, in accordance with Section 4.1(a) above.

For purposes of this Section 4.3, a "Qualifying Fleet Customer" shall mean any National Fleet Customer (as defined in the Fleet Amendment) who participates in the Fleet Program or local fleet customer, in either case whose sales are processed by the processor(s)/service provider(s) designated by Midas from time to time for the Fleet Program.

Franchisee agrees that the foregoing reduced Fleet Royalty shall be effectuated pursuant to a two-step process. Franchisee shall first pay the full ten percent (10%) royalty on Franchisee's Net Revenue under the Fleet Program referenced in Section 4.3(a) above. Midas shall then, in a subsequent month, issue a corresponding credit to Franchisee's trade account in an amount equal to three percent (3%) of Franchisee's Net Revenue under the Fleet Program for the applicable month.

Franchisee understands and agrees that the Fleet Royalty shall apply solely with respect to Franchisee's sales of automotive aftermarket products and services to Qualifying Fleet Customers, and then only with respect to those sales which are processed through Midas' then designated processor(s)/service provider(s), during the specific periods described above. Accordingly, unless otherwise provided in Section 4.1 above, the royalty rate of ten percent (10%) of Franchisee's Net Revenue, as specified in Section 4.1 above, shall apply with respect to all other Net Revenue, whether relating to Qualifying Fleet Customers or otherwise. Royalties received by Midas pursuant to this Section 4.3 shall not be deemed trust funds nor shall Midas be required to segregate such funds in any way, but they shall be deemed general funds of Midas for all purposes."

11. Indemnification. Franchisee acknowledges and agrees that Midas is not and shall not be responsible, for any reason, for any claims or liabilities that may arise out of Franchisee's participation in the Program, including, without limitation, those related to services provided to Fleet Customers or otherwise arising under any National Fleet Customer Contracts, any Service Provider Agreement(s), or any other contracts or agreements entered into by Franchisee in connection with the Program (collectively, "Losses"). Accordingly, Franchisee agrees to indemnify, defend and hold Midas harmless from and against any and all such Losses.

12. Conflict; Ratification. In case of any conflict between the provisions of this Amendment

and any provision of the Franchise Agreement, this Amendment shall control. Except as expressly modified by this Amendment, the provisions of the Franchise Agreement, including any amendments thereto, shall remain in full force and effect.

13. Authority. The person signing this Amendment on behalf of Franchisee represents and warrants that he/she has the authority to bind Franchisee.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and entered into as of the date first above written.

MIDAS INTERNATIONAL CORPORATION

FRANCHISEE: _____

By: _____

By: _____

Name: Peter D. Cooke

Name: _____

Its: Vice President

Its: _____

Exhibit A

Requirements, Policies and Procedures

Service Standards

- Perform courtesy check using the most recent Midas courtesy check form
- Offer 45 minute (or less) oil change service (measured from the time the fleet customer ticket is written to the time the oil change service is completed)
- Offer appointments or other services that expedite repairs/maintenance to minimize downtime for the fleet
- Accept all types of payments supported by the Program, including, but not limited to, Wright Express and Voyager

Tires

- Have an active Bridgestone/Firestone account
- Stock minimum 24 tire inventory unless tires can consistently be delivered within 45 minutes or less of customer request

Maintenance

- Utilize either Activant and/or Alldata, Mitchell or Wrenthead software to determine factory scheduled maintenance intervals

Systems and Software

- Utilize current POS software that supports single step fleet interface (when available from POS vendors)
- Utilize internet access (high-speed if available at the shop location)
- Utilize POS hardware that supports Windows operating systems
- Utilize either Activant and/or Alldata, Mitchell or Wrenthead software
- Utilize Fleet Team software

Local Training

- Attend Franchisee orientation session, as may be offered by Midas from time to time
- Send fleet sales representative(s) to Midas' outside sales classroom training sessions, as may be offered by Midas from time to time
- Support and participate in Midas Fleet Manager field visits, as and when such visits occur
- Participate in fleet transaction process training with shop manager, as may be offered by Midas from time to time
- Provide training to shop personnel, based upon the training received by Midas
- Ensure that shop personnel comply with Program Requirements

National Training

- Participate in fleet transaction process training with shop manager, as may be offered by Midas from time to time
- Provide training to shop personnel, based upon the training received by Midas
- Ensure that shop personnel comply with Program Requirements

Warranty Policy for Parts Purchased by National Fleet Customers

Notwithstanding anything to the contrary that may be contained in Article 5 of the Franchise Agreement, Franchisee agrees that the limited warranty applicable to parts purchased by National Fleet Customers shall be as follows:

1. Midas lifetime guaranteed brake pads and shoes, mufflers, shocks and struts shall be sold by Franchisee to National Fleet Customers with the same limited lifetime guarantee terms and according to the same procedures applicable to retail purchasers of Midas lifetime guaranteed brake pads and shoes, mufflers, and shocks and struts, subject to the limitations described in Item 5 below.
2. Tires shall be sold by Franchisee to National Fleet Customers with the applicable tire manufacturer's warranty passed through to the National Fleet Customer by Franchisee.
3. Batteries shall be sold by Franchisee to National Fleet Customers with the applicable battery manufacturer's warranty passed through to the National Fleet Customer by Franchisee.
4. All parts, except for tires, batteries and Midas lifetime guaranteed brake pads and shoes, mufflers, shocks and struts shall be sold by Franchisee to National Fleet Customers with a 12 month/12,000 mile limited warranty covering replacement of the warranted part and the labor involved in installing the part, subject to the limitations described in Item 5 below. Fluid exchange services and diagnostic services are NOT warranted for 12 months/12,000 miles.
5. Franchisee shall not be required to honor the above-referenced 12 month/12,000 mile limited warranty or the Midas lifetime guarantee on brake pads and shoes, mufflers, and shocks and struts if the vehicle for which warranty coverage is requested is: (i) driven under conditions that do not constitute normal use, (ii) used primarily off-road or (iii) abused or neglected.

Franchisee agrees to abide by and honor the foregoing warranty terms at all times during the Amendment Term with respect to all National Fleet Customers, regardless of the fact that a National Fleet Customer's warranty may have been issued prior to the Effective Date.

Franchisee agrees that, except with respect to Midas lifetime guaranteed brake pads and shoes, mufflers, and shocks and struts, all warranties provided by Franchisee to National Fleet Customers during the Amendment Term shall be self-funded by Franchisee, and, as such, Franchisee shall not be entitled to any credit or reimbursement from Midas for such warranty service, regardless of the date that the warranty was initially issued to the National Fleet Customer. With respect to Midas lifetime guaranteed brake pads and shoes, mufflers, and shocks and struts sold to National Fleet Customers, Franchisee shall be entitled to receive warranty credit from Midas in accordance with Midas' then standard warranty reimbursement policies and procedures applicable to Midas lifetime guaranteed brake pads and shoes, mufflers, and shocks and struts.

Exhibit B

Standard Menu of Services and Prices for National Fleet Customers

Given the nature of the national fleet business and the reasonable business need to establish a consistent, competitive price for automotive aftermarket products and services for National Fleet Customers, it is necessary for each franchisee desiring to participate in the Program to agree to a specified menu of services, prices, discounts and pricing methods. Accordingly, Franchisee agrees to offer the services, prices and discounts as described herein, to all National Fleet Customers.

Menu Services

Menu services are services commonly performed by Franchisee for which National Fleet Customers require standard pricing. Franchisee agrees to provide the menu services listed in Table B.1 attached hereto to all National Fleet Customers (collectively, the “Menu Services”).

Non-Menu Services

Non-menu services are any other services performed by Franchisee not otherwise listed as Menu Services (collectively, the “Non-Menu Services”).

List Price for National Fleet Customers

“List Price” is the standard price Franchisee agrees to charge National Fleet Customers, subject to the applicable Discount (as defined below), for Menu Services and Non-Menu Services. List Price is the starting point for all National Fleet Customer pricing scenarios and will function as a “Not to Exceed” threshold.

List Price for Menu Services

List Price for Menu Services is described in Table B.1 attached hereto.

List Price for Non-Menu Services

List Price for Non-Menu Services shall be determined using zoned hourly labor rates, labor times, PQL (as defined below) parts and tire pricing, as follows:

- Zoned Hourly Labor Rates – Franchisee agrees to charge the hourly labor rate applicable to the zone in which the Midas shop is located. The four (4) zones are described in Table B.2 attached hereto. The zones are comprised of entire States, except for certain metro and major metro cities, which are also listed in Table B.2 attached hereto.
- Labor Times – Franchisee agrees to use the labor times listed in the Activant, Mitchell, Alldata or Wrenthead catalog to determine the appropriate repair time for Non-Menu Services.
- Non-Menu Service Labor Charge – In order to establish the labor charge for a Non-Menu Service, Franchisee shall multiply the labor rate applicable to the zone in which the Midas shop is located by the repair time listed in the Activant, Mitchell, Alldata or Wrenthead catalog. Franchisee will charge the National Fleet Customer the resulting labor charge for the Non-Menu Service.
- Aftermarket Parts – Aftermarket parts not otherwise included in the provision of Menu Services and not sourced from OEMs (through auto dealerships) will be priced on a Price Quoted Locally (“PQL”) basis. Per PQL, Franchisee may sell such part or tire at the current market rate for

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EXHIBIT D-6

FLEET PROGRAM PARTICIPATION AMENDMENT TO MIDAS FRANCHISE AND TRADEMARK AGREEMENT

National Fleet Customers, as determined by Franchisee. Franchisee agrees to sell PQL parts and tires at a price that is competitive within its market.

- OEM Dealer Parts – Aftermarket parts not otherwise included in the provision of Menu Services that are sourced from OEMs (through auto dealerships) will be priced per PQL with a mark-up not to exceed 20% above dealer list price. Franchisee agrees to this mark-up cap for OEM dealer parts.

Discount Off List Price

Franchisee agrees that a discount not to exceed twelve percent (12%) (the “Discount”) may be applied to the List Price for Menu Services and Non-Menu Services offered to National Fleet Customers. The exact Discount applicable to each National Fleet Customer will be based upon the specific requirements of each National Fleet Customer. In no event shall the Discount exceed twelve percent (12%). The Discount may be offered as a rebate to the National Fleet Customer or deducted from the applicable List Price at the time of sale.

Taxes and Environmental Fees

Calculation and payment of sales tax and environmental and other fees levied by municipal, county, State, Federal, etc. governments are the responsibility of Franchisee. Franchisee shall calculate said taxes and fees following the laws provided by the applicable government agencies.

SEE ATTACHED TABLE B.1 - MENU SERVICES AND LIST PRICE -

Available upon request of Franchisor

SEE ATTACHED TABLE B.2 – ZONES -

Available upon request of Franchisor

**EXHIBIT D-7: ASSIGNMENT OF MIDAS FRANCHISE AND TRADEMARK
AGREEMENT**

This Assignment of Midas Franchise and Trademark Agreement (“Assignment”), dated and effective as of _____, 20____ (“Effective Date”), is by and among _____ (“Assignor”), _____ (“Assignee”), _____ (“Releasers”), _____ (“Related Parties”), and Midas International Corporation (“Midas”) relating to the Midas Franchise and Trademark Agreement, dated _____, including any amendments thereto (“Franchise Agreement”), for the Midas Shop at _____ (“Midas Shop”).

For and in consideration of each party’s covenants in this Assignment, the receipt and sufficiency of which each party hereby acknowledges, the parties hereby agree as follows:

1. ASSIGNMENT. Assignor transfers and assigns to Assignee all of Assignor’s right, title and interest, as Franchisee, in and to the Franchise Agreement.
2. ASSUMPTION. Assignee accepts the foregoing assignment and assumes, and covenants to perform, all liabilities, obligations and undertakings of Franchisee under the Franchise Agreement whether accrued and outstanding as of the Effective Date or arising thereafter.
3. LSA ASSUMPTION. Assignee assumes, and covenants to perform, the liabilities, obligations and undertakings of Assignor (or its principal) under any Local Sales Accelerator (LSA) agreement entered into by Assignor (or its principal) for the Midas Shop including, without limitation, all past due (if any) and future contribution and payment obligations thereunder prior and subsequent to the Effective Date. Assignor and Assignee (and not Midas) shall be responsible for making any prorations.
4. ASSUMPTION OF SHOP OBLIGATIONS. Assignee hereby agrees that it shall honor, and assume all obligations and liabilities relating to: (i) all “in shop” non-Midas warranties issued or redeemable at the Shop; (ii) all pre-paid services agreements, plans and programs (for oil changes, maintenance services, tire service programs, etc., lifetime or otherwise) which were sold, or are redeemable or presented for redemption, at the Midas Shop; and (iii) all coupons, certificates and similar offers which are redeemable, or presented for redemption, at the Midas Shop (all the foregoing, collectively, “Shop Obligations”). Midas shall have no liability, responsibility or obligations whatsoever (monetary or otherwise) with respect to Shop Obligations. New Franchisee agrees to indemnify and hold Midas harmless from all costs, damages, claims and awards relating to Shop Obligations. Nothing herein, however, shall relieve Midas from its obligations under Section 5.3 of the Midas Franchise and Trademark Agreement.
5. MANAGERIAL RESPONSIBILITY. Assignee and Midas agree that _____ assume(s) the managerial responsibility in Section 6.4 of the Franchise Agreement.
6. SUBORDINATION. Assignee and Related Parties request that Midas extend credit to Assignee. To induce Midas to extend Assignee credit, Assignee and Related Parties agree that any past, current or future indebtedness owed by Assignee to Related Parties (“Indebtedness”) shall at all times be subordinate to any royalty, trade, rent, promissory note or other account owed by Assignee to Midas (“Money Owed Midas”). Assignee and Related Parties agree that as long there is any Money Owed Midas, Assignee shall not pay, and Related Parties shall not accept payment of, any Indebtedness, directly or indirectly via payments, loans, advances, gifts or any other form or manner of cash or other consideration, other than Related Parties’ agreed compensation, without Midas’ consent.

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EXHIBIT D-7
ASSIGNMENT OF MIDAS FRANCHISE AND TRADEMARK AGREEMENT

7. **UNDERTAKING.** Related Parties join in and agree to be personally bound by all the terms and provisions of the Franchise Agreement, other than those requiring the payment of money by Franchisee, to the same extent and in the same manner as Franchisee is bound. The foregoing shall not be deemed to abrogate or impair any guaranty or subordination agreement which Assignee or Related Parties have executed or may contemporaneously herewith or hereafter execute.

8. **GENERAL RELEASE.** Assignor and Releasers have, jointly and severally, remised, released, and forever discharged, and by these presents do for itself, him/herself and his/her successors, assigns, directors, officers, owners, subsidiaries, affiliates, executors, administrators, legatees and heirs, hereby remise, release, and forever discharge Midas and its parent corporation, subsidiaries, affiliates, successors and assigns, and their respective directors, officers, agents, servants, and employees (individually and collectively, "Midas Group"), from all debts, accounts, claims, demands, covenants, judgments, agreements, promises, damages, suits and causes of action of any nature whatsoever, whether at law or in equity, which they, or their respective successors, assigns, affiliates, subsidiaries, executors, administrators, legatees and heirs, may now or in the future have against Midas Group including, but not limited to, matters arising out of or in connection with the circumstances surrounding the purchase (directly or by assumption of agreement) of the franchise for the Shop or the execution by Assignor of the Franchise Agreement, the operation of the Shop, the Franchise Agreement and the franchisor-franchisee relationship; provided, however, that this release shall not apply to (i) rights of Assignor arising under Midas warranties issued by Assignor in accordance with the Franchise Agreement, (ii) rights of Assignor to contribution or indemnity that may exist in tort or otherwise by virtue of its purchase of products from Midas prior to the date of this release, and (iii) credits due Assignor for reimbursement under product warranties issued by Midas and honored by Assignor prior to the date of this release. Assignor and Releasers each further states that it has read the foregoing and understand that it is a general release and that it intends to be legally bound thereby.

9. **GENERAL.** (a) Related Parties represent and warrant, each to its best knowledge, that they are all the owners (shareholders, members, partners, beneficiaries) and chief executive officer of Assignee and the individual(s) named in Section 6.4 of the Franchise Agreement as having primary managerial responsibility for the Midas Shop and acknowledge and agree that they are directly or indirectly beneficially interested in the business to be conducted by Assignee and are benefited by Midas' consent to this Assignment.

(b) Assignee and Related Parties acknowledge that, as a material condition to Midas' consent to this Assignment, Midas is requiring Assignee and Related Parties to assume all of Assignor's obligations and to agree to each covenant in this Assignment. Assignee and Related Parties agree that this Assignment shall be binding upon Assignee's successors and assigns and shall be for the benefit of and enforceable by Midas or any of its affiliates.

(c) Assignor, Assignee, Releasers and Related Parties agree that Midas or any of its affiliates shall have the right to enforce each covenant in this Assignment by all legal and equitable remedies including, but not limited to, injunctive relief and specific performance.

(d) Each covenant in this Assignment shall be severable and shall constitute a separate covenant. The invalidity or unenforceability of one covenant herein shall not affect the validity or enforceability of the other covenants herein or any other obligations of Assignor, Assignee, Releasers or Related Parties to Midas or to any of its affiliates.

(e) This Assignment may be executed in counterparts. If all the parties do not sign this Assignment, the signing parties shall nonetheless be bound under this Assignment.

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EXHIBIT D-7

ASSIGNMENT OF MIDAS FRANCHISE AND TRADEMARK AGREEMENT

Note: The following provision might be included in this document depending on the provisions of the specific franchise agreement being assigned.

10. AMENDMENT AND RESTATEMENT OF FRANCHISE AGREEMENT. As a material condition of Midas' consent to the foregoing assignment of the Franchise Agreement and as an integral part of the transaction contemplated by this Assignment, Assignee, as successor Franchisee under the Franchise Agreement, expressly agrees to execute, concurrently with execution of this Assignment, Midas' standard form of amendment and restatement of the Franchise Agreement reflecting the terms and conditions of Midas' current form of franchise agreement for Midas Shops. Assignor expressly consents to such amendment and restatement of the Franchise Agreement and agrees that it shall be bound by the terms thereof.

11. MIDAS' CONSENT. Midas, upon its execution hereof, consents to the foregoing assignment of the Franchise Agreement, subject to the terms and conditions of the Franchise Agreement and this Assignment.

Assignor:

By: _____
, President

Releaser(s):

Assignee:

By: _____
, President

Related Parties:

Midas International Corporation

By: _____
, Vice President

EXHIBIT D-8: MIDAS STANDARD RELEASE FORM

MIDAS STANDARD RELEASE FORM

_____ (“Company”), the Franchisee under the Midas Franchise and Trademark Agreement (“Franchise Agreement”) for a Midas shop identified below (“Shop”), and _____, heretofore an owner or officer of Company or beneficially interested in the business of Company, for and in consideration of one dollar (\$1.00) in hand paid and the consent of Midas International Corporation or Midas Canada Inc. (“Midas”) to the transfer of an ownership interest in Company (or the sale of one or more Shops) to _____, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, have, jointly and severally, remised, released, and forever discharged, and by these presents do for itself, him/herself and his/her successors, assigns, directors, officers, owners, subsidiaries, affiliates, executors, administrators, legatees and heirs, hereby remise, release, and forever discharge Midas and its parent corporation, subsidiaries, affiliates, successors and assigns, and their respective directors, officers, agents, servants, and employees (individually and collectively, “Midas Group”), from all debts, accounts, claims, demands, covenants, judgments, agreements, promises, damages, suits and causes of action of any nature whatsoever, whether at law or in equity, which they, or their respective successors, assigns, affiliates, subsidiaries, executors, administrators, legatees and heirs, may now or in the future have against Midas Group including, but not limited to, matters arising out of or in connection with the circumstances surrounding the purchase (directly or by assumption of agreement) of the franchise for the Shop or the execution by Company of the Franchise Agreement, the operation of the Shop, the Franchise Agreement and the franchisor-franchisee relationship; provided, however, that this release shall not apply to (i) rights of Company arising under Midas warranties issued by Company in accordance with the Franchise Agreement, (ii) rights of Company to contribution or indemnity that may exist in tort or otherwise by virtue of its purchase of products from Midas prior to the date of this release, and (iii) credits due Company for reimbursement under product warranties issued by Midas and honored by Company prior to the date of this release. Each undersigned further states that it has read the foregoing, understands that it is a general release and intends to be legally bound thereby.

This release covers each and every Midas Franchise and Trademark Agreement under which Company is now, or at any time in the past was, Franchisee and each and every Midas shop covered by such agreement(s) including, without limitation, the following:

Shop:

Company: _____ Date: _____, 20__

By: _____

EXHIBIT D-9: ASSUMPTION OF SHOP OBLIGATIONS

ASSUMPTION OF SHOP OBLIGATIONS

In consideration of Midas International Corporation (“Midas”) issuing a new Midas Franchise and Trademark Agreement (“Franchise Agreement”) to _____ (“New Franchisee”) for the operation of the Midas shop at _____ (“Shop”), which Shop was previously operated by _____, New Franchisee hereby agrees that it shall honor, and assume all obligations and liabilities relating to: (i) all “in shop” non-Midas warranties issued or redeemable at the Shop; (ii) all pre-paid services agreements, plans and programs (for oil changes, maintenance services, tire service programs, etc., lifetime or otherwise) which were sold, or are redeemable or presented for redemption, at the Midas Shop; and (iii) all coupons, certificates and similar offers which are redeemable, or presented for redemption, at the Midas Shop (all the foregoing, collectively, “Shop Obligations”). Midas shall have no liability, responsibility or obligations whatsoever (monetary or otherwise) with respect to Shop Obligations. New Franchisee agrees to indemnify and hold Midas harmless from all costs, damages, claims and awards relating to Shop Obligations. Nothing herein, however, shall relieve Midas from its obligations under Section 5.3 of the Franchise Agreement.

New Franchisee:

By: _____
, President

Date: _____, 20__

EXHIBIT D-10: RENEWAL AGREEMENTS

RENEWAL AGREEMENTS

In consideration of Midas International Corporation or Midas Canada Inc. (“Midas”) extending the franchise relationship under the Midas Franchise and Trademark Agreement for the Midas shop (“Midas Shop”) at _____ (“Franchise Agreement”), wherein _____ is Franchisee (“Franchisee”), and issuing a renewal Midas Franchise and Trademark Agreement, dated _____ (“Renewal Franchise”), to _____ (“Renewing Franchisee”), the undersigned hereby agree as follows:

1. GENERAL RELEASE. Franchisee and each of its owners, officers and directors (“Releasers”), jointly and severally, hereby release, remise and forever discharge Midas and its parent corporation, subsidiary entities and affiliated entities, and its/their respective successors, assigns, directors, officers, agents, servants and employees (individually and collectively, “Midas Group”), from all claims, demands, covenants, judgments, agreements, promises, damages, debts, accounts, suits and causes of action of any nature whatsoever, whether at law or in equity, which Franchisee and/or Releasers or any of its/their respective successors, assigns, parent, affiliates, subsidiaries, executors, administrators, legatees and heirs have, or may have, against Midas Group including, but not limited to, matters in any way relating to the Shop, the Franchise Agreement, the circumstances surrounding the purchase (directly or by assumption of agreement) of the Shop franchise or the execution of the Franchise Agreement, or the franchisor-franchisee relationship. Franchisee and Releasers each state that it has read the foregoing, understands that it is a general release and intends to be legally bound thereby.

2. ASSUMPTION OF SHOP OBLIGATIONS. Renewing Franchisee hereby agrees that it shall honor, and hereby assumes all obligations and liabilities relating to: (i) all “in shop” non-Midas warranties issued or redeemable at the Shop; (ii) all pre-paid services agreements, plans and programs (for oil changes, maintenance services, tire service programs, etc., lifetime or otherwise) which were sold, or are redeemable or presented for redemption, at the Shop; and (iii) all coupons, certificates and similar offers which are redeemable, or presented for redemption, at the Shop (all the foregoing, collectively, “Shop Obligations”). Midas shall have no liability, responsibility or obligations whatsoever (monetary or otherwise) with respect to Shop Obligations. Renewing Franchisee agrees to indemnify and hold Midas harmless from all costs, damages, claims and awards relating to Shop Obligations. Nothing herein, however, shall relieve Midas from its obligations under Section 5.3 of the Franchise Agreement and Renewal Franchise.

3. SUBORDINATION AGREEMENT. Related Parties request that Midas extend credit to Renewing Franchisee. To induce Midas to extend Renewing Franchisee credit, Renewing Franchisee and Related Parties agree that any past, current or future indebtedness owed by Renewing Franchisee to Related Parties (“Indebtedness”) shall at all times be subordinate to any royalty, trade, rent, promissory note or other account owed by Renewing Franchisee to Midas (“Money Owed Midas”). Renewing Franchisee and Related Parties agree that as long as there is any Money Owed Midas, Renewing Franchisee shall not pay, and Related Parties shall not accept payment of, any Indebtedness, directly or indirectly via payments, loans, advances, gifts or any other form or manner of cash or other consideration, other than Related Parties’ agreed compensation), without Midas’ consent.

4. GENERAL PROVISIONS. A. Related Parties represent and warrant, each to its best knowledge, that they are all the owners (shareholders, members, partners, beneficiaries, etc.) and chief executive officer of Renewing Franchisee and the individual(s) named in Section 6.4 of the Renewal Franchise as having primary managerial responsibility for the Shop and acknowledge and agree that they are directly

or indirectly beneficially interested in the business to be conducted by Renewing Franchisee and are benefited by Midas issuing the Renewal Franchise.

B. Renewing Franchisee and Related Parties understand and agree that, as material conditions of Midas issuing the Renewal Franchise: (i) Midas requires Renewing Franchisee and Related Parties to remain liable for, assume and reaffirm, all of Franchisee's obligations and to agree to these Renewal Agreements; (ii) Renewing Franchisee and Related Parties agree that these Renewal Agreements shall be binding upon Renewing Franchisee's successors and assigns and shall inure to the benefit of, and be enforceable by, Midas and its affiliates; (iii) Midas and its affiliates shall have the right to enforce these Renewal Agreements by all legal and equitable remedies including, but not limited to, specific performance; and (iv) each of these Renewal Agreements shall be severable and shall constitute a separate agreement and that a defense to the enforceability of one agreement shall not invalidate Renewing Franchisee's and Related Parties' other agreements or obligations herein or otherwise to Midas or its affiliates.

C. This document may be executed in counterparts. If all the parties do not sign this document, the parties that do sign shall nonetheless be bound hereby.

This document is executed and effective as of the date of the Renewal Franchise.

FRANCHISEE:

RENEWING FRANCHISEE:

By: _____

By: _____

RELEASERS:

RELATED PARTIES:

EXHIBIT D-11: MATCHING MARKETING FUNDS AGREEMENT

In connection with the opening of the Midas shop at _____ (“Shop”), pursuant to a Midas Franchise and Trademark Agreement (“Franchise Agreement”) between Midas International Corporation (“Midas”) and _____ (“Franchisee”), it is agreed as follows:

1. Franchisee agrees to pay to Midas \$_____ (“Franchisee Commitment Funds”) during the first six full months of the term of the Franchise Agreement (“First Six Months”), payable in six installments of \$_____ on the first day of each month starting with the first full month of the term of the Franchise Agreement. Franchisee Commitment Funds shall be in addition to the initial franchise fee, royalties and other amounts payable by Franchisee pursuant to the Franchise Agreement.
2. Franchisee Commitment Funds shall be spent by Midas, its marketing services vendor (Moroch) or Franchisee on consumer targeted advertising, merchandising, public relations programs and other marketing activities intended to directly benefit the Shop (“Shop Marketing Activities”) during the First Six Months. Shop Marketing Activities must be approved in advance by Midas or Moroch.
3. Midas agrees to allot up to \$_____ (“Matching Funds”), in the form of a dollar-for-dollar match of Franchisee Commitment Funds actually paid by Franchisee under this agreement, for Shop Marketing Activities during the First Six Months. Matching Funds shall be in addition to Franchisee Commitment Funds. Matching Funds will be allotted from the one-half of the royalties actually collected by Midas from all Midas franchisees which Midas agrees to expend for media costs, commissions and fees, production costs and other such costs of advertising, with respect to all Midas franchisees, pursuant to Section 3.1(d) of the Franchise Agreement.
4. Franchisee Commitment Funds are non-refundable.
5. In no event shall Matching Funds be payable to Franchisee in cash.
6. The rights and obligations under this agreement shall be binding on, and inure to the benefit of, the successors and assigns of the parties. With limiting the generality of the foregoing, if Franchisee assigns the Franchise Agreement or sells the Shop to a third party who continues to operate the Shop as a Midas shop, this agreement will be automatically assigned/transferred to, and assumed by, the assignee/transferee.

Franchisee: _____

Midas International Corporation

By: _____

By: _____

Shop no.: _____

Effective date: _____, 20____

Account no.: _____

EXHIBIT D-12: INCENTIVE PROGRAM PROMISSORY NOTE

INCENTIVE PROGRAM PROMISSORY NOTE (“Note”)

In partial consideration of Midas International Corporation (“Franchisor”) granting the undersigned Franchisee a Midas Franchise and Trademark Agreement for the Midas shop at _____ (“Franchise Agreement”) and agreeing to defer payment of \$_____ (“Principal Balance”) of the \$_____ initial franchise fee payable under the Franchise Agreement (“Initial Franchise Fee”), Franchisee promises to pay to the order of Midas International Corporation at its office at 1300 Arlington Heights Road, Itasca, Illinois 60143, the Principal Balance as follows: twenty (20) equal monthly installments of \$_____, each payable on the twenty-first (21st) day of each month, commencing on _____, 21, 20__ with the final monthly installment payable on _____, 21, 20__.

Franchisee further acknowledges and agrees as follows:

1 All payments made pursuant to this Note shall be via an ACH debit, and Franchisee hereby authorizes Franchisor to debit funds in the amounts set forth above from Franchisee’s account identified below. Franchisee hereby grants to Franchisor all right and authority necessary to deduct such amounts from said account. Franchisee shall make the appropriate requests to his, her or its bank(s) to ensure that Franchisor is able to make the debits as described in this Note. Franchisee’s account information for purposes of deducting the payments described herein is as follows:

Bank: _____
Account No.: _____
ABA No.: _____
Please attach a copy of a voided check.

This ACH debit authorization is also applicable to any other account now or hereafter maintained by Franchisee, in the event the above-referenced account is closed, deemed inactive, have a zero balance or for any other reasonable determination by Franchisor. Franchisee shall assist Franchisor in every way to secure payment of the amounts described herein, including, without limitation, providing Franchisee information regarding the above-referenced account or any other accounts of Franchisee, signing documents necessary to allow Franchisor to deduct the amounts described herein from Franchisee’s account(s), and providing alternative payment methods, if requested by Franchisor, in the event any ACH debit is unsuccessful. Further, if any ACH debit is unsuccessful and Franchisor incurs any bank fees or other charges as a result of the unsuccessful ACH debit, Franchisee agrees that Franchisor may subsequently debit any one or more of the foregoing accounts in the amount of such fees or charges.

- 2. Franchisee may prepay this Note at any time without penalty.
- 3. If the Franchise Agreement is terminated, no portion of the Initial Franchise Fee shall be refundable to Franchisee.
- 4. Termination of the Franchise Agreement by either party or in any manner shall not relieve Franchisee of its obligations to make all payments due hereunder.
- 5. The total Principal Balance remaining unpaid hereunder may, at the election of Franchisor or the holder hereof, be accelerated and become fully due and payable after ten days notice in any of the following events: (a) Franchisee’s failure to make any payment when due according to the terms hereof; (b) the sale or transfer by Franchisee of its interest in the Franchise Agreement or the sale or transfer of a

controlling interest in Franchisee (if Franchisee is a corporation, partnership or other business entity); or (c) termination of the Franchise Agreement by either party or in any manner.

6. This Note shall not accrue interest. However, if Franchisee fails to make any payment when due, the total Principal Balance then remaining unpaid shall bear interest at the rate per annum of three percentage points above the prime lending rate of JP Morgan Chase Bank, or its successor.

7. Any default in making a payment when due hereunder shall also constitute a failure by Franchisee "to make any payment of money owed to Midas when due" under Section 8.2(a) of the Franchise Agreement.

8. Franchisee shall reimburse Franchisor for all expenses, collection charges, costs and reasonable attorneys' fees incurred by Franchisor or the holder hereof in endeavoring to collect or enforce (with or without court action) Franchisee's obligations or undertakings herein.

FRANCHISEE:

_____ Date: _____

EXHIBIT E-1: END USER LICENSE AGREEMENT

END USER LICENSE AGREEMENT

PART 1 OF 2

PLEASE READ THE FOLLOWING END USER LICENSE AGREEMENT CAREFULLY. BY CLICKING THE “I ACCEPT” BELOW YOU (THE PERSON OR COMPANY WHO IS BEING LICENSED TO USE THE PROGRESSIVE AUTOMOTIVE SYSTEMS, INC. SOFTWARE APPLICATIONS) AGREE THAT YOUR USE OF THE SOFTWARE WILL COMPLY WITH, BE SUBJECT TO AND GOVERNED BY THESE TERMS AND CONDITIONS. BY CLICKING THE “I ACCEPT” BELOW YOU ALSO ACKNOWLEDGE YOUR AGREEMENT THAT THESE TERMS AND CONDITIONS ARE A LEGALLY BINDING CONTACT BETWEEN MIDAS INTERNATIONAL CORPORATION (“MIDAS”) AND YOU. IF YOU DO NOT AGREE TO THESE TERMS AND CONDITIONS, CLICK “I DECLINE” AND RETURN THE SOFTWARE TO MIDAS.

A) License: Subject to the Midas franchisee’s or prospective Midas franchisee’s (the Midas franchisee or prospective Midas franchisee shall collectively be referred to herein as “Franchisee”) full compliance with the terms hereof, Midas International Corporation (“Midas”) grants to Franchisee, and Franchisee accepts from Midas, in accordance with the terms of this End User License Agreement (this “EULA”), a non-exclusive, non-transferable, revocable, and limited license to use the suite of software applications that comprises the R.O. Writer Shop Management System (the “Software”), which is proprietary to Progressive Automotive Systems, Inc. (“PAS”), on a single computer, solely for the internal business purpose of operating a Midas shop located at a single United States postal address, and at no other location (the “License”). Franchisee is permitted to install the Software on each computer at such location for which Franchisee has accepted this EULA as described herein. For purposes of this EULA, the term Software shall include the R.O. Writer applications suite, as well as any corresponding manuals, documentation, information and other support materials provided to Franchisee by Midas. All other use of the Software is strictly prohibited. For purposes of the License and this EULA, a prospective Midas franchisee is: (i) an entity in the process of purchasing its first Midas franchise(s) and/or (ii) an existing Midas franchisee in the process of purchasing an additional Midas franchise(s).

B) Proprietary Rights; Confidentiality: The Software is proprietary to PAS, and Midas represents to Franchisee that it has the right to license the Software to Franchisee. PAS retains all right, title and interest to the Software, and this EULA conveys no interest to Franchisee, except as expressly stated in this EULA. Franchisee acknowledges that techniques, algorithms and processes contained in the Software constitute trade secrets and/or confidential information of Midas, and Franchisee agrees to maintain the confidentiality of the Software and, in particular, to restrict access to and use of the Software to Franchisee and Franchisee’s employees who agree in writing not disclose any such confidential information and to use the Software in accordance with the terms hereof. Franchisee agrees not to remove any product identification or labeling from any element of the Software or related materials supplied to Franchisee by Midas. Franchisee acknowledges that the Software and any third-party software that may be included therein are protected by United States copyright laws and international treaty provisions.

C) Further Restrictions: Franchisee further agrees and acknowledges that: (1) the Software is provided to Franchisee solely for the internal use of Franchisee and Franchisee’s employees; (2) Franchisee will not copy or duplicate, or permit anyone else to copy or duplicate, the Software, except as necessary to install the Software on a single computer located at Franchisee’s business location identified by a single United States postal address; (3) Franchisee will not re-create or attempt to re-

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EXHIBIT E-1

END USER LICENSE AGREEMENT

create, by reverse engineering or otherwise, the source code for the Software, or any part thereof, from the executable version and other information provided under this License; (4) the Software provided hereunder is copyrighted and licensed (not sold); (5) Franchisee may not sell, license, sublicense or otherwise transfer or make available the Software, manuals, and documentation included in the Software to any third party; (6) Franchisee may not remove any product identification, copyright notices, or other notices or proprietary restrictions from the Software or any permitted copies; (7) Franchisee may not ship or transmit any portion of the Software or accompanying documentation to a country prohibited by the United States Government; (8) use of the Software requires Internet connectivity; (9) Franchisee will not prevent or otherwise circumvent (including, without limitation, by using firewalls or any other electronic methods) the Software from connecting to the Internet as necessary; (10) no other right or license, either express or implied, under any patent, trademark, copyright, trade secret or intellectual property right of any kind is granted hereunder; and (11) Franchisee is not entitled under the terms of this EULA to receive support or maintenance from Midas. Accordingly, Franchisee shall not be entitled to receive and Midas shall not be obligated to provide to Franchisee, among other things, phone support, access to certain sections of the R.O. Writer support website, updates or issues and unlock codes. PAS offers a Software Maintenance Program directly to franchisees, subject to the terms of a separate Software Maintenance Program Agreement.

D) Notice of Certain Occurrences: Franchisee agrees to notify Midas immediately if Franchisee becomes aware of use or transfer of the Software or any part thereof or information relating thereto in a manner inconsistent with this EULA. Franchisee will furnish full details of any such occurrence to Midas, will assist in preventing the recurrence of such occurrence, and will cooperate with Midas in any litigation against third parties deemed necessary by Midas to protect its proprietary rights. Franchisee's compliance with this paragraph shall not be construed as a waiver of any right that Midas may have to recover damages or obtain other relief from Franchisee relating to any such occurrence.

E) Inspection: Midas and its representatives shall have the right, at all reasonable times, to inspect any location at which Software is being used or kept. In addition, Franchisee acknowledges that PAS, as owner of the Software, may include within the Software logic or computer code designed to restrict reproduction or usage of the Software to that permitted under this EULA ("Protection Code"). Franchisee shall not take any action designed to disable or circumvent a reproduction or use restriction or other software protection scheme implemented by PAS, and will permit Midas and/or PAS to make reasonable inquiries concerning Franchisee's compliance with this EULA. In the event of any malfunction of the Protection Code, Midas will, as its sole liability and Franchisee's sole remedy, provide services, through PAS, to correct such Protection Code so that Franchisee may use the Software as licensed hereunder.

F) Franchisee Data Collection and Disclosure: The Software may collect general statistical information about Franchisee's operating environment, including, without limitation, information regarding the Franchisee's network, processor, computer memory, installed Software and configurations and other miscellaneous hardware. Franchisee hereby authorizes Midas and/or PAS to collect such data. Midas and/or PAS may use and disclose such data, and Franchisee hereby consents to such use and disclosure, to third parties in aggregated form with no information that could be used to identify Franchisee. Midas and/or PAS may use the data for purposes of enforcing this EULA, improving the Software and, with respect to aggregated data, for marketing and other purposes. In the event Franchisee submits any personally identifiable information to Midas and/or PAS pursuant to this EULA or in connection with the use of the Software, including, without limitation, Franchisee's email address, Franchisee consents to Midas' collection, processing,

transmission and disclosure of such information and related data within its parent and subsidiary companies and third party partners, in accordance with Midas policies, if any, and applicable law.

G) No Transfer without Consent: Franchisee shall not transfer the Software to another location without the prior written consent of Midas. Franchisee shall not assign or otherwise transfer the Software, the License or this EULA to a successor, affiliate or any other person or entity, voluntarily, by operation of law or in any other manner, without the prior written consent of Midas. Any attempt by Franchisee to assign any of its rights, duties or obligations under this EULA without such consent is void. Subject to the foregoing, this EULA shall be binding on, and inure to the benefit of, the heirs, successors and assigns of the parties.

H) Remedies: If Franchisee attempts to use, copy, license or convey the Software in a manner contrary to the terms of this EULA or in derogation of Midas' proprietary rights, whether as explicitly herein stated, determined by law, or otherwise, Midas shall have, in addition to any other remedies available to it, the right to injunctive relief enjoining such action, Franchisee hereby acknowledging that other remedies are inadequate.

I) Termination: If any of the terms and conditions of this EULA are breached by Franchisee, in addition to any other rights and remedies of Midas, Midas may terminate the License and this EULA. Upon any termination of this EULA, Franchisee shall immediately cease using the Software, and shall return to Midas the Software, as well as any copies or partial copies thereof (including copies or partial copies that have been modified, merged or included with other software programs), and shall certify in writing that the Franchisee has not retained any such programs, or copies thereof. Paragraphs B, C(2), C(3), C(4), C(5), C(6), C(7), C(9), D, E, F, G, H, I, J, K, L, M, N, O and P of this EULA, along with the Franchisee's consent regarding the R.O. Writer Tray module, shall survive any termination of this EULA and remain in effect in accordance with their respective terms.

J) Exclusion of Warranty: Except as stated in Paragraph K of this EULA, **THE SOFTWARE IS PROVIDED "AS IS" AND WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. The entire risk as to the quality and performance of the Software is with Franchisee. Should any of the application suites which comprise the Software prove defective, Franchisee (and not Midas, any Midas distributor, or any owner or licensor to Midas of such program) assumes the entire cost of all necessary servicing, repair and correction.** Neither Midas nor any other person makes any warranty that the functions contained in any of the Software will meet Franchisee's requirements or that the operation of the applications suite will be uninterrupted or error free. Franchisee assumes all responsibility for Franchisee's use of the Software and the results obtained from such use.

K) Limited Warranty: Midas warrants both the media on which the Software are reproduced and the reproduction of the programs on the media to be free from defects in materials and workmanship under normal use for a period of thirty (30) days from the date of delivery to Franchisee as evidenced by a copy of Franchisee's invoice. The entire liability of Midas and Franchisee's exclusive remedy for any breach of this warranty shall be the repair or replacement of any media not meeting the warranty that is returned to Midas or an authorized Midas distributor within the 30-day period, with a copy of Franchisee's invoice.

L) LIMITATION OF LIABILITY. IN NO EVENT WILL MIDAS, ITS AFFILIATES OR ANY OTHER PARTY OR PERSON BE LIABLE TO FRANCHISEE OR ANY OTHER PERSON FOR ANY DAMAGES, INCLUDING LOST PROFITS, LOST SAVINGS OR OTHER DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES,

ARISING OUT OF THE USE OR INABILITY TO USE THE SOFTWARE OR ANY BREACH OF THE FOREGOING WARRANTY EVEN IF MIDAS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. FRANCHISEE ACKNOWLEDGES THAT MIDAS HAS ESTABLISHED THE LICENSE FEES FOR THE SOFTWARE, AND IS ENTERING INTO THIS EULA IN RELIANCE UPON THE DISCLAIMERS OF WARRANTY AND THE LIMITATIONS OF LIABILITY SET FORTH IN THIS EULA AND THAT THE SAME FORM AN ESSENTIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES. IN NO EVENT SHALL MIDAS', ITS AFFILIATES', DISTRIBUTORS' OR ANY OTHER PARTY'S LIABILITY TO FRANCHISEE OR ANY OTHER PERSON, FOR ANY DAMAGES OR LOSSES OF ANY KIND, IN CONTRACT, TORT OR OTHERWISE, EXCEED THE TOTAL AMOUNT OF THE LICENSE FEE FRANCHISEE PAID FOR THE LICENSE.

M) Indemnification: Franchisee agrees to indemnify, defend, and hold Midas and its affiliates harmless for any losses, claims, or damages, including without limitation, reasonable attorneys fees, however arising, including without limitation, through negligence, arising out of or in connection with the use or misuse of the Software.

N) Taxes and Duties: Franchisee is responsible for all taxes imposed in connection with the license to Franchisee of Software or services or which Midas may incur in respect of the License (except taxes imposed on Midas' income) including all import duties, customs fees, levies or imposts, and all sales, use, value added, gross receipts or other taxes of any nature and any penalties, interest and collection or withholding costs associated with any of the foregoing items. All such amounts are in addition to other amounts payable hereunder, and this obligation shall survive termination or expiration of the License. Franchisee is further responsible for obtaining import licenses and preparing and submitting all required documentation in connection with importing Software, including obtaining and providing to Midas, International Import Certificates and other supporting documentation required by Midas.

O) Export Law Regulations: Franchisee will not export or re-export the Software licensed hereunder or their accompanying documentation (or any copies thereof) in violation of any applicable laws or regulations of the United States or in the country in which Franchisee does business. Franchisee agrees that it shall be subject to all pertinent laws, rules and regulations of the United States as well as laws of the countries in which Franchisee transacts business, specifically including U.S. Export Administration Regulations and other export control laws. In no event shall Midas or its affiliates be bound by any terms and conditions that contravene such laws. At the request of Midas, Franchisee shall fill out and execute certain export control documents.

P) Miscellaneous: Franchisee hereby acknowledges and agrees that this EULA may be amended or modified by Midas at such time as Midas may make available updates or upgrades to the Software, which amendments or modifications may be presented to Franchisee electronically during the installation of any such updates or upgrades. Franchisee further acknowledges and agrees that it is Franchisee's sole responsibility to read this EULA, as may be modified from time to time, and that Franchisee shall be deemed to have accepted any amendments or modifications to this EULA if Franchisee installs or has installed any updates or upgrades to the Software. Franchisee further agrees that its continued use of the updated or upgraded Software shall also constitute acceptance of any amendments or modifications to this EULA. This EULA will be governed by the laws applicable to agreements made entirely in the State of Illinois, without reference to any laws with respect to the conflict of laws. Any legal action relating to this EULA shall be instituted in a state court located in DuPage County, Illinois, or a federal court located in Chicago, Illinois. Midas and Franchisee agree to submit to the jurisdiction of, and agree that venue is proper in, these courts in any such legal action.

This EULA is the complete and exclusive statement of the agreement between Franchisee and Midas with respect to the subject matter of this EULA. This EULA supersedes any proposal or prior agreement, oral or written, and any other communication between Franchisee and Midas or any Midas distributor relating to the subject matter of this EULA. Should any part of this EULA be declared invalid for any reason, such decision shall not affect the validity of the remaining provisions of this EULA, which shall continue in full force and effect as if this EULA had been executed with the invalid portion thereof eliminated.

PLEASE ACKNOWLEDGE YOUR ACCEPTANCE OF THE TERMS OF THIS END USER LICENSE AGREEMENT ABOVE BY CLICKING "I ACCEPT". IN THE EVENT YOU DO NOT CLICK "I ACCEPT" YOU WILL NOT BE ABLE TO PROCEED TO PART 2 OF THE EULA OR INSTALL THE SOFTWARE AND ANY UPDATES THERETO. FURTHER, YOU WILL NOT BE ABLE TO TRANSMIT DATA TO MIDAS VIA THE MIDAS DATA HIGHWAY. IF YOU DO NOT AGREE, CLICK "DECLINE" AND RETURN THE SOFTWARE TO MIDAS.

I ACCEPT

I DECLINE

**END USER LICENSE AGREEMENT
PART 2 OF 2**

PLEASE READ CAREFULLY:

PLEASE READ CAREFULLY THIS IMPORTANT INFORMATION ABOUT THE R.O. WRITER TRAY MODULE (“R.O. WRITER TRAY”) THAT IS INCLUDED IN AND MADE A PART OF THE R.O. WRITER APPLICATIONS SUITE SOFTWARE BEING LICENSED TO YOU PURSUANT TO THE TERMS OF THE END USER LICENSE AGREEMENT (“EULA”):

R.O. Writer Tray is a module that allows the R.O. Writer applications software suite (the “Software”) to perform certain functionality, including, without limitation, caller ID, access the R.O. Writer website, automatic updates and messaging capability. It also provides you with information from the latest R.O. Writer Support Desk Bulletin. R.O. Writer Tray allows you to use these features to help you operate your business more efficiently.

As described in Sections E and F of the EULA, R.O. Writer Tray also allows PAS, through Midas, to collect general statistical information about your operating environment. For example, R.O. Writer Tray may collect information about your network, operating system, processor, computer memory, hard drive capacity, the legal name and address of your business, and the installed R.O. Writer Software applications, configurations and versions you’re using. R.O. Writer Tray will transmit this information and the R.O. Writer license file information back to PAS over the internet. PAS will use the information collected by R.O. Writer Tray for purposes such as enhancing the R.O. Writer application.

R.O. Writer Tray does not collect personal information such as your name, address or e-mail address. It also does not transmit any of your customer or other shop data to PAS or any other third party, unless you have expressly authorized Midas to receive such data via the Midas Data Highway or other by other electronic means.

PLEASE ACKNOWLEDGE YOUR ACCEPTANCE OF THE TERMS OF THE EULA, INCLUDING, WITHOUT LIMITATION, YOUR CONSENT TO THE USE OF R.O. WRITER TRAY AS DESCRIBED IN THE EULA AND ABOVE BY CLICKING “I ACCEPT”. IN THE EVENT YOU DO NOT CLICK “I ACCEPT” YOU WILL NOT BE ABLE TO INSTALL THE SOFTWARE AND ANY UPDATES THERETO. FURTHER, YOU WILL NOT BE ABLE TO TRANSMIT DATA TO MIDAS VIA THE MIDAS DATA HIGHWAY. IF YOU DO NOT CONSENT, CLICK “DECLINE” AND RETURN THE SOFTWARE TO MIDAS.

I ACCEPT

I DECLINE

EXHIBIT E-2: SOFTWARE MAINTENANCE PROGRAM AGREEMENT

SOFTWARE MAINTENANCE PROGRAM AGREEMENT – AUTOMATIC PAYMENT

CUSTOMER NAME: _____ START DATE: _____

SHOP NAME: _____

CUSTOMER SHOP ADDRESS: _____

CITY, STATE, ZIP: _____

SHOP TELEPHONE NUMBER: _____ SHOP EMAIL: _____

I. TERMS AND CONDITIONS

A. The software maintenance program described herein (the “Software Maintenance Program”) shall apply only to the suite of software applications that comprise the R.O. Writer Shop Management System (the “Software”) installed at a vehicle repair facility located at the single United States postal address for the Customer Shop Address, as listed above, and at no other location. If the person or company who is being licensed to use the Software (“you”) operates more than one vehicle repair facility using the Software, you will need a separate Software Maintenance Program Agreement (this “Agreement”) for each such facility. Subject to your full compliance with the terms hereof, Progressive Automotive Systems, Inc. (“PAS”) shall provide the Software Maintenance Program according to the terms and conditions set forth herein.

B. The initial term of this Agreement shall commence as of the Start Date set forth above and shall continue for a twelve (12) month period. Thereafter, if you pay the applicable support fees annually in advance, this Agreement shall automatically renew for additional successive 12-month periods unless you or PAS deliver written notice of non-renewal to the other party; but if you pay applicable support fees monthly in advance, this Agreement shall automatically renew on a month-to-month basis until you or PAS deliver written notice of non-renewal to the other party. In the event you do not renew this Agreement or cease paying applicable support fees to PAS at any time and later wish to obtain support from PAS, you shall be required to pay the fees you would have had to pay if you had decided to renew the term from the start date to the current date or had never stopped paying for support.

C. You shall make Software Maintenance Program fee payments directly to PAS in an amount equal to the then-current costs for the level of support indicated on the Electronic Payment Processing Form & Order Form, attached hereto as Exhibit A (“Order Form”). Said Order Form includes the current schedule of Software Maintenance Program fees and descriptions and is incorporated herein by this reference. The Order Form also indicates your payment method, which is either: (i) annually, in advance or (ii) monthly, in advance, by credit card charges or bank account debits. If you pay Software Maintenance Program fees monthly, you will authorize PAS to automatically debit your designated credit card or bank account in the amount of the monthly fee, pursuant to the Order Form. If you pay Software Maintenance Program fees annually, you will authorize PAS to automatically debit your designated credit card or bank account in the full amount, pursuant to the Order Form. Failure to make any payment on time and when due will result in the immediate cancellation and termination of this Agreement and will relieve PAS of all obligations hereunder.

II. SUPPORT COVERAGE

A. For the duration of this Agreement, provided you are in full compliance with this Agreement and the End User License Agreement for the Software, you are entitled to:

1. Software support from the PAS telephone Hotline with no restriction upon the number of qualified calls. Calls may be placed during the published hours of operation of the PAS Hotline.

2. All minor version updates of the Software. For purposes of clarification only, minor version updates may include fixes, minor improvements and minor releases noted by a change to the secondary version numbers such as an update from version 1.19 to version 1.20. The Software Maintenance Program does not include major version updates. For purposes of clarification only, major version updates may include modules and major releases noted by a change to the primary

version number such as an update from version 1.0 to version 2.0. PAS shall determine, in its sole and absolute discretion, whether an update is a minor version update or a major version update. PAS reserves the right to charge an additional license fee for major version updates.

3. Full access to the website <http://www.rowriter.com>.

4. Unlock codes (NOTE: As with all other support coverage, if you are not paying your obligations on time so that your account is in good standing, PAS can refuse to provide you with access to a technical support representative unless you agree pay to PAS the then-current technical support rate.)

B. The following items are NOT covered under this Agreement:

1. Repair of damage or increase in service time caused by accident, disaster (which includes, but is not limited to, fire, flood, wind or lightning, collision with vehicles), transportation, neglect, misuse, or alteration.
2. Telephone support, repair of damage, technical support or increase in service time caused by the use of parts, service, accessories, or software not supplied by PAS.
3. Deterioration due to environmental conditions (including improper electrical supply to the equipment).
4. Microsoft Windows support and/or training.
5. Microsoft Internet Explorer support and Internet connectivity support.
6. Major version updates, as described above.
7. Support for operating systems, networking, spyware, adware and similar unsupported software.

III. GENERAL

A. You may not transfer or assign this Agreement.

B. This Agreement is non-refundable and may not be cancelled.

C. Your location must have Internet access. You will not prevent or otherwise circumvent (including, without limitation, by using firewalls or any other electronic methods) the Software from connecting to the Internet as necessary.

D. It may be necessary for PAS support staff to access your system directly to diagnose and repair issues. You agree to provide a secure remote access to your servers hosting the PAS Product to allow PAS to provide maintenance remotely. To facilitate this, you must have Internet access.

E. You shall report any issues with the Software as soon as possible. If it is a product suggestion or a non-critical operational issue, you shall report the issue via e-mail at the address support@rowriter.com.

F. PAS shall not be liable to you for any alleged loss or damages resulting from your acts or omissions, acts of civil or military authority, governmental priorities, earthquake, fire, flood, epidemic, quarantine, energy crisis, strike, labor trouble, war, riot, accident, shortage, delay in transportation, or any other causes beyond the reasonable control of PAS.

G. This Agreement will be governed by the laws applicable to agreements made entirely in the State of Illinois, without reference to any laws with respect to the conflict of laws. Any legal action relating to this Agreement shall be instituted in a state court located in DuPage County, Illinois, or a federal court located in Chicago, Illinois. PAS and you each agree to submit to the jurisdiction of, and agree that venue is proper in, these courts in any such legal action.

H. You agree to indemnify, defend, and hold PAS harmless for any losses, claims, or damages, including without limitation, reasonable attorneys fees, however arising, including without limitation, through negligence, arising out of or in connection with this Agreement.

I. In the event the you fail to pay its obligations hereunder on time and in accordance with the terms hereof and/or if you are not otherwise in compliance with this Agreement, PAS may refuse to provide support to you and/or PAS may charge you its then-current support fee for any requests.

J. You hereby acknowledge and agree that this Agreement may be amended or modified by PAS at such time as PAS may make available updates or upgrades to the Software, which amendments or modifications may be presented to you electronically during the installation of any such updates or upgrades. You further acknowledge and agree that it is your sole responsibility to read this Agreement, as may be modified from time to time, and that you shall be deemed to have accepted any amendments or modifications to this Agreement if you installs or have installed any updates or upgrades to the Software. You further agree

that your continued use of the updated or upgraded Software shall also constitute acceptance of any amendments or modifications to this Agreement.

K. This Agreement is the complete and exclusive statement of the agreement between you and PAS with respect to the subject matter of this Agreement. This Agreement supersedes any proposal or prior agreement, oral or written, and any other communication between you and PAS or any PAS distributor relating to the subject matter of this Agreement.

L. Should any part of this Agreement be declared invalid for any reason, such decision shall not affect the validity of the remaining provisions of this Agreement, which shall continue in full force and effect as if this Agreement had been executed with the invalid portion thereof eliminated.

M. You are responsible for all taxes imposed in connection with this Agreement (except taxes imposed on PAS' income). All such amounts are in addition to other amounts payable hereunder, and this obligation shall survive termination or expiration of this Agreement.

IV. DISCLAIMER OF LIMITATION AND LIABILITY

THERE ARE NO EXPRESS OR IMPLIED WARRANTIES. THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE EXCLUDED. Neither PAS nor any other person makes any warranty that the functions contained in any of the Software will meet your requirements or that the operation of the applications suite will be uninterrupted or error free. You assume all responsibility for your use of the Software and the results obtained from such use.

IN NO EVENT SHALL PAS, ITS PARENTS, SUBSIDIARIES OR AFFILIATES BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, SPECIAL OR PUNITIVE DAMAGES OR ANY KIND, OR FOR LOSS OF PROFITS, LOSS OF BUSINESS, LOSS OF INFORMATION OR DATA, OR OTHER FINANCIAL LOSS ARISING OUT OF OR IN CONNECTION WITH THE SALE, INSTALLATION, USE, PERFORMANCE, FAILURE, INTERRUPTION OF THE SOFTWARE LICENSED FROM PAS, INCLUDING, WITHOUT LIMITATION, THE PAS PRODUCT OR FOR PAS' PERFORMANCE OF SERVICES HEREUNDER, EVEN IF PAS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE, OR ANY CLAIM AGAINST YOU BY ANY OTHER PARTY. IN NO EVENT SHALL PAS' LIABILITY TO YOU OR ANY OTHER PERSON, FOR ANY DAMAGES OR LOSSES OF ANY KIND, IN CONTRACT, TORT OR OTHERWISE, EXCEED THE TOTAL AMOUNT OF THE SUPPORT FEES PAID TO PAS HEREUNDER FOR THE CALENDAR YEAR IN WHICH SAID DAMAGES OR LOSSES OCCURRED.

YOU ACKNOWLEDGE THAT YOU HAVE READ THIS AGREEMENT AND AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS. FURTHER, YOU AGREE THAT THIS IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES, WHICH SUPERSEDES ALL HOTLINE SUPPORT AND SOFTWARE UPDATE PROPOSALS OR PRIOR AGREEMENTS, ORAL OR WRITTEN.

PLEASE ACKNOWLEDGE YOUR CONSENT TO THE TERMS AND CONDITIONS OF THE SOFTWARE MAINTENANCE PROGRAM AGREEMENT AS SET FORTH HEREIN BY SIGNING WHERE INDICATED BELOW.

Business Name: _____

By: _____
(Authorized Signature)

Name: _____
(Typed or Printed Name)

Date: _____

EXHIBIT A

ELECTRONIC PAYMENT PROCESSING FORM & ORDER FORM

(See next page)

Your signature on this form provides consent and authorizes Progressive Automotive Systems, Inc. ("PAS") to initiate a recurring electronic withdrawal from your credit card or electronic debit from your checking or savings account that will be processed through the regular banking system. You understand and agree that this authorization will be in effect until you contact PAS directly and ask them to terminate the authorization. If any of your payments are returned unpaid, you will be charged a returned item fee up to the maximum allowed by law. If you have any questions at any time, you may call us at 800-881-5859 selecting option 5 to contact the PAS billing department during normal business hours.

In order to charge your credit card or debit your bank account, please fill out the information below. Please check the appropriate box in one column only. Select Monthly or Annual billing to authorize charges.

MONTHLY Automatic Credit Card Payments – Per location

- a) R.O. Writer Software Maintenance: Then-current maintenance fee, plus tax.*
- b) R.O. Writer Software Maintenance & Activant Catalog: Then-current maintenance fee plus Activant fee, plus tax.*
- c) R.O. Writer Software Maintenance & Activant Catalog & Buyer Assist: Then-current maintenance fee plus Activant fees, plus tax.*
- d) R.O. Writer Software Maintenance & Activant Catalog & R.O. Writer Mobile Software Maintenance: Then-current maintenance fees plus Activant fee, plus tax.*
- e) R.O. Writer Software Maintenance & Activant Catalog & Buyer Assist & R.O. Writer Mobile Software Maintenance: Then-current maintenance fees plus Activant fees, plus tax.*

ANNUAL Automatic Credit Card Payment – Per location

- R.O. Writer Software Maintenance: Then-current maintenance fee, plus tax.*

Visa, MasterCard, AMEX, Discover

Credit Card Number

Expiration Date

Name of Issuing Bank

Security Code
(3 or 4-digits found
on back of the
card)

Print Card Holder's Name (as it appears on the front of the card)

Card Holder's Billing Address

Card Holder's City, State, Zip

*
Signature of Card Holder

MONTHLY Automatic Bank Withdrawals – Per location

- a) R.O. Writer Software Maintenance: Then-current maintenance fee, plus tax.*
- b) R.O. Writer Software Maintenance & Activant Catalog: Then-current maintenance fee plus Activant fee, plus tax.*
- c) R.O. Writer Software Maintenance & Activant Catalog & Buyer Assist: Then-current maintenance fee plus Activant fees, plus tax.*
- d) R.O. Writer Software Maintenance & Activant Catalog & R.O. Writer Mobile Software Maintenance: Then-current maintenance fees plus Activant fee, plus tax.*
- e) R.O. Writer Software Maintenance & Activant Catalog & Buyer Assist & R.O. Writer Mobile Software Maintenance: Then-current maintenance fees plus Activant fees, plus tax.*

ANNUAL Automatic Bank Withdrawals – Per location

- R.O. Writer Software Maintenance: Then-current maintenance fee, plus tax.*

*** A \$25.00 processing fee will be assessed each time a credit card or withdrawal transaction is declined.**

Name of Your Financial Institution

Account Number

ABA Routing Number

Account Holder Name (Please Print)

*
Signature of Account Holder

I, _____, authorize Progressive Automotive Systems, Inc. to charge my credit card or debit my bank account as described above. You will see a charge from "Progressive Automotive Systems, Inc." on your statements.

EXHIBIT E-3: R.O. WRITER CENTRAL SERVICE AGREEMENT

LICENSE AGREEMENT – CENTRAL SERVICE

PLEASE READ THE FOLLOWING LICENSE AGREEMENT CAREFULLY. BY CHECKING THE “ACCEPT” BOX BELOW YOU (THE PERSON OR COMPANY WHO IS BEING LICENSED TO USE THE PROGRESSIVE AUTOMOTIVE SYSTEMS, INC. (“PAS”) SOFTWARE APPLICATIONS AND SERVICE) AGREE THAT YOUR USE OF THE SOFTWARE AND SERVICE WILL COMPLY WITH, BE SUBJECT TO AND GOVERNED BY THESE TERMS AND CONDITIONS. BY CHECKING THE “ACCEPT” BOX BELOW YOU ALSO ACKNOWLEDGE YOUR AGREEMENT THAT THESE TERMS AND CONDITIONS ARE A LEGALLY BINDING CONTRACT BETWEEN PAS AND YOU. IF YOU DO NOT AGREE TO THESE TERMS AND CONDITIONS, CLICK “DECLINE” AND ACCESS TO THE SOFTWARE AND SERVICES WILL BE DENIED.

A) Product: Subject to the terms of this License Agreement (“License”), Progressive Automotive Systems, Inc. (“PAS”) will provide you (“Licensee”): (i) access to a software application(s) hosted on server hardware and facilities shared with other licensees (the “Service”) and (ii) the right to use the R.O. Writer Central Service software application(s) (the “Software” and, together with the Service, “Central Service”) in order to access and use the Service. PAS shall host Central Service and may update the content, functionality and user interface of Central Service from time to time in its sole discretion and in accordance with this License. For purposes of this License, the term Central Service shall include any corresponding manuals, documentation, information and other support materials provided to Licensee by PAS.

B) License Grant: Subject to Licensee’s full compliance with the terms of this License, PAS grants to Licensee, and Licensee accepts from PAS, in accordance with the terms hereof, a non-exclusive, non-transferable, revocable, and limited license to use Central Service solely for the internal business purpose of operating one or more vehicle repair shops, provided that each separate physical vehicle repair shop location shall be subject to a separate License Agreement accepted by Licensee. This License conveys no interest to Licensee, except as expressly stated herein. Central Service is copyrighted and licensed (not sold). All other use of Central Service is strictly prohibited.

C) Proprietary Rights; Confidentiality: Central Service is proprietary to PAS. PAS retains all right, title and interest in and to Central Service and all modifications, derivative works, and related materials, ideas, methods, procedures, processes, know-how and techniques, including, without limitation, functions, models, templates, algorithms, processes, structure features, software sequence and organization, user interfaces, screen designs, consulting and software tools, utilities, routines, and systems operation methods (collectively, “PAS Materials”), all of which constitute PAS trade secrets and/or confidential information. Licensee agrees to maintain the confidentiality of the PAS Materials and, in particular, to restrict access to and use of Central Service to Licensee and Licensee’s employees who agree in writing not disclose any PAS Materials to any third parties and to use Central Service strictly in accordance with the terms hereof (“Authorized Users”). Licensee acknowledges that Central Service and any third-party software that may be included therein are protected by United States copyright laws and international treaty provisions.

D) Further Restrictions: Authorized Users; Licensee Responsibilities: Licensee may only provide Authorized Users access to Central Service, including, without limitation, access to user IDs, passwords or electronic authentication keys. Licensee is responsible for the actions of Authorized Users as if Licensee had made the actions itself. Other than Authorized Users, no third party may have use of or access to Central Service. Under no circumstances shall an Authorized User be a person or entity engaged in point of sale software development. Licensee and Authorized Users shall not, nor shall they

attempt to, or permit or assist any person or entity to: (i) sublicense, transfer, rent, lease, assign, reverse assemble, create a derivative work of, translate, modify, misuse, damage, impair, misappropriate, disassemble, decompile, reproduce, or reverse engineer all or part of Central Service, or otherwise attempt to derive algorithms, techniques, or non-public features of the Service or the Software; (ii) use Central Service to benefit a third party; (iii) develop, market, license or sell a product or service which appropriates or uses as source material any PAS Materials; (iv) breach a PAS security measure; (v) access or use another licensee's data (except as may be expressly permitted by Licensee); or (vi) use Central Service with Licensee Data that infringes a third-party right, or is obscene, defamatory or otherwise unlawful. Results of any breach of (i), (ii), and (iii) shall be PAS' property and confidential information.

Further, Licensee is responsible for compliance with this License by all persons and entities that obtain access to Central Service through or on behalf of Licensee. If PAS determines, in its sole discretion, that any Licensee Data stored within Central Service is illegal, infringing, or could create liability for PAS and/or its parents or affiliate(s), Licensee shall immediately, at its sole expense, destroy it, delete it or otherwise transfer it from Central Service. Notwithstanding the foregoing, neither PAS nor its parents or affiliate(s) shall have any duty to monitor Licensee Data to determine whether the same is illegal, infringing or could create liability.

Licensee further agrees and acknowledges that: (1) Licensee may not access Central Service or transmit Licensee Data to Central Service from a country prohibited by the United States Government; (2) use of Central Service requires Internet connectivity; (3) Licensee will not prevent or otherwise circumvent Central Service from connecting to the Internet as necessary (including, without limitation, by using firewalls or any other electronic methods); (4) except as expressly provided for in this License, no other right or license, either express or implied, under any patent, trademark, copyright, trade secret or intellectual property right of any kind is granted hereunder; (5) Licensee is not entitled under the terms of this License to receive support or maintenance from PAS, and PAS shall not be obligated to provide support and maintenance to Licensee, including, among other things, phone support or access to certain sections of the R.O. Writer support website; and (6) PAS may, in any way, employ, modify, develop, market, disclose, and otherwise exploit Central Service, PAS Materials, and upgraded or modified versions thereof, including, without limitation, that which allows PAS, its parents or affiliate(s) to meter usage. Neither PAS nor its parents or affiliate(s) agree to any terms precluding or limiting its right to provide any product or service to any person or entity.

Licensee is responsible for: (A) ensuring proper use of Central Service; (B) implementing and maintaining audit controls, check points, safeguards, operating methods, and procedures for access to and use of Central Service; (C) ensuring that no credit card numbers, social security numbers, or other personally identifiable information is included in Licensee Data and/or transmitted to Central Service; (D) complying with all laws, rules and regulations applicable to Licensee's operations, including, without limitation, Licensee's use and configuration of Central Service; and (E) security of data stored by Licensee. **PAS AND PAS' AFFILIATES SHALL NOT BE OBLIGATED TO CORRECT DEFECTS OR BE LIABLE FOR DAMAGES CAUSED BY LICENSEE'S FAILURE TO COMPLY WITH THE FOREGOING.**

E) License From Licensee; Licensee Data Collection and Disclosure: "Licensee Data" shall mean any data, information or other materials of any nature whatsoever provided to PAS in the course of implementing and/or using Central Service. Licensee warrants it has rights to license the Licensee Data to PAS and its parents or affiliate(s) as described herein and hereby does grant to PAS and its parents or affiliate(s) a non-exclusive and perpetual license to copy, store, record, back-up, transmit, maintain, display, view, print or otherwise use Licensee Data in connection with PAS' provision, back-up, storage and maintenance of and modifications and improvements to Central Service, including, without limitation, for purposes of providing additional services authorized by Licensee, for purposes of enforcing this License, improving Central Service and, with respect to aggregated Licensee Data, for marketing and

other purposes; provided, however, that neither PAS nor its parents or affiliate(s) shall share location-specific Licensee Data or customer-specific Licensee Data with any third party unless PAS or its parents or affiliate(s) have received Licensee's consent or as may be required by law or court order. Central Service may also collect general statistical information about Licensee's operating environment, including, without limitation, information regarding the Licensee's network, processor, computer memory, installed software and configurations and other miscellaneous hardware. In addition, if Licensee is also a franchisee of one or more of PAS' affiliates, Licensee hereby authorizes PAS to share said Licensee Data with such affiliates for those purposes set forth above and for purposes of royalty reporting, warranty registration and administration and for use in aggregated marketing and sales analytics systems. Licensee hereby authorizes PAS to collect and share such Licensee Data as described in this License and agrees that the foregoing license to the Licensee Data shall survive the termination of this License.

F) Fees: Licensee shall pay monthly subscription fees for Central Service as described in PAS' then-current enrollment form for Central Service, which Licensee shall submit to PAS concurrently with accepting this License. PAS may deny access to Central Service if said fees are not paid on time and when due. None of PAS, its parents or affiliates shall be liable for any damages due to such interruption or termination, and Licensee shall pay PAS' then-current commercially reasonable fees for any subsequent restoration of access.

G) Service; Availability; Security; Support: PAS will use commercially reasonable efforts to make Central Service available; restrict maintenance to occur during non-business hours; and provide Licensee with notification of scheduled downtime. Licensee agrees that occasional downtime, updates and maintenance are sometimes required during business hours, which may impair responsiveness and accessibility. Licensee further agrees that Central Service may also be unavailable due to emergency downtime to protect the system, back-up data, or because of force majeure events. Availability of Central Service is subject to Licensee's maintenance of its interface and connectivity to Central Service. PAS follows commercially reasonable security measures, which may include firewalls, virus screening, logon IDs, passwords, intrusion detection, periodic reporting, security patches and virus definitions. PAS routinely backs up information, and archives and holds data in secure storage. Security policies address data retention and destruction to balance privacy, integrity, access controls, storage, cost management, and legal requirements. Loss of Licensee Data may occur and Licensee should provide for additional back-up storage of its original Licensee Data. If a disaster destroys the hosting data center, PAS will relocate the most recent available backups to its alternate data center.

Defects due to the following by Licensee or an Authorized User are not considered downtime: (i) negligence, errors, misuse, modification or damage to Central Service; (ii) failure to use defect corrections, enhancements, updates or workarounds; (iii) use combined with products, information, third-party software or an interface not provided by PAS; (iv) defects in quality or integrity of data from other systems, or in hardware, software or equipment not part of Central Service, or which is not operating according to manufacturer specifications; and (v) failure to maintain proper connectivity. If an issue is excluded by the foregoing, investigation and repair shall be additional services, paid for by Licensee.

H) Notice of Certain Occurrences: Licensee agrees to notify PAS immediately if Licensee becomes aware of an unauthorized use or transfer of Central Service, PAS Materials or any part thereof or information relating thereto in a manner inconsistent with this License. Licensee will furnish full details of any such occurrence to PAS, will assist in preventing the recurrence of such occurrence, and will cooperate with PAS in any litigation against third parties deemed necessary by PAS to protect its proprietary rights. Licensee's compliance with this paragraph shall not be construed as a waiver of any right that PAS may have to recover damages or obtain other relief from Licensee relating to any such occurrence.

D) No Transfer without Consent: Licensee shall not assign or otherwise transfer access to Central Service or this License to a successor, affiliate or any other person or entity, voluntarily, by operation of law or in any other manner, without the prior written consent of PAS. Any attempt by Licensee to assign any of its rights, duties or obligations under this License without such consent is void. Subject to the foregoing, this License shall be binding on, and inure to the benefit of, the heirs, successors and assigns of Licensee.

J) Remedies: If Licensee attempts to use, copy, license or convey Central Service in a manner contrary to the terms of this License or in derogation of PAS' proprietary rights, whether as explicitly herein stated, determined by law, or otherwise, PAS shall have, in addition to any other remedies available to it, the right to injunctive relief enjoining such action, Licensee hereby acknowledging that other remedies are inadequate.

K) Termination: If any of the terms and conditions of this License are breached by Licensee or an Authorized User, in addition to any other rights and remedies of PAS, PAS may terminate this License and immediately prohibit Licensee from accessing Central Service. In addition, if Licensee is or was a franchisee of one or more of PAS' affiliates and, at any time after the acceptance of this License, ceases to continue to be a franchisee of PAS' affiliate(s), PAS and/or said affiliate may terminate this License and immediately prohibit Licensee from accessing Central Service, in addition to any other rights and remedies otherwise available to them. Within one (1) year after the termination or expiration of this License and upon Licensee's written request, at its sole expense and pursuant to PAS' then current rates for such services, PAS shall use commercially reasonable efforts to transfer Licensee Data from Central Service to Licensee. Paragraphs C, D, E, H, I, J, K, L, M, N, O, P and Q of this License shall survive any termination of this License and remain in effect in accordance with their respective terms, as shall any other provision hereof which, by its nature, needs to survive in order to be given its full force and effect.

L) Exclusion of Warranty: Except as stated in Paragraph M of this License, CENTRAL SERVICE IS PROVIDED "AS IS" AND WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, UNINTERRUPTED, SECURE OR ERROR-FREE USE, OR ARISING FROM COURSE OF DEALING OR TRADE PRACTICE. The entire risk as to the quality and performance of Central Service is with Licensee. Should Central Service or any part thereof prove defective, Licensee (and not PAS, its parent or affiliate companies, PAS distributor, or any owner or licensor to PAS of such program) assumes the entire cost of all necessary servicing, repair and correction. Licensee assumes all responsibility for Licensee's use of Central Service and the results or lack thereof obtained from such use.

M) Limited Warranty: PAS warrants that Central Service will be provided by PAS in a workmanlike, professional manner. In the event of a breach of this provision, PAS shall use commercially reasonable efforts to correct Central Service. If PAS is unable to cure a breach of this warranty after commercially reasonable efforts, PAS or Licensee may terminate this License and PAS shall refund Licensee the most recent monthly subscription fee paid by Licensee. **THIS SECTION SETS FORTH LICENSEE'S SOLE REMEDY FOR BREACH OF THIS WARRANTY.**

N) LIMITATION OF LIABILITY: NOTWITHSTANDING ANY CONTRARY TERM HEREIN, IN NO EVENT SHALL LICENSEE BE ENTITLED TO DAMAGES, INCLUDING, BUT NOT LIMITED TO, DAMAGES OF THE TYPE, RESULTING FROM, OR CONCERNING THE FOLLOWING, WHICH ARISE FROM OR RELATE TO THIS LICENSE OR ANY USE OR INABILITY TO USE CENTRAL SERVICE: CONSEQUENTIAL, INCIDENTAL, DIRECT, INDIRECT, SPECIAL, OR PUNITIVE; LOSS OF REVENUE, BUSINESS, SAVINGS, GOODWILL AND PROFITS; SERVICE FAILURE OR DELAY; DATA LOSS OR

CORRUPTION; SYSTEM ERRORS OR INCOMPATIBILITY; SECURITY BREACH; FAILURE TO ACCURATELY READ, UPDATE, PROVIDE OR TRANSMIT INFORMATION; FORCE MAJEURE EVENTS; AND TAX RELATED PENALTIES, INTEREST OR FEES, EVEN IF PAS, ITS PARENT OR AFFILIATE COMPANIES KNEW OR SHOULD HAVE KNOWN OF SUCH RISKS. LICENSEE ACKNOWLEDGES THAT PAS, ITS PARENT OR AFFILIATE COMPANIES HAVE ESTABLISHED THE LICENSE FEES FOR CENTRAL SERVICE AND ARE ENTERING INTO THIS LICENSE IN RELIANCE UPON THE DISCLAIMERS OF WARRANTY AND THE LIMITATIONS OF LIABILITY SET FORTH IN THIS LICENSE AND THAT THE SAME FORM AN ESSENTIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES. IN NO EVENT SHALL PAS', ITS PARENT OR AFFILIATE COMPANIES', DISTRIBUTORS' OR ANY OTHER PARTY'S LIABILITY TO LICENSEE OR ANY OTHER PERSON, FOR ANY DAMAGES OR LOSSES OF ANY KIND, IN CONTRACT, TORT OR OTHERWISE, EXCEED THE TOTAL AMOUNT OF THE MOST RECENT MONTHLY SUBSCRIPTION FEE PAID BY LICENSEE. PAS AND ITS PARENT AND AFFILIATE COMPANIES EXPRESSLY DISCLAIM LIABILITY FOR ALL CLAIMS, DAMAGES, ACTIONS, FEES, EXPENSES AND LOSSES ARISING FROM OR RELATING TO LICENSEE DATA. NO THIRD PARTY MAY RELY ON OR BENEFIT FROM CENTRAL SERVICE, AND LICENSEE SHALL BE RESPONSIBLE FOR ALL LIABILITY ARISING FROM OR RELATED TO SUCH UNAUTHORIZED RELIANCE. LICENSEE'S SOLE REMEDY AND PAS' AND ITS PARENT OR AFFILIATE COMPANIES' SOLE OBLIGATION FOR LIABILITY ARISING FROM OR RELATED TO THIS LICENSE OR CENTRAL SERVICE, SHALL BE THE RETURN OF THE MOST RECENT MONTHLY SUBSCRIPTION FEE PAID BY LICENSEE.

O) Indemnification: Licensee agrees to indemnify, defend, and hold PAS and its parent and affiliate companies harmless for any losses, claims, or damages, including without limitation, reasonable attorneys fees, however arising, including without limitation, through negligence, arising out of or in connection with (1) the use or misuse of Central Service; and (2) Licensee Data, including, without limitation, illegality, infringement, obscenity and defamation.

P) Taxes and Duties: Licensee is responsible for all taxes imposed in connection with the License for Central Service or which PAS may incur in respect of the License (except taxes imposed on PAS' income) and for all expenses that are not covered by the subscription fees, including, without limitation, all applicable sales, use, value added, gross receipts or other taxes of any kind or nature and any penalties, interest and collection or withholding costs associated with any of the foregoing items. All such amounts are in addition to other amounts payable hereunder, and this obligation shall survive termination or expiration of the License.

Q) Miscellaneous: Licensee hereby acknowledges and agrees that this License may be amended or modified by PAS at such time as PAS may make available updates, amendments, modifications or upgrades to Central Service, which amendments or modifications may be presented to Licensee electronically at the time Licensee accesses Central Service. Licensee further acknowledges and agrees that it is Licensee's sole responsibility to read this License, as may be modified from time to time, and that Licensee shall be deemed to have accepted any amendments or modifications to this License if Licensee accesses Central Service after being presented with an updated License. Licensee further agrees that its continued access to Central Service shall also constitute acceptance of any amendments or modifications to this License. This License will be governed by the laws applicable to agreements made entirely in the State of Illinois, without reference to any laws with respect to the conflict of laws. Any legal action relating to this License shall be instituted in a state court located in DuPage County, Illinois, or a federal court located in Chicago, Illinois. PAS and Licensee agree to submit to the jurisdiction of, and agree that venue is proper in, these courts in any such legal action. This License is the complete and exclusive statement of the agreement between Licensee and PAS with respect to the subject matter of this License. This License supersedes any proposal or prior agreement, oral or written, and any other

communication between Licensee and PAS or any PAS distributor relating to the subject matter of this License. Should any part of this License be declared invalid for any reason, such decision shall not affect the validity of the remaining provisions of this License, which shall continue in full force and effect as if this License had been executed with the invalid portion thereof eliminated.

PLEASE ACKNOWLEDGE YOUR ACCEPTANCE OF THE TERMS OF THIS LICENSE AGREEMENT ABOVE BY CLICKING “I ACCEPT”. IN THE EVENT YOU DO NOT CLICK “I ACCEPT” YOU WILL NOT BE ABLE TO ACCESS CENTRAL SERVICE AND ANY UPDATES THERETO. FURTHER, YOU WILL NOT BE ABLE TO TRANSMIT LICENSEE DATA TO CENTRAL SERVICE. IF YOU DO NOT AGREE, CLICK “DECLINE” AND YOU WILL NOT BE GRANTED ACCESS TO CENTRAL SERVICE.

ACCEPT [IF ACCEPT, CONTINUE TO PROVIDE ACCESS]

DECLINE [IF DECLINE, SHOW WARNING:

YOU ARE DECLINING THE LICENSE AGREEMENT TERMS AND CONDITIONS. IF YOU HAVE FURTHER QUESTIONS, PLEASE CONTACT R.O. WRITER SALES AT 800-881-5859 OR SALES@ROWRITER.COM.

YOUR REQUEST TO ACCESS CENTRAL SERVICE WILL NOW BE DENIED. ARE YOU SURE YOU WANT TO DECLINE THE LICENSE AGREEMENT AND CANCEL YOUR REQUEST TO ACCESS CENTRAL SERVICE AT THIS TIME? YES NO]

EXHIBIT F-1: LEASE



MIDAS SHOP LEASE

This Midas Shop Lease ("Lease"), made as of _____, 20____, is by and between Midas Realty Corporation, a Delaware corporation ("Lessor"), having its office at 1300 North Arlington Heights Road, Itasca, Illinois 60143, and _____, a _____ ("Lessee"), having its office at _____. Lessor and Lessee agree as follows:

1. **LEASE OF PREMISES:** Subject to any easement, restriction, covenant, condition or other matter of record, Lessor hereby leases to Lessee, and Lessee hires from Lessor, on the terms and conditions hereinafter set forth, those certain premises together with the building, improvements and appurtenances thereto, commonly known as _____, more particularly described in Exhibit A attached hereto and made a part hereof ("Premises").

2. **TERM:** (a) The term of this Lease will commence on _____ ("Commencement Date"), and expire on _____. The initial term including any extensions or renewals shall be defined as the "Term".

(b) In conjunction with the execution of this Lease, Lessee is entering into a franchise agreement with Midas International Corporation (Lessor's affiliate, "Franchisor") ("Franchise Agreement"). The term Franchise Agreement shall include any extension of the franchise agreement or franchise relationship, any renewal Franchisor franchise agreement and, in Lessor's sole discretion, any operating agreement or license under which the business continues to operate following the termination or expiration of the Franchise Agreement.

(c) Lessee agrees that if the Franchise Agreement expires or is terminated for any reason by Lessee or Franchisor or in any manner, Lessor shall have the unqualified and absolute right to terminate this Lease upon written notice to Lessee. Upon giving such notice, Lessor shall have the right to immediately re-enter and take possession of the Premises or it may institute summary or holdover proceedings to evict Lessee and all those in possession of the Premises by reason of the termination of this Lease as herein provided. Lessee acknowledges and agrees that the foregoing termination provision is a material business term of this Lease (and is in addition to, and separate and distinct from, the termination of this Lease as a Lessor remedy upon an Event of Default, as hereinafter defined).

3. **RENT:** (a) The rent payable by Lessee to Lessor during each year of the Term shall be: (i) fixed minimum rent in the amount of \$_____/year, payable in monthly installments of \$_____ ("Fixed Minimum Rent"); or (ii) 7% of "Gross Sales" (as hereinafter defined) during such year ("Percentage Rent"); **WHICHEVER SHALL BE THE LARGER AMOUNT.** Fixed Minimum Rent shall increase yearly by two percent (2%) over the previous Fixed Minimum Rent on each anniversary of the Commencement Date. "Rent" shall mean Fixed Minimum Rent and Percentage Rent collectively. "Additional Rent" shall mean all other monetary obligations of Lessee under this Lease including, but not limited to, Taxes (as hereinafter defined).

(b) Rent and Additional Rent shall be absolutely net to Lessor without any right of offset, deduction, claim or withholding by Lessee, so that this Lease shall yield to Lessor the Rent and

Additional Rent specified during the Term. All costs, expenses and obligations of every kind and nature whatsoever relating to the Premises shall be paid and performed by Lessee.

(c) Fixed Minimum Rent installments shall be paid on the first day of each month in advance. All payments of Fixed Minimum Rent, Percentage Rent, Taxes (as defined below) and other Additional Rent due under this Lease shall be made by electronic payment transactions through automated clearing house debits. Lessee hereby authorizes Lessor to debit from its bank account the amount of such payments on the first day of each month or on such other applicable due date or any time thereafter. The foregoing authorization shall be self operative and need no further written agreement; provided, however, Lessee shall, upon request, sign Lessor's standard "ACH Agreement". If Lessor directs Lessee in writing to do so, the foregoing payments shall be made to Lessor at P.O. Box 93687, Chicago, Illinois 60673, or at such other place, or in such other manner, designated by Lessor.

(d) With respect to Percentage Rent and Gross Sales:

(i) "Gross Sales" shall mean and include all sales of merchandise or products of any kind and all charges for service or labor done in, on and from the Premises for cash or credit regardless of the collection thereof, but excluding sales taxes and bona fide refunds.

(ii) Lessee shall deliver to Lessor, on or before March 1st of each year of the Term (or within 60 days after the termination or expiration of the Term, if the Term does not end on December 31st), a statement of Gross Sales for the previous year, which statement shall be certified by Lessee and signed by Lessee's accountant.

(iii) Concurrently with the delivery of said statement, Lessee shall pay as Percentage Rent owing for the previous year, the total Percentage Rent payable for the year (or partial year) less the total Fixed Minimum Rent paid for the previous year.

(iv) Lessee shall keep and preserve for at least three (3) years after delivery of the annual statement under the above (ii) full, complete and true records of all sales and business transactions, including bank statements, in manner and form satisfactory to Lessor. Lessor's representatives shall have access to said records at any and all reasonable times for the purposes of examination or audit thereof to verify said annual statements.

(v) For purposes of Section 3, "year" shall mean calendar year ending December 31st.

4. (Intentionally left blank.)

5. USE: (a) Lessee shall use the Premises solely for the activities authorized by the Franchise Agreement and none other.

(b) Lessee shall, during the Term, occupy the Premises and diligently operate its business at the Premises and keep the business open to the public during the business days and hours which Franchisor from time-to-time prescribes.

(c) Lessee, in its use, occupancy, maintenance and repair of the Premises, shall comply with all the terms and conditions of the Franchise Agreement.

6. **CONDITION OF PREMISES; MAINTENANCE:** (a) Lessee acknowledges and agrees that it has inspected, or has had a sufficient opportunity to inspect, the Premises and hereby accepts the Premises "AS-IS" and "WHERE-IS" with no representation or warranty by Lessor as to the condition of the Premises or the fitness of the Premises for any particular purpose or use.

(b) Lessee shall, at its expense, at all times during the Term keep the entire Premises including, but not limited to, the interior and exterior, structural and non-structural elements, foundation, floor, roof and roof system, utility systems and installations, parking area and driveways, sidewalks, landscaping, immediately surrounding areas, appurtenances, fixtures and equipment in good, safe, clean, sanitary, debris-free and well-maintained condition and shall do and make, on a timely and diligent basis, all maintenance, repairs and replacements as are necessary and appropriate to keep the Premises in the condition required by this Lease, regardless whether the benefit of such maintenance, repairs and replacements may extend beyond the Term. Without limiting the foregoing, Lessee shall keep and maintain the Midas Shop at the Premises in accordance with the requirements of the Franchise Agreement relating to interior and exterior design and appearance, Franchisor indicia, painting and décor, floor layout, character of interior furnishings, signs, emblems, logos, lettering, pictorial materials and condition of the Midas Shop premises.

(c) Upon expiration or termination of this Lease, Lessee shall deliver the Premises to Lessor in the condition required by Section 6(b), reasonable wear and use excepted.

7. LESSOR RIGHTS: Lessor and its agents shall have right to enter the Premises at all reasonable times for the purpose of inspecting, testing (including doing environmental tests and interior and exterior borings), maintaining or repairing the Premises (without having any obligation to do so) or showing the Premises to prospective buyers, tenants or lenders. During the 120 days prior to the expiration or termination of this Lease, Lessor may display "for rent" type signs on the Premises. Lessor shall have the right to display "property for sale" type signs at any time. Lessor shall have the right to display "franchise available" type signs on the Premises and to show the Premises to prospective franchisees any time Lessee has indicated to Franchisor that it intends to terminate, or not renew, the Franchise Agreement or any time the Franchise Agreement is subject to termination for any reason.

8. ALTERATIONS: Lessee shall not make any alterations, improvements or additions to the Premises ("Alterations") without first obtaining the written consent of Lessor, which Lessor may grant or deny in its sole discretion. In the event Lessor consents to Alterations, the same shall be made by Lessee at Lessee's sole expense by a licensed contractor and according to plans and specifications approved by Lessor and subject to such other conditions as Lessor may require. Any Alterations shall be prosecuted diligently to completion, shall be of good workmanship and materials and shall comply with all Laws (as hereinafter defined) and all terms of this Lease. Upon completion of any Alterations, Lessee shall promptly give Lessor: (i) evidence of full payment to all laborers and materialmen together with all appropriate final lien waiver and release documents; (ii) an architect's certificate certifying the Alterations to have been completed in conformity with the approved plans and specifications; and (iii) a certificate of occupancy. Lessee shall file or record, as appropriate, a "notice of non-responsibility", disclaiming Lessor's responsibility, or any equivalent notice permitted under Laws, with respect to the Alterations. Any Alterations shall be deemed a part of the Premises and belong to Lessor, and Lessee shall execute and deliver to Lessor such instruments as Lessor may require to evidence Lessor's ownership. Upon expiration or termination of this Lease, Lessee, if directed by Lessor, shall remove any Alterations and restore the Premises to its original condition, making any repairs at Lessee's sole cost and expense.

9. TAXES; UTILITIES: (a) Lessee shall pay prior to delinquency pursuant to bills procured and timely submitted to Lessee by Lessor all taxes and assessments levied, imposed or assessed on the Premises ("Tax(es)") subsequent to the Lease commencement date, and Lessor shall be required to pay no Taxes during the Term. Lessee shall exhibit receipts for Tax payments to Lessor promptly upon payment thereof. Lessee may, at its expense, contest Taxes, in the name of Lessor if necessary, at all times indemnifying and holding Lessor harmless from liability for all Taxes. Taxes accrued but not yet paid as of the date of this Lease shall be paid by Lessee notwithstanding that such Taxes relate to periods prior to the Commencement Date. Taxes for the year in which this Lease terminates or expires shall be prorated

so that Lessee shall pay the Taxes for any year falling partially within the existing Term, said proration to be based upon the number of days of the then current tax fiscal year falling within the existing Term.

(b) Lessee shall also pay promptly when due any tax levied, imposed or assessed on or against the rent paid or collected under this Lease, whether the same be called a rent tax, sales tax, excise tax, gross receipts tax, general services tax, or otherwise, irrespective of whether such tax is in lieu of or in addition to taxes and assessments levied, imposed or assessed on the Premises ("Rent Tax"). Lessee shall reimburse Lessor any Rent Tax which Lessor is required to pay or, in fact, pays.

(c) At Lessor's option, Lessee shall deposit with Lessor (in addition to paying Fixed Minimum Rent) on the first day of each month a sum equal to one-twelfth (1/12th) of the annual Taxes and (if applicable) Rent Tax so that as each installment becomes due and payable, Lessee shall have on deposit with Lessor a sum sufficient to pay it. If the actual Taxes have not been ascertained at the time a monthly deposit is due under this Lease, Lessee shall deposit such amount as is reasonably determined by Lessor. Lessor shall have the right, to be exercised in its reasonable discretion, to determine and set the amount of the monthly deposit from time to time. Lessor shall also have the right to require Lessee to deposit a lump sum sufficient to pay each Tax installment and to also pay the Taxes for the current period. When a Tax bill is received, if the actual Taxes are more than the amount deposited by Lessee for the period covered by the Tax bill, Lessee shall pay such amount to Lessor forthwith upon demand. If the actual Taxes are less than the amount deposited by Lessee for the period covered by the Tax bill, Lessor may retain the excess on deposit for the payment of future Taxes. Lessor shall not be responsible for the validity, accuracy or reasonableness of Taxes. Lessor shall have no obligation to pay interest on Lessee's Tax and Rent Tax deposits, and Lessee hereby expressly waives any right, statutory or otherwise, to have Lessor pay interest. Upon expiration or termination of this Lease, when the actual Taxes for the last year(s) of the Term are billed, Lessee shall pay Lessor, upon demand, the difference between the actual Taxes and the amount of Taxes previously deposited for such year(s), or portion thereof, by Lessee.

(d) Lessee shall pay for all water, gas, electricity, phone, data transmission, wireless services and other utilities serving the Premises.

10. **LICENSES AND COMPLIANCE WITH LAWS:** Lessee shall comply with all Laws and shall not use, or permit the use of, the Premises in violation of any Laws. "Laws" shall be defined as all applicable governmental and quasi-governmental laws, statutes, ordinances, regulations and orders including, but not limited to Environmental Laws (as hereafter defined) and the ADA (as hereafter defined). Lessee agrees that it shall be responsible for complying in all respects with the Americans with Disabilities Act of 1990, as such act may be amended from time to time, and all regulations promulgated thereunder, and all state and local Laws relating to disabled or handicapped persons (collectively, "ADA"), affecting the Premises including, but not limited to, making required so-called readily achievable or reasonable changes to remove any architectural or communications barriers and providing auxiliary aides and services at the Premises. Lessee shall maintain and procure at its own expense and responsibility all licenses, permits or inspection certificates required by any governmental authority respecting Lessee's use of, or business at, the Premises. Lessee may contest any Laws and, if required, may join Lessor's name as a nominal party in any such contest. In such event Lessee shall indemnify Lessor against any costs, penalties or attorney's fees incurred by or asserted against Lessor by virtue thereof.

11. **INSURANCE:** (a) During the entire Term, Lessee shall obtain, maintain in force and pay the premiums for, public liability insurance with completed operations coverage, with insurance companies acceptable to Lessor, with \$2,000,000 combined single limit coverage per occurrence (or such other amount as may be prescribed by Lessor from time to time in its sole and absolute discretion), as well as all other insurance policies and coverages as described in the Franchise Agreement or as otherwise prescribed by Lessor from time to time in its sole and absolute discretion. Such limits of liability shall be

increased and/or modified, or additional types of coverage shall be obtained at the direction of Lessor, as and when changed circumstances so require. Said policies of insurance shall provide coverage on an "occurrence" rather than "claims made" basis. Said policies of insurance shall expressly protect Lessee, Lessor, Franchisor, Midas, Inc. and Lessor's mortgagee (Lessor, Franchisor, Midas, Inc. and Lessor's mortgagee, individually and collectively, "Insureds") and shall require the insurer to defend Insured in any such action. Lessee shall furnish to Lessor a certified copy of each policy or a certificate with respect to each such policy evidencing the required coverage and naming Insureds as additional insureds, stating that coverage applies to "all operations during the policy period" and providing that such policy shall not be canceled, amended or modified except upon ten (10) days' prior written notice to Insureds. The additional insured endorsement must provide coverage at least as broad as the ISO CG2010 1001 together with the CG2037 1001. The coverage afforded Insureds must provide that such insurance shall be primary to any other insurance otherwise carried by Insured. Maintenance of the insurance required under this section shall not relieve Lessee of its indemnification obligations contained in this Lease. Lessee fails to procure or maintain in force any insurance as required by this section, or to furnish to Lessor the certified copies or certificates thereof required hereunder, Lessor may, in addition to all other rights and remedies available at law, in equity or by contract, procure such insurance, and, in such event, Lessee shall, upon demand by Lessor, reimburse Lessor for all premiums and other costs incurred in connection therewith.

(b) Lessee agrees, at its cost and expense during the Term, to keep the building and improvements on the Premises insured at full replacement value by reliable companies against damages caused by fire and against other risks covered by standard extended coverage with Insureds as additional insureds and with proceeds payable to Lessor or Lessor's mortgagee and Lessee, as their interests may appear. In the event Lessee fails to provide, or maintain in effect at any time during the Term, the required fire and extended coverage insurance, Lessor shall have the right to obtain such insurance on Lessee's behalf. The insurance obtained by Lessor shall be subject to certain loss deductible amounts depending upon the nature of the casualty, and Lessee shall be responsible for such loss deductible amounts. Such loss deductible amounts shall be subject to change from time to time. The insurance obtained by Lessor pursuant to this subparagraph may be via Lessor's blanket policies. Lessee shall, upon demand by Lessor, reimburse Lessor for all premiums and other costs incurred in connection with obtaining insurance pursuant to this subparagraph.

12. **INDEMNIFICATION:** Lessee agrees to indemnify, save harmless and defend (with counsel acceptable to Lessor) Lessor from and against all claims of whatever nature arising from all of the following: (i) any act, omission or negligence of Lessee, or Lessee's contractors, agents, servants or employees; (ii) any accident, injury or damage whatsoever caused to any person, or to the property of any person, occurring during the Term in or on or about the Premises, where such accident, damage or injury results or is claimed to have resulted from an act or omission on the part of Lessee or Lessee's agents or employees; (iii) any act, omission or default under any of Lessee's obligations or undertakings in this Lease; and (iv) any alleged violation of Laws including, without limitation, Environmental Laws and the ADA. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses and liabilities in or in connection with any such claim, governmental investigation, administrative proceeding or civil or criminal litigation arising therefrom, and the defense thereof, including reasonable attorney's fees and costs.

13. **WAIVER OF SUBROGATION RIGHTS:** Neither Lessor nor Lessee shall be liable to the other for any loss or damage from risks ordinarily insured against under fire insurance policies with extended coverage endorsements, irrespective of whether such loss or damage results from their negligence or that of any of their agents, servants, employees, licensees or contractors.

14. **DESTRUCTION OF PREMISES:** In the event of damage to, or destruction of, the Premises by fire, act of God, or by any other cause, Lessee shall, at its cost, repair and restore the Premises within 150

days after the event of damage or destruction. Such damage or destruction shall not terminate this Lease, but Lessee shall be entitled to a proportionate reduction of rent from the event of damage or destruction until the Premises have been restored (but not to exceed 150 days) to be based on the extent to which the repairs or restoration interferes with the operation of Lessee's business. The determination of the amount and duration of the proportionate reduction shall be made by Lessor in its reasonable judgment. In the event Lessee fails to complete such repairs or restoration within said 150 days, Lessor shall have the right to terminate this Lease on 15 days written notice to Lessee. Lessor shall have the alternative right of completing said repairs or restoration, in which event Lessor's costs and expenses shall be paid by Lessee as Additional Rent within 15 days after demand by Lessor.

15. EMINENT DOMAIN: (a) "Taking" shall be defined as a taking of all or any part of the Premises or the commencement of any proceedings or negotiations which might result in a taking for any public or quasi-public purposes by exercise of the right of eminent domain, similar government power or agreement between Lessor, Lessee and/or the entity authorized to exercise such power or conduct such negotiations. If Lessee is notified of a Taking, Lessee shall promptly give written notice thereof to Lessor describing the nature and extent of the Taking together with copies of any documents or notices received in connection therewith.

(b) In case of a Taking of the entire Premises ("Total Taking"), this Lease shall terminate as of the date of the Total Taking, and all Rent, Taxes and Additional Rent shall be apportioned and paid to the date of the Total Taking. Total Taking shall include a taking of substantially all the Premises if, in the sole determination of Lessor, the remainder of the Premises cannot reasonably be made useable for the permitted use. Lessor shall be entitled to receive the entire award or payment in connection with a Total Taking without deduction for Lessee's leasehold estate. Lessee hereby expressly assigns to Lessor all of its right, title and interest (including, without limitation, its leasehold interest) in and to every such award or payment. Lessee shall be entitled to claim and receive any award or payment from the condemning authority expressly granted for the taking of Lessee's personal property and moving expenses, but only if such claim or award does not adversely affect or interfere with the prosecution of, or reduce, Lessor's claim or award for the Total Taking. Lessee shall be responsible for filing its own claim and for paying all costs including, but not limited to, attorney's fees, related thereto. Lessee shall promptly send Lessor copies of all correspondence and pleadings relating to any such claim.

(c) In case of a temporary use of all or any part of the Premises by a Taking ("Temporary Taking"), this Lease shall remain in full force and effect without any reduction or abatement of Rent, Taxes or Additional Rent. Except as provided below, Lessee shall be entitled to the entire award for a Temporary Taking, unless the period of use shall extend beyond the termination or expiration of this Lease, in which case the award made for such Temporary Taking shall be apportioned between Lessor and Lessee as of the date of termination or expiration. At the end of a Temporary Taking, Lessee shall, at its own cost and expense promptly commence and complete the restoration of the Premises.

(d) In the event of a Taking other than a Total Taking or a Temporary Taking ("Partial Taking"), all awards, compensation or damages shall be paid to Lessor, and Lessor shall have the right to terminate this Lease or continue this Lease, in either case upon notice to Lessee. If Lessor elects to terminate this Lease, this Lease shall terminate on such reasonable date as is selected by Lessor based on the circumstances of the Partial Taking. Lessee shall thereupon vacate and surrender the Premises, and all further obligations of the parties shall cease from and after the termination date (but obligations accruing, or relating to acts or omissions occurring, up to and including the termination date shall not cease or be released). If Lessor elects to continue this Lease, then (i) this Lease shall continue and Rent, Taxes, Additional Rent and obligations due under this Lease shall continue unabated and (ii) Lessee shall promptly commence and diligently complete the restoration of the Premises, subject to the approval of Lessor, to the same condition, as nearly as practicable, as prior to the damage, destruction or alterations resulting from the Partial Taking. In such event, Lessor shall make available in installments as restoration

progresses an amount up to but not exceeding the amount of any award, compensation or damages received by Lessor, upon request of Lessee accompanied by evidence reasonably satisfactory to Lessor that such amount has been paid or is due and payable and is properly a part of such costs and that Lessee has complied with the requirements in Section 8 (with respect to Alterations) in connection with the restoration. Lessor shall be entitled to keep any portion of such award, compensation or damages which may be in excess of the cost of restoration, and Lessee shall bear all additional costs, fees and expenses of such restoration in excess of the amount of any such award, compensation or damages.

16. LIENS: If any act or omission of Lessee or claim against Lessee results in a lien or claim of lien against the Premises ("Lien"), Lessee upon notice thereof shall promptly remove or release the Lien by posting of bond or otherwise. If not so removed or released in 15 days after notice from Lessor, Lessor may (but need not) pay or discharge the Lien without inquiry as to the validity thereof at Lessee's expense. Lessee may contest the Lien by first furnishing Lessor with a sufficient surety bond issued by a reputable surety company satisfactory to Lessor and its title insurance company.

17. ENCUMBRANCES: This Lease shall be subordinate to any mortgage or deed of trust presently or hereafter placed upon the Premises. Although the foregoing subordination shall be self-operative and no future instrument of subordination shall be required, upon request by Lessor, Lessee shall execute and deliver whatever subordination instruments may be required by the mortgagee (or other lienholder), and if Lessee fails so to do within ten (10) days, Lessee hereby makes, constitutes and irrevocably appoints Lessor as its agent and attorney-in-fact, which appointment shall be deemed coupled with an interest, with authority to execute and deliver such instruments on Lessee's behalf.

18. LESSOR'S EXPENDITURES FOR LESSEE'S BREACH: Lessor may (but need not), in the event of Lessee's breach of any of its obligations or undertakings in this Lease, perform and satisfy any such obligations or undertakings or cure such breach. Lessor's costs and expenditures in connection therewith shall be at Lessee's expense and shall be payable by Lessee as Additional Rent on demand by Lessor.

19. QUIET ENJOYMENT: Lessor represents that it is the owner of the Premises and that it is legally empowered to execute this Lease. Lessor covenants that Lessee, on payment of the Rent and Additional Rent and performance of Lessee's obligations herein, shall peacefully and quietly have, hold and enjoy the Premises.

20. ASSIGNMENT AND SUBLETTING: (a) Without first obtaining the written consent of Lessor, which Lessor may grant or withhold in its sole discretion, Lessee shall not: (i) assign this Lease or any interest herein; (ii) sublet the Premises or any part thereof; (ii) permit any other party to occupy or use the Premises or any part thereof. Notwithstanding the foregoing, if Franchisor consents to the assignment of the Franchise Agreement, Lessor shall not unreasonably withhold its consent to the assignment of this Lease; provided, however, in such event the assignee shall be required, as a condition of Lessor's consent, to amend this Lease to delete any rent or other concessions or exceptions to Lessor's standard policies that were granted to Lessee.

(b) If the Franchise Agreement is terminated or expires and Lessor does not terminate this Lease in connection therewith (this Lease and all of Lessee's obligations hereunder shall remain in effect), Lessee shall have the right to sublease the Premises but only upon receiving the advance written consent of Lessor, which consent shall not be unreasonably withheld. If Lessee proposes to sublease the Premises, Lessee shall submit to Lessor all the material terms of the proposed sublease (together with a copy of the proposed sublease), the identity of the proposed subtenant and any guarantors, the proposed use of the Premises and the business background and experience of the proposed subtenant. Upon receipt of all the foregoing information, Lessor shall within 30 days notify Lessee whether Lessor consents to the proposed sublease, consents to the sublease subject to certain conditions being met, refuses to consent to

the proposed sublease or exercises its right to terminate this Lease. Failure of Lessor to respond within 30 days shall be deemed to be Lessor's refusal to consent to the proposed sublease. If Lessor consents to a sublease, Lessee shall remain liable for all obligations under this Lease.

21. **SIGNS AND FIXTURES:** (a) Subject to compliance with applicable laws and ordinances, Lessee shall have the right at all times during the Term to erect and maintain such free-standing signs and interior and exterior building signage as is approved in advance by Lessor for the sole purpose of advertising the business authorized by the Franchise Agreement. Lessee shall not install or erect or permit others to install or erect billboards or other advertising media on the Premises, said right being hereby exclusively reserved by Lessor.

(b) Any signs, equipment, trade fixtures or other personal property (collectively, "Personalty") that Lessee has a right to remove from the Premises shall be removed by Lessee within 14 days after the earliest to occur of expiration of this Lease, termination of this Lease, termination of Lessee's right to possession of the Premises, or the vacating or abandonment of the Premises by Lessee. Any Personalty remaining at the Premises after such 14-day period shall, at Lessor's election which may be made at any time following expiration of such 14-day period, be deemed abandoned in which event Lessor shall have all right, title and interest in and to the remaining Personalty available to landlords under law in such circumstances and also including, without limitation, the right (but not the obligation), at Lessee's expense, to remove and store and/or dispose of such remaining Personalty. Lessee shall be liable for any damage to the Premises caused by the removal of Personalty by, or on behalf of, Lessee or its lienholders or their agents, contractors or employees. Lessee shall promptly pay Lessor 115% of the cost and related expenses of any repairs or replacements incurred by Lessor as a result of such damage (Lessor and Lessee hereby expressly agreeing that 15% is a reasonable amount to compensate Lessor for its administrative expenses) plus attorneys' fees incurred and court costs incurred by Lessor.

(c) Lessor hereby expressly claims, and reserves, the benefit of any and all landlord lien rights available to landlords under applicable law.

22. **GUARANTY FOR CORPORATE LESSEE:** Each party signing this Lease as a guarantor ("Guarantor"), as an owner (stockholder, member, partner, etc.) of, or otherwise financially interested in, Lessee, hereby jointly and severally guarantees to Lessor the payment of Rent and Additional Rent to be paid by Lessee and the performance by Lessee of all of the terms and conditions of, and Lessee's obligations under, this Lease. Guarantor waives any notices hereunder or acceptance hereof and consents to any extension of time, indulgence or waivers granted by Lessor to Lessee or any other action or modification of the Lease terms whereby the liability of the Guarantor but for this provision would be released. Guarantor agrees to pay all of Lessor's expenses, including attorney's fees, incurred by Lessor in enforcing this guarantee or the obligations of Lessee herein.

23. **DEFAULT AND REMEDIES:** (a) The occurrence of any one or more of the following events shall constitute an event of default by Lessee ("Event of Default") and shall trigger Lessor's rights and remedies listed and referenced below:

(i) failure by Lessee to pay when due any Rent or Additional Rent ("Monetary Breach"), unless such failure is cured within 15 days after notice from Lessor;

(ii) failure by Lessee to observe or perform any term or condition of, or obligation under, this Lease other than an Event of Default described in items (i) or (iii) of this subsection, unless such failure is cured within 30 days after notice from Lessor; or

(iii) (1) making by Lessee or any Guarantor of a general assignment for the benefit of creditors, (2) filing by or against Lessee or any Guarantor of a petition to have Lessee or such Guarantor

adjudged a bankrupt or of a petition for reorganization or arrangement under any Laws relating to bankruptcy, insolvency or inability to pay debts (unless, in the case of a petition filed against Lessee or such Guarantor, the petition is dismissed within 30 days), (3) appointment of a trustee or receiver to take possession of substantially all of Lessee's assets at the Premises or of Lessee's interest in this Lease, where such possession or interest is not restored to Lessee within 30 days, (4) attachment, execution or other judicial seizure of substantially all of Lessee's assets at the Premises or of Lessee's interest in this Lease, (5) Lessee's or any Guarantor's insolvency or admission of the inability to pay its debts as they mature, (6) Lessee vacating or abandoning the Premises (this Event of Default being separate and distinct from a breach of Section 5(b) of this Lease), (7) falsification by Lessee of any statement or report required to be submitted to Lessor under this Lease, (8) any Monetary Breach or any Event of Default or any combination of any Monetary Breach and/or any Event of Default in three consecutive months or in any four months during any twelve consecutive months regardless of whether Lessee has cured any or all of such previous Monetary Breach(es) or Event(s) of Default, or (9) default by the Franchisee under the Franchise Agreement or any event which constitutes immediate and automatic termination of the Franchise Agreement.

(b) Lessee hereby agrees that the only notices necessary to notify it of a breach or Event of Default or to terminate this Lease are those enumerated herein and that any and all other notices and demands required by Laws are hereby expressly waived by Lessee (to the fullest extent legally permissible). The notice and cure periods provided herein are in lieu of, and not in addition to, any notice and cure periods provided by Laws, but Lessor may at any time elect to comply with such notice and cure periods provided by Laws in lieu of the notice and cure periods provided herein.

(c) If an Event of Default occurs, Lessor shall have the following rights and remedies to the fullest extent permitted by Laws, which shall be distinct, separate and cumulative with, and in addition to, any other right or remedy allowed under Laws or this Lease:

(i) With or without terminating this Lease, Lessor may terminate Lessee's right of possession, reenter and repossess the Premises by detainer suit, summary proceedings or other lawful means (and if Laws permit and Lessor shall not have expressly terminated this Lease by written notice, any such action shall be deemed a termination of Lessee's right of possession only). In such event, Lessor shall be entitled to recover from Lessee: (1) any unpaid Rent and Additional Rent as of the date possession is terminated; (2) the amount by which (A) any unpaid Rent and Additional Rent which would have accrued after the termination date during the balance of the existing Term exceeds (B) the rent (less any and all costs and expenses Lessor would reasonably incur in re-letting the Premises) Lessee proves that Lessor should receive for the Premises under a lease substantially similar to this Lease for the balance of the existing Term (considering, among other things, the condition of the Premises, market conditions, the period of time the Premises may remain vacant before Lessor is able to re-lease the Premises to a suitable replacement tenant); and (3) all other damages incurred by Lessor proximately caused by Lessee's failure to perform its obligations under this Lease. The amounts computed in accordance with foregoing subpart (2) (not including Lessor's costs and expenses of re-letting) shall be discounted to present value in accordance with accepted financial practice at the rate of three percent (3%) per year.

(ii) With or without terminating this Lease, Lessor may terminate Lessee's right of possession, reenter and repossess the Premises by detainer suit, summary proceedings or other lawful means (and if Laws permit and Lessor shall not have expressly terminated this Lease by written notice, any such action shall be deemed a termination of Lessee's right of possession only). In such event, Lessor shall be entitled to recover from Lessee: (1) any unpaid Rent and Additional Rent as of the date possession is terminated; (2) any unpaid Rent and Additional Rent which accrues during the existing Term from the date possession is terminated through the time of judgment (or which may have accrued from the time of any earlier judgment obtained by Lessor), less any consideration received from replacement tenants as further described below; and (3) all other damages incurred by Lessor proximately

caused by Lessee's failure to perform its obligations under this Lease, including without limitation, all costs of re-letting the Premises. Lessee shall pay all such amounts to Lessor as the same accrue or after the same have accrued from time-to-time upon demand. At any time after terminating Lessee's right to possession as provided herein, Lessor may terminate this Lease as provided in this Lease, and Lessor may pursue such other remedies as may be available to Lessor under this Lease or Laws.

(iii) If this Lease or Lessee's right to possession is terminated, Lessor may, at Lessee's cost and expense: (1) enter and secure the Premises, change the locks, install barricades, remove any improvements, fixtures or personal property of Lessee, perform any decorating, remodeling, repairs, alterations, improvements or additions and take such other actions as Lessor shall determine in Lessor's sole discretion to prevent damage or deterioration to the Premises or prepare the same for reletting, and (2) relet all or any portion of the Premises for any rent, use or period of time, and upon any other terms as Lessor shall determine in Lessor's sole discretion, directly or as Lessee's agent (if permitted or required by Laws). The consideration received from such reletting shall be applied pursuant to the terms of Section 23(c)(v) hereof, and if such consideration, as so applied, is not sufficient to cover all Rent, Additional Rent and damages to which Lessor may be entitled hereunder, Lessee shall pay any deficiency to Lessor as the same accrues or after the same has accrued from time to time upon demand, subject to Lessor's right to accelerate such payments as provided herein.

(iv) Lessor shall at all times have the right without prior demand or notice (except as required by Laws) to: (1) seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease or restrain or enjoin a violation of any provision hereof, and Lessee hereby waives any right to require that Lessor post a bond in connection therewith; and (2) sue for and collect any unpaid Rent or Additional Rent which has accrued.

(v) No re-entry or repossession, repairs, changes, alterations and additions, reletting, acceptance of keys from Lessee, or any other action or omission by Lessor shall be construed as an election by Lessor to terminate this Lease or Lessee's right to possession, or accept a surrender of the Premises, nor shall the same operate to release Lessee in whole or in part from any of Lessee's obligations hereunder, unless express written notice of such intention is sent by Lessor to Lessee. Lessor may bring suits for amounts owed by Lessee hereunder or any portions thereof, as the same accrue or after the same have accrued, and no suit or recovery of any portion due hereunder shall be deemed a waiver of Lessor's right to collect all amounts to which Lessor is entitled hereunder, nor shall the same serve as any defense to any subsequent suit brought for any amount not theretofore reduced to judgment. Lessor may pursue one or more remedies against Lessee and need not make an election of remedies until findings of fact are made by a court of competent jurisdiction. All rent and other consideration paid by any replacement tenants shall be applied, at Lessor's option: first, to the costs of reletting, second, to the payment of all costs of enforcing this Lease against Lessee or any Guarantor, third, to the payment of all interest and service charges accruing hereunder, fourth, to the payment of Rent and Additional Rent previously accrued, and the residue, if any, shall be held by Lessor and applied to the payment of other obligations of Lessee to Lessor as the same become due (with any remaining residue to be retained by Lessor). Lessor shall be under no obligation to observe or perform any provision of this Lease on its part to be observed or performed which accrues after the date of an Event of Default. Lessee hereby irrevocably waives any right otherwise available under Laws to redeem or reinstate this Lease or Lessee's right to possession after this Lease or Lessee's right to possession is terminated based on an Event of Default.

24. **WAIVER AND CUMULATIVE RIGHTS:** No waiver by Lessor of any provision or undertaking hereunder shall be valid unless in writing signed by an officer of Lessor. No waiver by Lessor of any breach of, or default under, this Lease by Lessee shall be deemed a waiver of any other or subsequent breach or default. All rights and remedies of Lessor herein provided or allowed by law shall be cumulative.

25. HAZARDOUS MATERIALS AND SUBSTANCES: (a) "Hazardous Materials" means any substance, material, waste, gas or particulate matter which now or at any time during the Term is regulated by any local governmental authority, the State in which the Premises is located, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of State law; (ii) petroleum; (iii) asbestos; (iv) polychlorinated biphenyl; (v) radioactive material; (vi) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Sec. 251 et seq. (33 U.S.C. Sec. 1317); (vii) defined as "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq. (42 U.S.C. Sec. 6903); or (viii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sec. 9601 et seq. (42 U.S.C. Sec. 9601).

(b) "Environmental Laws" means all statutes specifically described in the foregoing paragraph and all federal, state and local environmental health and safety statutes, ordinances, codes, rules, regulations, orders and decrees regulating, relating to or imposing liability or standards concerning or in connection with Hazardous Materials.

(c) Lessee represents and warrants to Lessor that: (i) no Hazardous Materials will be located on the Premises (except the proper and lawful storage of petroleum products and used oil incident to the lawful use of the Premises in accordance with Section 5 hereof), or will be released into the environment, or discharged, placed or disposed of at, on or under the Premises; (ii) no underground storage tanks will be located on the Premises; (iii) the Premises will not be used as a dump for Hazardous Materials; and (iv) the Premises and the use thereof will at all times comply with Environmental Laws.

(d) Lessee agrees to indemnify, defend and hold harmless Lessor and its assignees, from and against any and all debts, liens, claims, causes of action, administrative orders and notices, costs (including, without limitation, response and/or remedial costs), personal injuries, losses, damages, liabilities, demands, interest, fines, penalties and expenses, including reasonable attorneys' fees and expenses, consultants' fees and expenses, court costs and all other out-of-pocket expenses, suffered or incurred by Lessor or its subtenants and assignees as a result of: (i) the breach of any representation or warranty made by Lessee herein; and (ii) any occurrence, matter, condition, act or omission involving Environmental Laws or Hazardous Materials which arises subsequent to the Commencement Date and which fails to comply with the Environmental Laws in effect as of the date thereof or any existing common law theory based on nuisance or strict liability in existence as of the date thereof, regardless of whether or not Lessee had knowledge of same as of the date thereof.

26. HOLDING OVER: If Lessee remains in possession of the Premises after the termination or expiration of the existing Term, Lessor may (in Lessor's sole discretion), upon notice to Lessee, deem Lessee a tenant on a month-to-month basis with all Lessee's obligations, liabilities, covenants, representations and warranties in this Lease, except that Fixed Minimum Rent shall be automatically increased by 50% and the Percentage Rent rate increased by 3%. In the absence of such month-to-month notice being given by Lessor, Lessee shall be deemed a hold over tenant and nothing herein or the acceptance or retention of Rent by Lessor shall be deemed a consent to holding over by Lessee.

27. LESSOR'S LIABILITY: Notwithstanding anything to the contrary provided in this Lease, it is specifically understood and agreed, such agreement being a primary consideration for the execution of this Lease by Lessor, that (i) there shall be absolutely no personal liability on the part of Lessor, its successors or assigns, and its/their officers, directors, employees and agents, to Lessee with respect to any of the terms, covenants and conditions of this Lease, (ii) Lessee waives all claims, demands and causes of action against Lessor's officers, directors, employees and agents in the event of Lessor's breach of any of

the terms, covenants and conditions of this Lease, and (iii) Lessee shall look solely to Lessor's interest in the Premises for the satisfaction of each and every remedy of Lessee in the event of any breach by Lessor of this Lease or any other matter in connection with this Lease or the Premises or the Franchise Agreement, such exculpation of liability to be absolute and without any exception whatsoever.

28. LESSOR'S CONSENT: Unless specified otherwise herein, Lessor's consent to any request of Lessee may be conditioned or withheld in Lessor's sole discretion. Lessor shall have no liability for damages resulting from Lessor's failure to give any consent, approval or instruction reserved to Lessor, Lessee's sole remedy in any such event being an action for injunctive relief.

29. EASEMENTS: Lessor shall have the right to grant utility easements on, over, under and above the Premises without the prior consent of Lessee, provided that such easements do not materially interfere with Lessee's long-term use of the Premises.

30. INTEREST: Any monetary obligation of Lessee which is not paid when due shall bear interest from the due date at an annual rate of three percent (3%) above the prime lending rate of JP Morgan Chase Bank (or its successor) in effect on the first day of such month for the period during which any such amount is outstanding. This provision does not limit any other remedies as provided hereunder.

31. TIME OF ESSENCE. Time is of the essence with respect to each and every provision of this Lease in which time is a factor.

32. ATTORNEY'S FEES: In the event of any judicial or other adversarial proceeding between the parties concerning this Lease, to the extent permitted by law, the prevailing party shall be entitled to recover all of its reasonable attorneys' fees and other costs in addition to any other relief to which it may be entitled. In addition, Lessor shall, upon demand, be entitled to all attorneys' fees and all other costs incurred in the preparation and service of any notice or demand hereunder, whether or not a legal action is subsequently commenced, and in otherwise enforcing Lessor's rights or Lessee's obligations or undertakings under this Lease. References in this Lease to Lessor's attorneys' fees and/or costs shall mean both the fees and costs of independent counsel retained by Lessor and the compensation and costs of Lessor's in-house counsel incurred in connection with, or attributable to, the matter.

33. WAIVER OF JURY TRIAL: LESSOR AND LESSEE HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY AND ALL ISSUES PRESENTED IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR ITS SUCCESSORS WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LESSOR AND LESSEE, LESSEE'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. THIS WAIVER BY THE PARTIES HERETO OF ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY HAS BEEN NEGOTIATED AND IS AN ESSENTIAL ASPECT OF THEIR BARGAIN.

34. NOTICES: All notices required or permitted under this Lease shall be in writing, and either (i) personally delivered, (ii) sent by Certified U.S. Mail, return receipt requested, or (iii) sent by reputable, recognized overnight courier service: to Lessor at 1300 North Arlington Heights Road, Itasca, Illinois 60143, Attention: Vice President - Development, with a copy to the General Counsel, and to Lessee at the Premises or its home address or business office, or at such other place as either party may hereafter designate.

35. **SUCCESSORS AND ASSIGNS:** The covenants and conditions hereof shall be binding upon and for the benefit of the heirs, executors, administrators, successors, sublessees and assigns of the parties hereto.

36. **ENTIRE AGREEMENT:** This instrument constitutes the entire agreement between the parties and supersedes any prior agreements or understandings, and may be modified or amended by, and only by, a written instrument executed by Lessor and Lessee.

37. **SURVIVAL:** Any rights, obligations and liabilities under this Lease which shall have previously accrued shall expressly survive the expiration or termination of this Lease.

IN WITNESS WHEREOF, the parties have executed this Lease the day and year first above written.

Midas Realty Corporation

Lessee:

By: _____
, Vice President

By: _____

Witness:

Guarantor(s):

By: _____
Name: _____

EXHIBIT F-2: SUBLEASE

MIDAS SHOP SUBLEASE

Street
City

This Midas Shop Sublease ("Sublease"), dated _____, 20____, is by and between Midas Realty Corporation, a Delaware corporation, of 1300 N. Arlington Heights Road, Itasca, Illinois 60143 ("Sublessor"), and _____, a _____, of _____ ("Sublessee").

1. SUBLEASE: (a) This is a Sublease and is subject to and subordinate in all respects to a certain lease dated _____ ("Head Lease"), between Sublessor as the lessee and _____, as the lessor ("Landlord"). A copy of the Head Lease is attached hereto as Exhibit A and by reference is incorporated herein.

(b) Sublessee expressly assumes and agrees to perform under this Sublease all of the covenants made by, and obligations imposed on, Sublessor as the lessee under the Head Lease. Sublessee agrees that nothing herein contained shall be deemed to grant Sublessee any rights which would conflict with any of the covenants and conditions of the Head Lease, and Sublessee agrees that it will do nothing in, on or about the Premises (as hereinafter defined) or fail to do anything which would result in the breach by Sublessor of its covenants and obligations under the Head Lease.

(c) Further, nothing contained herein shall be construed as a guarantee by Sublessor of any of the obligations, covenants, warranties, agreements or undertakings of the Landlord or as an absolute or unconditional undertaking by Sublessor on the same terms as are contained in the Head Lease. Notwithstanding anything herein to the contrary, in the event Sublessor becomes entitled as the lessee under the Head Lease, to make or forbear making any election, give or receive any notice, grant or withhold any approval, do any act, or otherwise enforce any right or exercise any remedy under any of the provisions of the Head Lease, Sublessor, in its sole and absolute discretion, may either take or forbear taking such action as it deems appropriate for the protection of its interests as the lessee, or may assign to Sublessee, without recourse upon or liability of any kind to Sublessor, such rights as Sublessor may have in the matter under the Head Lease. Without limiting the generality of the foregoing, Sublessee shall in no event have the right to exercise any right, privilege, or prerogative conferred upon the lessee in the Head Lease which relates in any way to construction, alteration, remodeling, reconstruction, restoration, or rebuilding of any improvements on the Premises, but Sublessor alone, as the lessee in the Head Lease, shall exercise all such rights, privileges, and prerogatives and shall enforce all such provisions so as to bring about, to the best of its ability, the construction, alteration, remodeling, reconstruction, restoration or rebuilding of improvements of substantially the character provided for in the Head Lease. Sublessee hereby expressly acknowledges that Sublessor has made no representations or warranties, express or implied, as to the adequacy, condition or usefulness of the building on the premises and any such representation or warranty, statutory or otherwise is hereby waived by Sublessee.

(d) This Sublease is and shall be subject and subordinate to any existing mortgage, deed of trust or other encumbrance now or hereafter placed against title to the Premises or the property of which the Premises are a part.

2. PREMISES: Sublessor hereby subleases to Sublessee and Sublessee hires from Sublessor the premises together with the Midas Shop building thereon at _____ ("Premises") as described in the Head Lease.

3. TERM: The term of this Sublease shall commence on _____ (“Commencement Date”), and expire on _____. The initial term including any extensions or renewals shall be defined as the “Term”.

4. RENT: (a) The rent payable by Sublessee to Sublessor during each year of the Term shall be: (i) the fixed minimum rent specified below (“Fixed Minimum Rent”); or (ii) 7% of "Gross Sales" (as hereinafter defined) during such year (“Percentage Rent”); **WHICHEVER SHALL BE THE LARGER AMOUNT**. “Rent” shall mean Fixed Minimum Rent and Percentage Rent collectively. “Additional Rent” shall mean all other monetary obligations of Sublessee under this Sublease including, but not limited to, Taxes (as hereinafter defined).

Fixed Minimum Rent: _____.

(b) Rent and Additional Rent shall be absolutely net to Sublessor without any right of offset, deduction, claim or withholding by Sublessee, so that this Sublease shall yield to Sublessor the Rent and Additional Rent specified during the Term. All costs, expenses and obligations of every kind and nature whatsoever relating to the Premises shall be paid and performed by Sublessee.

(c) Fixed Minimum Rent installments shall be paid on the first day of each month in advance. All payments of Fixed Minimum Rent, Percentage Rent, Taxes and other Additional Rent due under this Sublease shall be made by electronic payment transactions through automated clearing house debits. Sublessee hereby authorizes Sublessor to debit from its bank account the amount of such payments on the first day of each month or on such other applicable due date or any time thereafter. The foregoing authorization shall be self operative and need no further written agreement; provided, however, Sublessee shall, upon request, sign Sublessor’s standard “ACH Agreement”. If Sublessor directs Sublessee in writing to do so, the foregoing payments shall be made to Sublessor at P.O. Box 93687, Chicago, Illinois 60673, or at such other place, or in such other manner, as designated in writing by Sublessor.

(d) With respect to Percentage Rent and Gross Sales:

(i) “Gross Sales” shall mean and include all sales of merchandise or products of any kind and all charges for service or labor done in, on and from the Premises for cash or credit regardless of the collection thereof, but excluding sales taxes and bona fide refunds.

(ii) Sublessee shall deliver to Sublessor, on or before March 1st of each year of the Term (or within 60 days after the termination or expiration of the Term, if the Term does not end on December 31st), a statement of Gross Sales for the previous year, which statement shall be certified by Sublessee and signed by Sublessee's accountant.

(iii) Concurrently with the delivery of said statement, Sublessee shall pay as Percentage Rent owing for the previous year, the total Percentage Rent payable for the year (or partial year) less the total Fixed Minimum Rent paid for the previous year.

(iv) Sublessee shall keep and preserve for at least three (3) years after delivery of the annual statement under the above (ii) full, complete and true records of all sales and business transactions, including bank statements, in manner and form satisfactory to Sublessor. Sublessor's representatives shall have access to said records at any and all reasonable times for the purposes of examination or audit thereof to verify said annual statements.

(v) For purposes of Paragraph 4, “year” shall mean calendar year ending December 31st.

(e) In the event the Head Lease contains a provision which results in the rent payable by Sublessor under the Head Lease being adjusted on the basis of the cost of constructing, altering or remodeling improvements on the Premises, or being adjusted because of cost of living index changes or other cause, or being increased based on percentage rent, and in the event such an adjustment or increase is made under the Head Lease, the Fixed Minimum Rent payable hereunder shall be adjusted by the same percentage.

(f) In the event this Sublease is assigned under the provisions of Paragraph 16 hereof or if the ownership of Sublessee is transferred, at the election of Sublessor, Rent shall be the larger of the following:

(i) the annual rental then provided for in the Head Lease plus that percentage mark-up then currently charged by Sublessor; or

(ii) the percentage of Sublessee's Gross Sales during such year as is then charged by Sublessor.

5. **CONDITION OF PREMISES; MAINTENANCE:** (a) Sublessee acknowledges and agrees that it has inspected, or has had a sufficient opportunity to inspect, the Premises and hereby accepts the Premises "AS-IS" and "WHERE-IS" with no representation or warranty by Sublessor as to the condition of the Premises or the fitness of the Premises for any particular purpose or use.

(b) Except to the extent that Landlord is clearly and expressly obligated under the Head Lease to do so, Sublessee shall, at its expense, at all times during the Term keep the entire Premises including, but not limited to, the interior and exterior, structural and non-structural elements, foundation, floor, roof and roof system, utility systems and installations, parking area and driveways, sidewalks, landscaping, immediately surrounding areas, appurtenances, fixtures and equipment in good, safe, clean, sanitary, debris-free and well-maintained condition and shall do and make, on a timely and diligent basis, all maintenance, repairs and replacements as are necessary and appropriate to keep the Premises in the condition required by this Sublease, regardless whether the benefit of such maintenance, repairs and replacements may extend beyond the Term. Without limiting the foregoing, Sublessee shall keep and maintain the Midas Shop at the Premises in accordance with the requirements of the Franchise Agreement relating to interior and exterior design and appearance, Franchisor indicia, painting and décor, floor layout, character of interior furnishings, signs, emblems, logos, lettering, pictorial materials and condition of the Midas Shop premises. With respect to any maintenance, repair and replacement obligations of Landlord, Sublessor's sole obligation shall be to make reasonable efforts to require Landlord to perform such obligations; provided, however, in no event shall Sublessor be required to institute or maintain legal or arbitration proceedings. In no event shall Sublessor have any obligation to do or make any maintain, repair or replacements to or of the Premises.

(c) Upon expiration or termination of this Sublease, Sublessee shall deliver the Premises to Sublessor in the condition required by Paragraph 5(b), reasonable wear and use excepted.

6. **USE:** (a) Sublessee shall use the Premises solely for the activities authorized by the Franchise Agreement and none other.

(b) Sublessee shall, during the Term, occupy the Premises and diligently operate its business at the Premises and keep the business open to the public during the business days and hours as Franchisor may from time-to-time prescribe.

(c) Sublessee, in its use, occupancy, maintenance and repair of the Premises, shall comply with all the terms and conditions of the Franchise Agreement.

7. SUBLESSEE'S FRANCHISE AGREEMENT: In conjunction with the execution of this Sublease, Sublessee is entering into a franchise agreement with Midas International Corporation (Sublessor's affiliate, "Franchisor") ("Franchise Agreement"). The term Franchise Agreement shall include any extension of the franchise agreement or franchise relationship, any renewal Franchisor franchise agreement and, in Sublessor's sole discretion, any operating agreement or license under which the business continues to operate following the termination or expiration of the formal Franchise Agreement. Sublessee agrees that if the Franchise Agreement shall expire or be terminated for any reason by Sublessee or by Franchisor or in any manner, Sublessor shall have the unqualified and absolute right to terminate this Sublease upon written notice to Sublessee. Upon giving said notice, Sublessor shall have the right to immediately re-enter and take possession of the Premises or it may institute summary or holdover proceedings to evict Sublessee and all those in possession of the Premises by reason of the termination of this Sublease as herein provided. Sublessee agrees that the notice provided for herein shall be the only notice required and expressly waives all other notices provided for by statute or law. Sublessee acknowledges and agrees that the foregoing termination provision is a material business term of this Sublease (and is in addition to, and separate and distinct from, the termination of this Sublease as a Sublessor remedy upon an Event of Default, as hereinafter defined).

8. (Intentionally left blank.)

9. LICENSES AND COMPLIANCE WITH LAWS: Sublessee shall comply with, and shall not use or permit the use of the Premises in violation of, all Laws (as hereinafter defined). "Laws" shall be defined as all applicable governmental and quasi-governmental laws, statutes, ordinances, regulations and orders including, but not limited to Environmental Laws and the ADA (as hereafter defined). Sublessee agrees that it shall be responsible for complying in all respects with the Americans with Disabilities Act of 1990, as such act may be amended from time to time, and all regulations promulgated thereunder, and all state and local Laws relating to disabled or handicapped persons (collectively, "ADA"), affecting the Premises including, but not limited to, making required so-called readily achievable or reasonable changes to remove any architectural or communications barriers and providing auxiliary aides and services at the Premises. Sublessee shall maintain and procure at its own expense and responsibility all licenses, permits or inspection certificates required by any governmental authority respecting Sublessee's use of, or business at, the Premises. Sublessee may contest the Laws and, if required, may join Sublessor's name as a nominal party in any such contest. In such event Sublessee shall indemnify Sublessor against any costs, penalties or attorney's fees incurred by or asserted against Sublessor by virtue thereof.

10. HEAD LEASE INCLUSIONS AND EXCLUSIONS: The parties hereby agree that all of the provisions (including addenda and exhibits) of the Head Lease (with the exception of the following designated excepted and excluded provisions) are by reference hereby adopted and included in this Sublease as if fully written herein and as if the word "Sublessor" was written wherever the word "Lessor" or "Landlord" appears in the Head Lease and the word "Sublessee" was written wherever the word "Lessee" or "Tenant" appears in the Head Lease. The provisions or portions thereof of the Head Lease which are excepted and excluded herefrom are: **(To be completed based on terms of individual Head Leases)**

11. INSURANCE: (a) With respect to the adopted and included provisions of the Head Lease pertaining to insurance obligations, which are assumed by Sublessee, it is agreed as follows:

(i) The insured parties under all of said policies shall be as their interests may appear and shall include Sublessee, Sublessor, the lessor under the Head Lease, and the mortgagee of the lessor under the Head Lease.

(ii) In the event Sublessee fails to provide, or maintain in effect at all times during the term of this Sublease including any extensions or renewals thereof, the requisite fire and extended coverage insurance specified in the Head Lease, Sublessor shall have the right to obtain such insurance on Sublessee's behalf. The insurance obtained by Sublessor shall be subject to certain loss deductible amounts depending upon the nature of the casualty, and Sublessee shall be responsible for such loss deductible amounts. Such loss deductible amounts shall be subject to change from time to time. The insurance obtained by Sublessor may be via Sublessor's blanket policies. The cost of the insurance obtained by Sublessor shall be owed by Sublessee as Additional Rent payable by Sublessee to Sublessor on the first day of the next month.

(iii) The public liability insurance required pursuant to the Head Lease shall be promptly obtained and maintained by Sublessee at his own cost and responsibility, with certificates thereof to be supplied to Sublessor.

(b) Neither Sublessor nor Sublessee shall be liable to the other for any loss or damage from risks ordinarily insured against under fire insurance policies with extended coverage endorsements, regardless whether such loss or damage results from their negligence or that of any of their agents, servants, employees, licensees or contractors.

(c) Sublessee acknowledges that the Franchise Agreement may obligate it (as the Franchisee) to provide separate and additional insurance coverage and may impose separate and additional insurance requirements than are contained in this Sublease (including any from the Head Lease).

(d) The insurance required under this Sublease (including any requirements from the Head Lease) or the Franchise Agreement shall in no way limit or cap Sublessee's indemnification and hold harmless obligations under this Sublease.

12. INDEMNITY: Sublessee agrees to indemnify, save harmless and defend (with counsel acceptable to Sublessor) Sublessor from and against all claims of whatever nature arising from all of the following: (i) any act, omission or negligence of Sublessee or its contractors, agents, servants or employees; (ii) any accident, injury or damage whatsoever caused to any person, or to the property of any person, occurring during the Term in or on or about the Premises, where such accident, damage or injury results or is claimed to have resulted from an act or omission on the part of Sublessee or its contractors, agents, servants or employees; (iii) any act, omission or default under any of Sublessee's obligations or undertakings in this Sublease; and (iv) any alleged violation of Laws including, without limitation, Environmental Laws and the ADA. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses and liabilities in or in connection with any such claim, governmental investigation, administrative proceeding or civil or criminal litigation arising therefrom, and the defense thereof, including reasonable attorney's fees and costs.

13. TAXES; RENT TAX: (a) Sublessee shall pay prior to delinquency pursuant to bills procured and timely submitted to Sublessee by Sublessor all taxes and assessments levied, imposed or assessed on the Premises including, but not limited to, any such taxes, assessments or other governmental charges payable by Sublessee pursuant to the incorporated provisions of the Head Lease ("Tax(es)") subsequent to the Commencement Date, and Sublessor shall be required to pay no Taxes during the Term. Sublessee will exhibit receipts for Tax payments to Sublessor promptly upon payment thereof. Sublessee may, at its expense, contest Taxes in the name of Sublessor if necessary, at all times indemnifying and holding Sublessor harmless from liability for all Taxes. Taxes accrued but not yet paid as of the date of this Sublease shall be paid by Sublessee notwithstanding that such Taxes relate to periods prior to the Commencement Date. All Taxes for the year in which this Sublease terminates or expires shall be prorated so that Sublessee shall only pay the Taxes for any year falling partially within the existing Term,

said prorata share to be based upon the number of days of the then current tax fiscal year, falling within the existing Term.

(b) Sublessee shall also pay promptly when due any tax levied, imposed or assessed on or against any Rent or Additional Rent paid or collected under this Sublease, whether the same be called a rent tax, sales tax, excise tax, gross receipts tax, general services tax, or otherwise, irrespective of whether such tax is in lieu of or in addition to taxes and assessments levied, imposed or assessed on the Premises ("Rent Tax"). Sublessee shall reimburse Sublessor any Rent Tax which Sublessor is required to pay or, in fact, pays.

(c) At Sublessor's option, Sublessee shall deposit with Sublessor (in addition to paying Fixed Minimum Rent) on the first day of each month a sum equal to one-twelfth (1/12th) of the annual Taxes and (if applicable) Rent Tax so that as each installment becomes due and payable, Sublessee shall have on deposit with Sublessor a sum sufficient to pay it. If the actual Taxes have not been ascertained at the time a monthly deposit is due under this Sublease, Sublessee shall deposit such amount as is reasonably determined by Sublessor. Sublessor shall have the right, to be exercised in its reasonable discretion, to determine and set the amount of the monthly deposit from time to time. Sublessor shall also have the right to require Sublessee to deposit a lump sum sufficient to pay each Tax installment and to also pay the Taxes for the current period. When a Tax bill is received, if the amount thereof is in excess of the amount deposited by Sublessee for the period covered by the Tax bill, Sublessee shall pay such amount to Sublessor forthwith upon demand. If the amount thereof is less than the amount deposited by Sublessee for the period covered by the Tax bill, the excess on deposit may be retained by Sublessor to be used for the payment of future Taxes. Sublessor shall not be responsible for the validity, accuracy or reasonableness of Taxes and shall not be required to pay any interest on Sublessee's deposits of Taxes and Rent Tax. Sublessor shall have no obligation to pay interest on Sublessee's deposits, and Sublessee hereby expressly waives any right, statutory or otherwise, to have Sublessor pay interest. If applicable, upon expiration or termination of this Sublease, when the actual Taxes for the last year(s) of the Term are determined, Sublessee shall pay Sublessor, upon demand, the difference between the actual Taxes and the amount of Taxes previously deposited for such year(s), or portion thereof, by Sublessee.

14. UTILITIES: Sublessee shall pay for all water, gas, electricity, phone, data transmission, wireless services and other utilities serving the Premises.

15. ALTERATIONS: Sublessee shall not make any alterations, improvements or additions to the Premises without first obtaining the written consent of Sublessor.

16. ASSIGNMENT AND SUBLETTING: (a) Without first obtaining the written consent of Sublessor, which Sublessor may grant or withhold in its sole discretion, Sublessee shall not: (i) assign this Sublease or any interest herein; (ii) sublet the Premises or any part thereof; (iii) permit any other party to occupy or use the Premises or any part thereof. Notwithstanding the foregoing, if Franchisor consents to the assignment of the Franchise Agreement, Sublessor shall not unreasonably withhold its consent to the assignment of this Sublease; provided, however, in such event the assignee shall be required, as a condition of Sublessor's consent, to amend this Sublease to delete any rent concessions or other concessions or exceptions to Sublessor's standard policies that were applicable to Sublessee.

(b) If the Franchise Agreement is terminated or expires and this Sublease has not been terminated by Sublessor in connection therewith, this Sublease and all of Sublessee's obligations hereunder shall remain in effect and Sublessee shall have the right to sublease the Premises but only upon receiving the advance written consent of Sublessor, which shall not be unreasonably withheld. If Sublessee proposes to sublease the Premises, Sublessee shall submit to Sublessor all the material terms of the proposed sublease (together with a copy of the proposed sublease), the identity of the proposed subtenant and any guarantors, the proposed use of the Premises, and the business background and experience of the

proposed subtenant. Upon receipt of all the foregoing information, Sublessor shall within 30 days notify Sublessee whether Sublessor consents to the proposed sublease, consents to the sublease subject to conditions being met, refuses to consent to the proposed sublease or exercises its right to terminate this Sublease. Failure of Sublessor to respond within 30 days shall be deemed to be Sublessor's refusal to consent to the proposed sublease. If Sublessor consents to a sublease, Sublessee shall remain liable for all obligations under this Sublease.

17. HAZARDOUS MATERIALS AND SUBSTANCES: (a) To induce Sublessor to enter into this Sublease, Sublessee represents and warrants to Sublessor that: (i) no Hazardous Materials (as defined below) will be located on the Premises (except the proper and lawful storage and use of petroleum products, used oil and other chemicals and substances incident to use of the Premises in accordance with the terms of this Sublease) or will be released into the environment, or discharged, placed or disposed of at, on or under the Premises; (ii) no underground storage tanks will be placed on the Premises by Sublessee; (iii) the Premises will not be used as a dump for any Hazardous Materials; and (iv) the Premises and its use will at all times comply with Environmental Laws (as defined below).

(b) Sublessee agrees to indemnify, defend and hold harmless Sublessor and its assignees, from and against any and all debts, liens, claims, causes of action, administrative orders and notices, costs (including without limitation response and/or remedial costs), personal injuries, losses, damages, liabilities, demands, interest, fines, penalties and expenses, including reasonable attorneys' fees and expenses, consultants' fees and expenses, court costs and all other out-of-pocket expenses, suffered or incurred by Sublessor or its subtenants and assignees as a result of: (i) the breach of any of the representations and warranties set forth herein; and (ii) any occurrence, matter, condition, act or omission involving Environmental Laws or Hazardous Materials which arises on or subsequent to the Commencement Date and which fails to comply with the Environmental Laws in effect on such date or any existing common law theory based on nuisance or strict liability in existence as of such, regardless of whether or not Sublessee had knowledge thereof.

(c) "Hazardous Materials" means any substance, material, waste, gas or particulate matter which now or at any time during the term hereof is regulated by any local governmental authority, the State in which the Premises is located, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of State law; (ii) petroleum; (iii) asbestos; (iv) polychlorinated biphenyl; (v) radioactive material; (vi) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Sec. 1251 et seq. (33 U.S.C. Sec. 1317); (vii) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq. (42 U.S.C. Sec. 6903); or (viii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Sec. 9601 et seq. (42 U.S.C. Sec. 9601).

(d) "Environmental Laws" means all statutes specifically described in the foregoing paragraphs and all federal, state and local environmental health and safety statutes, ordinances, codes, rules, regulations, orders and decrees regulations, relating to or imposing liability or standards concerning or in connection with Hazardous Materials.

18. SUBLESSOR RIGHTS: Sublessor and its agents shall have right to enter any portion of the Premises at all reasonable times for the purpose of inspecting, testing (including doing environmental tests and interior and exterior borings), maintaining or repairing the Premises (without having any obligation to do so) or showing the Premises to prospective buyers, tenants or lenders. During the 120 days prior to the expiration or termination of this Sublease, Sublessor may display the usual and ordinary "for rent" signs on the Premises. Sublessor shall have the right to display "property for sale" signs at any time. Sublessor shall have the right to display "franchise available" signs on the Premises and to show

the Premises to prospective franchisees any time Sublessee has indicated to Franchisor that it intends to terminate, or not renew, the Franchise Agreement or any time the Franchise Agreement is subject to termination for any reason.

19. ABANDONED PROPERTY: (a) Any signs, equipment, trade fixtures or other personal property (collectively, "Personalty") that Sublessee has a right to remove from the Premises shall be removed by Sublessee within 14 days (or such shorter period as is allowed under the Head Lease) after the earliest to occur of expiration of this Sublease, termination of this Sublease, termination of Sublessee's right to possession of the Premises, or the vacating or abandonment of the Premises by Sublessee. Any Personalty remaining at the Premises after such removal period shall, at Sublessor's election which may be made at any time following expiration of such removal period, be deemed abandoned in which event Sublessor shall have all right, title and interest in and to the remaining Personalty available to landlords under law in such circumstances and also including, without limitation, the right (but not the obligation), at Sublessee's expense, to remove and store and/or dispose of such remaining Personalty. Sublessee shall be liable for any damage to the Premises caused by the removal of Personalty by, or on behalf of, Sublessee or its lienholders or their agents, contractors or employees. Sublessee shall promptly pay Sublessor 115% of the cost and related expenses of any repairs or replacements incurred by Sublessor as a result of such damage (Sublessor and Sublessee hereby expressly agreeing that 15% is a reasonable amount to compensate Sublessor for its administrative expenses) plus attorneys' fees incurred and court costs incurred by Sublessor.

(b) Sublessor hereby expressly claims, and reserves, the benefit of any and all landlord lien rights available to landlords under applicable law.

20. INTEREST: Any Rent or Additional Rent which is not paid when due shall bear interest from the due date at a rate per annum of three (3) percentage points above the prime lending rate of JP Morgan Chase Bank (or its successor) in effect on the first day of each month for the period during which any such amount is outstanding. This provision does not limit any other remedies as provided hereunder.

21. DEFAULT AND REMEDIES: (a) The occurrence of any one or more of the following events shall constitute an event of default by Sublessee ("Event of Default") and shall trigger Sublessor's rights and remedies listed and referenced below:

(i) failure by Sublessee to pay when due any Rent or Additional Rent ("Monetary Breach"), unless such failure is cured within 15 days after notice from Sublessor;

(ii) failure by Sublessee to observe or perform any term or condition of, or obligation under, this Sublease other than an Event of Default described in items (i) or (iii) of this subparagraph, unless such failure is cured within 30 days after notice from Sublessor; or

(iii) (1) making by Sublessee or any Guarantor of a general assignment for the benefit of creditors, (2) filing by or against Sublessee or any Guarantor of a petition to have Sublessee or such Guarantor adjudged a bankrupt or of a petition for reorganization or arrangement under any Laws (as hereinafter defined) relating to bankruptcy, insolvency or inability to pay debts (unless, in the case of a petition filed against Sublessee or such Guarantor, the petition is dismissed within 30 days), (3) appointment of a trustee or receiver to take possession of substantially all of Sublessee's assets at the Premises or of Sublessee's interest in this Sublease, where such possession or interest is not restored to Sublessee within 30 days, (4) attachment, execution or other judicial seizure of substantially all of Sublessee's assets at the Premises or of Sublessee's interest in this Sublease, (5) Sublessee's or any Guarantor's insolvency or admission of the inability to pay its debts as they mature, (6) Sublessee vacating or abandoning the Premises (this Event of Default being separate and distinct from a breach of Paragraph 6(b) of this Sublease); (7) falsification by Sublessee of any statement or report required to be

submitted to Sublessor under this Sublease; (8) any Monetary Breach or any Event of Default or any combination of any Monetary Breach and/or any Event of Default in three consecutive months or in any four months during any twelve consecutive months regardless of whether Sublessee has cured any or all of such previous Monetary Breach(es) or Event(s) of Default; or (9) default by the Franchisee under the Franchise Agreement or any event which constitutes immediate and automatic termination of the Franchise Agreement.

(b) Sublessee hereby agrees that the only notices necessary to notify it of a breach or Event of Default or to terminate this Sublease are those enumerated herein and that any and all other notices and demands required by Laws are hereby expressly waived by Sublessee (to the fullest extent legally permissible). The notice and cure periods provided herein are in lieu of, and not in addition to, any notice and cure periods provided by Laws, but Sublessor may at any time elect to comply with such notice and cure periods provided by Laws in lieu of the notice and cure periods provided herein.

(c) If an Event of Default occurs, Sublessor shall have the following rights and remedies to the fullest extent permitted by Laws, which shall be distinct, separate and cumulative with, and in addition to, any other right or remedy allowed under Laws or this Sublease:

(i) With or without terminating this Sublease, Sublessor may terminate Sublessee's right of possession, reenter and repossess the Premises by detainer suit, summary proceedings or other lawful means (and if Laws permit and Sublessor shall not have expressly terminated this Sublease by written notice, any such action shall be deemed a termination of Sublessee's right of possession only). In such event, Sublessor shall be entitled to recover from Sublessee: (1) any unpaid Rent and Additional Rent as of the date possession is terminated; (2) the amount by which (A) any unpaid Rent and Additional Rent which would have accrued after the termination date during the balance of the existing Term exceeds (B) the rent (less any and all costs and expenses Sublessor would reasonable incur in re-letting the Premises) Sublessee proves that Sublessor should receive for the Premises under a sublease substantially similar to this Sublease for the balance of the existing Term (considering, among other things, the condition of the Premises, market conditions, the period of time the Premises may remain vacant before Sublessor is able to re-lease the Premises to a suitable replacement tenant); and (3) all other damages incurred by Sublessor proximately caused by Sublessee's failure to perform its obligations under this Sublease. The amounts computed in accordance with foregoing subpart (2) (not including Sublessor's costs and expenses of re-letting) shall be discounted to present value in accordance with accepted financial practice at the rate of three percent (3%) per year.

(ii) With or without terminating this Sublease, Sublessor may terminate Sublessee's right of possession, reenter and repossess the Premises by detainer suit, summary proceedings or other lawful means (and if Laws permit and Sublessor shall not have expressly terminated this Sublease by written notice, any such action shall be deemed a termination of Sublessee's right of possession only). In such event, Sublessor shall be entitled to recover from Sublessee: (1) any unpaid Rent and Additional Rent as of the date possession is terminated; (2) any unpaid Rent and Additional Rent which accrues during the existing Term from the date possession is terminated through the time of judgment (or which may have accrued from the time of any earlier judgment obtained by Sublessor), less any consideration received from replacement tenants as further described below; and (3) all other damages incurred by Sublessor proximately caused by Sublessee's failure to perform its obligations under this Sublease including, without limitation, all costs of re-letting the Premises. Sublessee shall pay all such amounts to Sublessor as the same accrue or after the same have accrued from time-to-time upon demand. At any time after terminating Sublessee's right to possession as provided herein, Sublessor may terminate this Sublease as provided in this Sublease, and Sublessor may pursue such other remedies as may be available to Sublessor under this Sublease or Laws.

(iii) If this Sublease or Sublessee's right to possession is terminated, Sublessor may, at Sublessee's cost and expense: (1) enter and secure the Premises, change the locks, install barricades, remove any improvements, fixtures or personal property of Sublessee, perform any decorating, remodeling, repairs, alterations, improvements or additions and take such other actions as Sublessor shall determine in Sublessor's sole discretion to prevent damage or deterioration to the Premises or prepare the same for reletting, and (2) relet all or any portion of the Premises for any rent, use or period of time, and upon any other terms as Sublessor shall determine in Sublessor's sole discretion, directly or as Sublessee's agent (if permitted or required by Laws). The consideration received from such reletting shall be applied pursuant to the terms of Paragraph 21(c)(v) hereof, and if such consideration, as so applied, is not sufficient to cover all Rent, Additional Rent and damages to which Sublessor may be entitled hereunder, Sublessee shall pay any deficiency to Sublessor as the same accrues or after the same has accrued from time to time upon demand, subject to Sublessor's right to accelerate such payments as provided herein.

(iv) Sublessor shall at all times have the right without prior demand or notice (except as required by Laws) to: (1) seek any declaratory, injunctive or other equitable relief, and specifically enforce this Sublease or restrain or enjoin a violation of any provision hereof, and Sublessee hereby waives any right to require that Sublessor post a bond in connection therewith; and (2) sue for and collect any unpaid Rent or Additional Rent which has accrued.

(v) No re-entry or repossession, repairs, changes, alterations and additions, reletting, acceptance of keys from Sublessee, or any other action or omission by Sublessor shall be construed as an election by Sublessor to terminate this Sublease or Sublessee's right to possession, or accept a surrender of the Premises, nor shall the same operate to release Sublessee in whole or in part from any of Sublessee's obligations hereunder, unless express written notice of such intention is sent by Sublessor to Sublessee. Sublessor may bring suits for amounts owed by Sublessee hereunder or any portions thereof, as the same accrue or after the same have accrued, and no suit or recovery of any portion due hereunder shall be deemed a waiver of Sublessor's right to collect all amounts to which Sublessor is entitled hereunder, nor shall the same serve as any defense to any subsequent suit brought for any amount not theretofore reduced to judgment. Sublessor may pursue one or more remedies against Sublessee and need not make an election of remedies until findings of fact are made by a court of competent jurisdiction. All rent and other consideration paid by any replacement tenants shall be applied, at Sublessor's option: first, to the costs of reletting, second, to the payment of all costs of enforcing this Sublease against Sublessee or any Guarantor, third, to the payment of all interest and service charges accruing hereunder, fourth, to the payment of Rent and Additional Rent previously accrued, and the residue, if any, shall be held by Sublessor and applied to the payment of other obligations of Sublessee to Sublessor as the same become due (with any remaining residue to be retained by Sublessor). Sublessor shall be under no obligation to observe or perform any provision of this Sublease on its part to be observed or performed which accrues after the date of an Event of Default. Sublessee hereby irrevocably waives any right otherwise available under Laws to redeem or reinstate this Sublease or Sublessee's right to possession after this Sublease or Sublessee's right to possession is terminated based on an Event of Default.

22. GUARANTY FOR CORPORATE SUBLESSEE: In consideration of the making of this Sublease by Sublessor at the request of the undersigned guarantor, Guarantor hereby guarantees to Sublessor the payment of the Rent and Additional Rent to be paid by Sublessee and the performance by Sublessee of all of the terms and conditions of, and Sublessee's obligations under, this Sublease. Guarantor hereby waives any notices hereunder or acceptance hereof, waives the requirement, if any, that Sublessor exhaust all remedies against Sublessee prior to enforcement of this guaranty, and consents to any extension of time, indulgence or waivers granted by Sublessor to Sublessee, or any other action or modification of the Sublease terms whereby the liability of Guarantor but for this provision would be released. Guarantor agrees to pay all of Sublessor's expenses, including attorneys' fees, incurred by

Sublessor in enforcing this guaranty and Sublessee's obligations. If there is more than one Guarantor, they shall be jointly and severally obligated under this guaranty.

23. NOTICES: All notices required or permitted under this Sublease shall be in writing, and either (i) personally delivered, (ii) sent by certified mail, return receipt requested, or (iii) sent by reputable, recognized overnight courier service regularly providing proof of delivery to Sublessor at 1300 North Arlington Heights Road, Itasca, Illinois 60143, Attention: Vice President, with a copy to the General Counsel, and to Sublessee at the Premises or at its home or business address, or at such other place as either party may hereafter designate.

24. HOLDING OVER: If Sublessee remains in possession of the Premises after the termination or expiration of the existing Term, Sublessor may (in Sublessor's sole discretion), upon notice to Sublessee, deem Sublessee a tenant on a month-to-month basis with all Sublessee's obligations, liabilities, covenants, representations and warranties in this Sublease, except that Fixed Minimum Rent shall be automatically increased by 50% and the Percentage Rent rate increased by 3%. In the absence of such month-to-month notice being given by Sublessor, Sublessee shall be deemed a hold over tenant and nothing herein or the acceptance or retention of Rent by Sublessor shall be deemed a consent to holding over by Sublessee.

25. MISCELLANY: (a) The words "Sublessor" and "Sublessee" shall mean respectively all parties Sublessor or Sublessee, regardless of number, and the word "he" shall be synonymous with "she," "it" and "they," and the word "his" shall be synonymous with "her," "its" and "their."

(b) No waiver by Sublessor of any provision or undertaking hereunder shall be valid unless in writing signed by an officer of Sublessor. No waiver by either party hereto of any provision or default hereunder, whether in a single instance or repeatedly, shall be deemed a future waiver of such provision or default.

(c) The covenants and conditions hereof shall be binding upon and for the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

(d) This instrument constitutes the entire agreement between the parties and supersedes any prior agreements or understandings, and may be modified or amended by, and only by, a written instrument executed by Sublessor and Sublessee.

(e) Any rights, obligations and liabilities under this Sublease which shall have previously accrued shall expressly survive the expiration or termination of this Sublease.

IN WITNESS WHEREOF, the parties have executed this instrument the day and year first above written.

MIDAS REALTY CORPORATION
By: _____
Peter D. Cooke, Vice President

SUBLESSEE:
By: _____

WITNESS:

Name: _____

GUARANTOR(S):

EXHIBIT F-3: OPTION AND SHOP LEASE

ATTORNEY CONSULTATION: THIS IS A LEGALLY BINDING DOCUMENT. PRIOR TO SIGNING IT, LESSOR/FRANCHISEE SHOULD CONSULT WITH HIS OR HER ATTORNEY REGARDING MUTUALITY OF OBLIGATIONS, RELEVANT STATE LAW AND LOCAL STATUTES, ORDINANCES AND CUSTOMS IN GENERAL AND LANDLORD AND TENANT LAW IN PARTICULAR.



OPTION AND SHOP LEASE

Address
City, State

This Option and Shop Lease, dated _____, 2011, is by and between _____, with an office at _____ ("Lessor"), and Midas Realty Corporation, with an office at 1300 North Arlington Heights Road, Itasca, Illinois 60143 ("Lessee").

WHEREAS, Lessor (or its owner(s)) is, owns or controls, in whole or in part, the "Franchisee" under the Midas Franchise and Trademark Agreement ("Franchise Agreement") with Lessee's parent company, Midas International Corporation ("Midas"), for the Midas Shop at _____ ("Shop"); and

WHEREAS, Midas requires as a condition for the grant of the Franchise Agreement, that Midas (through Lessee) have the right to maintain control of the Shop real estate in the event of the termination or expiration of the Franchise Agreement in order to ensure the continued presence of the Shop; and

WHEREAS, Lessor and Lessee intend for this Option and Shop Lease to establish the right and option of Lessee to lease the Shop real estate in the event of the termination or expiration of the Franchise Agreement and to establish the terms and provisions of such lease.

NOW, THEREFORE, in consideration of the mutual promises and undertakings hereinafter set forth, the sufficiency of which are hereby acknowledged, the parties, intending to be fully and completely bound, hereby agree as follows:

A. RIGHT TO LEASE. Lessor hereby grants to Lessee the right and option to lease ("Option"), on the terms and conditions hereinafter set forth, the real estate commonly known as _____, including the automotive repair facility thereat and the easements, appurtenances, hereditaments, rights and privileges appurtenant thereto, which real estate is legally described on Exhibit A hereto ("Premises"). Lessee may exercise the Option by giving written exercise notice to Lessor ("Exercise Notice") within 30 days following the termination or expiration of the Franchise Agreement. If Lessee does not give Lessor an Exercise Notice within such 30-day period, this Option and Shop Lease shall automatically terminate. In this agreement: (i) the termination of the Franchise Agreement shall include a termination for any reason or due to any cause or circumstance and shall mean the date the termination is effective as opposed to the date of the termination notice; and (ii) the expiration of the Franchise Agreement shall mean the expiration date of the term of the Franchise Agreement. In this Agreement, the term "Franchise Agreement" shall from time to time include, in

Lessee's sole discretion, an operating agreement or license under which the Shop continues in operation following the termination or expiration of the Franchise Agreement.

B. LEASE TERMS. If Lessee exercises the Option, the terms and provisions of the lease ("Lease") shall be those set forth in Sections 1 through 33 of this Option and Shop Lease.

C. LIMITATION OF LIABILITY. Lessee shall have no obligations or liabilities with respect to the Premises until the Commencement Date (as hereinafter defined). Lessor shall defend, indemnify and hold Lessee harmless from and against all claims, demands, causes of action and liabilities arising out of or resulting from the ownership, occupancy, use or maintenance of the Premises prior to the Commencement Date.

D. SUBORDINATION AND NON-DISTURBANCE. Any mortgage or trust deed encumbering title to the Premises at the time of execution of this Option and Shop Lease, at any time while this Option and Shop Lease is in effect or during the Term (as hereinafter defined) of the Lease, is herein called a "Mortgage" and the holder of, or the beneficiary under, the Mortgage is herein called a "Mortgagee". Lessor shall use commercially reasonable efforts to cause each Mortgagee to execute and deliver to Lessee an agreement on a form provided by Lessee setting forth the following ("Non-disturbance Agreement"): (i) Mortgagee consents to this Option and Shop Lease and the Lease and covenants and agrees that the exercise of any of the rights, options and remedies herein shall not constitute a default under the Mortgage; and (ii) Mortgagee agrees that so long as Lessee has not received written notice of a default in the performance of its obligations under the Lease: (1) Lessee shall not be named or joined as a party to an action to enforce or foreclose the Mortgage; (2) Lessee's rights under this Option and Shop Lease and the Lease, including the right to possession of the Premises if Lessee exercises the Option, shall not be disturbed, affected or impaired, nor will this Option and Shop Lease or the Lease be terminated or otherwise affected by any default under the Mortgage or note secured thereby, any suit or action to enforce or foreclose the Mortgage or the note secured thereby, or any judicial sale or execution of the Premises; and (3) all condemnation awards and insurance proceeds paid or payable with respect to the Premises and received by Mortgagee shall be applied and paid for the restoration and/or repair of the Premises except in the case of a condemnation which results in a termination of this Option and Shop Lease or the Lease; (iii) Lessee's rights under this Option and Shop Lease and the Lease shall be subject and subordinate to the Mortgage without regard to the priority of recording, subject to the other provisions of the Non-disturbance Agreement; (iv) if Mortgagee or its successor becomes owner of the Premises by reason of foreclosure or otherwise, this Option and Shop Lease and the Lease shall continue in full force and effect; and (v) Mortgagee or such new owner shall assume the terms, conditions, covenants, obligations and undertakings of Lessor under this Option and Shop Lease and the Lease. Provided Mortgagee executes and delivers a Non-disturbance Agreement to Lessee, Lessee agrees that if requested by Mortgagee or such new owner, Lessee will subordinate its interest under this Option and Shop Lease and the Lease to the Mortgage and will attorn to Mortgagee or such new owner. If Mortgagee requires, as a condition of executing a Non-disturbance Agreement with respect to a Mortgage which encumbers title to the Premises at the time of execution of this Option and Shop Lease, that a memorandum of this Option and Shop Lease or the Lease be recorded, Lessee shall pay the recording fee. Notwithstanding the foregoing, the failure of Mortgagee to execute a Non-disturbance Agreement shall not constitute a default by Lessor hereunder.

E. MEMORANDUM OF OPTION AND SHOP LEASE. The parties shall execute a recording memorandum contemporaneously with execution of this Option and Shop Lease. Lessee may, at its sole option and cost, record such memorandum. Upon expiration of Lessee's rights under this Option and Shop Lease or the expiration or termination of the Lease, Lessee shall provide Lessor with a release, in recordable form, of such memorandum.

F. EFFECTIVE PERIOD. This Option and Shop Lease and the rights conferred hereunder shall remain valid and enforceable: (i) during the term of the Franchise Agreement, including any extensions thereof, and including any assignments thereof to successor franchisees; (ii) for the 30 days following the termination or expiration of the Franchise Agreement; (iii) for any extensions of the franchise relationship under the Franchise Agreement, i.e., during any renewal Midas Franchise and Trademark Agreement as referenced in Article Nine of the Franchise Agreement; and (iv) for the Term (as hereinafter defined).

G. SHOP SALE - LEASE TO BUYER. Subject to Lessee's continuing right and option to lease the Premises under this Option and Shop Lease in the event of the termination or expiration of the Franchise Agreement (i.e., the Option), Lessor may lease the Premises directly to a buyer of the Shop, provided Lessor has complied with all the following conditions: (i) the sale of the Shop must be in conjunction with an assignment of the Franchise Agreement to which Midas consents in writing; (ii) Lessor must provide Lessee with a copy of the fully-executed lease at the time of the closing; (iii) said lease must contain an express provision disclosing to the tenant Lessee's rights pursuant to this Option and Shop Lease; and (iv) said lease must contain an express provision which provides for the automatic termination of said lease in the event the Franchise Agreement is terminated or expires and Lessee exercises the Option.

H. LESSEE'S RIGHT OF FIRST REFUSAL. (a) Lessor hereby grants Lessee a right of first refusal to purchase the Premises upon the same terms, provisions and conditions as may be contained in any offer for the purchase thereof which Lessor shall be ready and willing to accept at any time prior to Lessee giving its Exercise Notice. Lessor shall give Lessee a full and complete copy of said offer including all terms, provisions and conditions, and Lessee shall have 30 days from and after the receipt of such offer to exercise this right of first refusal by giving written notice to Lessor of its intent to purchase. If Lessee does not so notify Lessor within said 30-day period, the sale of the Premises may be consummated but only on substantially the same terms, provisions and conditions of said offer and to the same party. A reduction of the actual selling price by up to 7.5% of the offer price submitted to Lessee shall be deemed substantially the same terms. If the sale is not so consummated within 120 days after receipt by Lessee of the terms of the offer, the proposed sale shall not thereafter be consummated without Lessor again submitting to Lessee the proposed sale as herein provided, as if such proposed sale had not been previously submitted.

(b) This Option and Shop Lease and Lessee's rights hereunder shall continue in full force and effect following the consummation of such sale unless at the time of the closing: (i) the Midas franchisee (and all of its owners, officers and directors) which is then operating the Shop executes and delivers Midas' standard form franchise termination agreement and general release of Midas; and (ii) the purchaser of the Premises executes and delivers to Lessee a covenant (on a form provided by Lessee) prohibiting the use of the Premises for any Automotive Use (as hereinafter defined) for a period of five years following the date the purchaser acquires fee title to the Premises. Said covenant shall be recorded in the public records and shall constitute a covenant running with the land. Upon receipt of such items and the consummation of the sale, this Option and Shop Lease shall terminate and Lessee shall provide the purchaser a recordable release of the memorandum recorded by Lessee pursuant to Section E hereof.

(c) Intentionally omitted.

(d) Lessee's right of first refusal shall not apply to sales or transfers to members of the immediate family of Lessor or Lessor's shareholders, to a different corporation owned or controlled by Lessor or Lessor's shareholders or members of their immediate family, to a partnership comprised of Lessor, Lessor's shareholders or members of their immediate family, or to a trust established by Lessor or Lessor's shareholders and under which members of their immediate family constitute a majority of the beneficiaries.

I. NOTICES. All notices required or permitted hereunder shall be in writing and either (i) personally delivered, (ii) sent Certified U.S. Mail, return receipt requested, or (iii) sent by reputable, recognized overnight courier service regularly providing proof of delivery, to Lessor at the address designated by Lessor (or in the absence of such designation, at Lessor's address in the heading hereof) and to Lessee at 1300 North Arlington Heights Road, Itasca, Illinois 60143, Attention: Vice President – Development, with a copy to the General Counsel, or at such other place as either party may designate. Notice shall be effective upon delivery (if personally delivered) or on the delivery date indicated by the post office or courier on its proof of delivery receipt or electronic version thereof.

J. SUCCESSOR AND ASSIGNS. The covenants and conditions hereof shall be binding upon and/or inure to the benefit of the heirs, executors, administrators, successors, sublessees and assigns of the parties hereto, including but not limited to subsequent owners of fee title to the Premises, whether by purchase or otherwise, and shall be and remain covenants running with the land during the term of this Option and Shop Lease and the Term which may result from the exercise of the rights herein granted to Lessee. Upon a conveyance of the Premises, Lessor shall be relieved of all further obligations under this Option and Shop Lease except as to the obligations set forth in Section C hereof for the period prior to such conveyance by Lessor.

K. ENTIRE AGREEMENT. This constitutes the entire agreement between the parties with respect to Lessee's right to lease the Premises and supersedes any prior agreements or understandings, and may be modified or amended by, and only by, a written instrument executed by Lessor and Lessee.

L. ENFORCEMENT. Lessor and Lessee agree that they shall pay the reasonable costs and expenses incurred by the prevailing party in any action or proceeding (not including any rent arbitration pursuant to Section 3 hereof) to enforce the provisions of this Option and Shop Lease, including reasonable attorneys' fees.

M. TERMS OF LEASE. Upon Lessee's exercise of the Option, the following shall be the terms and provisions of the Lease:

1. DEMISE OF PREMISES. Lessor, in consideration of the rents and covenants contained herein, hereby leases to Lessee, on the following terms and conditions, the real estate commonly known as _____, including the automotive repair facility thereon and the easements, appurtenances, hereditaments, rights and privileges appurtenant thereto, which real estate is legally described on Exhibit A hereto ("Premises").

2. TERM. (a) The preliminary term of this Lease ("Preliminary Term") shall be 120 days and shall commence when Lessee gives the Exercise Notice ("Commencement Date"). Lessee shall have the right to terminate this Lease by giving Lessor 30 days notice of termination at any time during the Preliminary Term.

Note: The following Subsection 2(a) appears in the Option and Shop Lease used for franchise renewals and in certain other scenarios:

(a) The preliminary term of this Lease ("Preliminary Term") shall commence when Lessee gives the Exercise Notice ("Commencement Date") and shall expire on the earlier of: (i) the last day of the month in which the Fair Market Rent (as hereinafter defined) is determined; or (ii) the last day of the month in which Submission (as hereinafter defined) occurs. Lessee shall have the right to terminate this Lease by giving Lessor 30 days notice of termination at any time during the Preliminary Term.

(b) During the Preliminary Term, Lessee, its contractors and invitees, shall have the right of access to the Premises, upon reasonable advance notice to Lessor, for the purpose of franchising and conducting appraisals, inspections, surveys, engineering tests, environmental assessments and tests and for other reasonable purposes and activities (“Tests”). Lessee shall repair any damage to the Premises caused by carrying out the Tests. Upon the Commencement Date, Lessor shall provide Lessee with keys to the Premises. During the Preliminary Term, Lessor shall maintain in full force and effect, and pay for, all Utilities (as hereinafter defined).

(c) In the event Lessee exercises the Option following termination (as opposed to expiration) of the Franchise Agreement: (i) the primary term of this Lease (“Primary Term”) shall be five years and shall commence on the day following expiration of the Preliminary Term (unless Lessee has terminated this Lease pursuant to Subsection 2(a) hereof); and (ii) provided no default by Lessee remains uncured beyond any applicable cure period, Lessee is granted three options to renew this Lease for successive five-year terms upon the same terms and conditions herein, except as to rent, to be exercised by Lessee giving notice to Lessor not later than 270 days prior to expiration of the current term (said notice, hereinafter “Renewal Notice”). In the event of a Reassignment (as hereinafter defined), MRC (as hereinafter defined) shall have the right to exercise any option to renew granted to Lessee.

(d) In the event Lessee exercises the Option following expiration (as opposed to termination) of the Franchise Agreement and the Premises: (i) the Primary Term of this Lease shall be five years and shall commence on the day following expiration of the Preliminary Term (unless Lessee has terminated this Lease pursuant to Subsection 2(a) hereof); and (ii) provided no default by Lessee remains uncured beyond any applicable cure period, Lessee is granted one option to renew this Lease for a five-year term upon the same terms and conditions herein, except as to rent, to be exercised by Lessee giving Lessor a Renewal Notice. In the event of a Reassignment, MRC shall have the right to exercise any option to renew granted to Lessee.

(e) Intentionally omitted.

(f) The Primary Term shall include any renewal terms or extensions of the Primary Term. The Preliminary Term together with the Primary Term shall constitute the “Term”.

(g) Notwithstanding the foregoing, Lessee shall not be obligated to pay rent, nor shall it have any other obligations or liabilities (except as provided in Subsection 2(b) hereof) under this Lease, for the Primary Term until Lessor delivers (or causes to be delivered) to Lessee possession of the Premises unencumbered by any possessory rights of Lessor or other parties, without any of Lessor’s and any occupant’s personal property (unless otherwise directed by Lessee). If, upon commencement of the Primary Term, possession is not delivered to Lessee as required by this subsection, Lessee shall have the right to enter into, and take possession of, the Premises without process of law or to commence an action for entry on account of such wrongful withholding of possession or to pursue any other available legal or equitable remedies.

3. RENT. (a) During the Preliminary Term (and continuing until the rent for the Primary Term has been established), Lessee shall pay Lessor rent in the amount of the larger: (i) \$3,500/month; or (ii) one-twelfth of 7% of the Shop’s Gross Sales (as hereinafter defined) for the previous 12 calendar months. The term “Gross Sales” shall mean all sales of merchandise or products of any kind and all charges for service or labor done in, on and from the Premises for cash or credit regardless of the collection thereof, but excluding sales taxes and bona fide refunds. When the rent for the Primary Term has been established, the parties shall make an appropriate adjustment of rent (with Lessee promptly paying any shortfall or promptly receiving a refund of any overpayment) retroactive to the commencement of the Primary Term.

(b) During the first five years of the Primary Term, Lessee shall pay Lessor rent in the amounts specified in Subsection 3(c) hereof which shall be based on Project Cost Rent (as hereinafter defined). "Project Cost Rent" shall be defined as the product obtained by multiplying (i) the total of the actual purchase price paid by Lessor for the land portion of the Premises plus the actual cost paid by Lessor for the construction of the Shop including any costs directly related to purchasing such land and constructing the Shop but excluding the cost of equipment, hoists, racking, signs or inventory ("Project Cost") by (ii) the rental constant used by Midas for new franchisee-developed Midas Shops as stated in Midas' Franchise Disclosure Document in effect on the Commencement Date. For example, if the Project Cost is \$600,000 and the rental constant is .1000, the Project Cost Rent would be \$60,000 (\$600,000 times .1000 equals \$60,000). Upon execution of this Option and Shop Lease, the estimated Project Cost is \$_____, based on a land cost of \$_____, a construction cost of \$_____, and related costs of \$_____. Within 60 days after the Shop opens for business, Lessor shall document and substantiate the Project Cost to Lessee's reasonable satisfaction, and Lessor and Lessee shall thereupon enter into an amendment to this Option and Shop Lease specifying the actual Project Cost.

(c) Rent during the first five years of the Primary Term shall be the annual rent amounts in the table below payable in equal monthly installments on the first day of each month. Rent shall be remitted to Lessor at its address in the heading hereof or elsewhere as Lessor designates in writing.

Year of Primary Term	Annual rent
1	75% of Project Cost Rent
2 through 5	100% of Project Cost Rent

(d) Rent during each renewal term shall be 100% of "Fair Market Rent", which term shall be defined as the then-current fair market rent for the Premises. Notwithstanding the foregoing, rent for the first renewal term shall be not less than 110% of Project Cost Rent. Fair Market Rent shall be determined as follows:

(i) upon serving a Renewal Notice, Lessee shall make, and submit to Lessor, a written Fair Market Rent proposal for the upcoming renewal term ("Lessee's Proposal");

(ii) Lessor and Lessee shall thereupon conduct good-faith negotiations to mutually agree on the Fair Market Rent. Lessor shall make, and submit to Lessee, a written Fair Market Rent proposal for the upcoming renewal term ("Lessor's Proposal") not later than 210 days prior to expiration of the current term. If Lessor and Lessee mutually agree on the Fair Market Rent, this Lease shall be renewed for the upcoming renewal term at the agreed Fair Market Rent. If Lessor and Lessee have not mutually agreed on the Fair Market Rent, Lessee shall have the right, to be exercised not later than 180 days prior to expiration of the current term, to submit the determination of Fair Market Rent to arbitration to be conducted by the American Arbitration Association ("AAA") in accordance with the process set forth in Subsection 3(d)(iii) hereof ("Submission"). If, 180 days prior to expiration of the current term, Lessor and Lessee have not agreed on the Fair Market Rent and Lessee has not made a Submission, this Lease shall not be renewed for the upcoming renewal term and shall terminate upon expiration of the current term;

(iii) if the Fair Market Rent is to be determined by arbitration, the arbitration shall be conducted:

(1) pursuant to the AAA's "Arbitration Rules for the Real Estate Industry", except as otherwise stated herein;

(2) by a single arbitrator appointed by the AAA; provided, however, either party shall have the right to require that the arbitration be conducted by three arbitrators provided that such right is exercised by Lessee together with the Submission or by Lessor no later than 15 days after the Submission, in which event each party shall select an arbitrator within 15 days following the exercise of such right and the two arbitrators shall appoint a third arbitrator;

(3) in the city of the AAA's local or regional office nearest the Premises;

(4) under the AAA's "Expedited Procedures" process;

(5) without depositions, but with document discovery;

(6) on documents submitted by each party and without a hearing;

(7) in the "baseball arbitration" style with the arbitrator(s) being limited to choosing either Lessee's Proposal or Lessor's Proposal;

(8) without a reasoned opinion;

(9) with the arbitrator(s) being required to issue his/her/their award within 45 days after Submission (or, in the case of a three arbitrator proceeding, within 45 days after Lessee and Lessor select their arbitrators), and, to that end, the arbitrator(s) shall have the right to schedule the arbitration process accordingly;

(10) with each party paying its own costs and expenses (including, but not limited to, appraiser and attorney fees). In a single arbitrator proceeding, Lessee shall pay the arbitrator's fee, the AAA's fee and the administrative costs of the arbitration. In a three arbitrator proceeding, each party shall pay its arbitrator's fee, one-half of the AAA's fee for a single arbitrator proceeding and one-half of the administrative costs of a single arbitrator proceeding, and the party requesting the three arbitrator proceeding shall pay the third arbitrator's fee, any additional fee charged by the AAA for a three arbitrator proceeding and the administrative costs in excess of those for a single arbitrator proceeding; and

(11) with the award of the arbitrator(s) being binding on Lessor and Lessee.

Note: The following Subsections 3(b), (c) and (d) appear in the Option and Shop Lease used for franchise renewals and in certain other scenarios:

(b) During the first five years of the Primary Term, Lessee shall pay Lessor rent in the amounts specified in Subsection 3(c) hereof which shall be based on then Fair Market Rent (as hereinafter defined). "Fair Market Rent" shall be defined as the then fair market rent for the Premises reflecting the physical condition of the Premises at such time (including a downward adjustment for any needed repairs or maintenance). Fair Market Rent shall be determined as follows:

(i) within 30 days following its exercise of the Option, Lessee shall make, and submit to Lessor, a written Fair Market Rent proposal for the first five years of the Primary Term ("Lessee's Proposal");

(ii) Lessee's Proposal shall become the Fair Market Rent, unless within the next 30 days:

(1) Lessor and Lessee agree on a different Fair Market Rent which shall then become the Fair Market Rent; or

(2) Lessor makes a written, alternate Fair Market Rent proposal to Lessee ("Lessor's Proposal"). If the parties do not agree on the Fair Market Rent within 15 days after Lessee receives Lessor's Proposal, the Fair Market Rent shall be determined by arbitration conducted by the American Arbitration Association ("AAA") in accordance with the process set forth in Subsection 3(b)(iii) hereof;

(iii) if the Fair Market Rent is to be determined by arbitration, Lessor and Lessee shall jointly submit the arbitration to the AAA. If either party fails to sign the joint submission within five days after request by the other party, either party shall have the right to initiate the arbitration. Submission of the arbitration to the AAA under this Subsection 3(b)(iii) is sometimes referred to herein as "Submission". The arbitration shall be conducted:

(1) pursuant to the AAA's "Arbitration Rules for the Real Estate Industry", except as otherwise stated herein;

(2) by a single arbitrator appointed by the AAA; provided, however, either party shall have the right to require that the arbitration be conducted by three arbitrators provided that such right is exercised no later than the time of Submission, in which event each party shall select an arbitrator within 15 days following Submission and the two arbitrators shall appoint a third arbitrator;

(3) in the city of the AAA's local or regional office nearest the Premises;

(4) under the AAA's "Expedited Procedures" process;

(5) without depositions, but with document discovery;

(6) on documents submitted by each party and without a hearing;

(7) in the "baseball arbitration" style with the arbitrator(s) being limited to choosing either Lessee's Proposal or Lessor's Proposal;

(8) without a reasoned opinion;

(9) with the arbitrator(s) being required to issue his/her/their award within 45 days after Submission, and, to that end, the arbitrator(s) shall have the right to schedule the arbitration process accordingly;

(10) with each party paying its own costs and expenses (including, but not limited to, appraiser and attorney fees). In a single arbitrator proceeding, Lessee shall pay the arbitrator's fee, the AAA's fee and the administrative costs of the arbitration. In a three arbitrator proceeding, each party shall pay its arbitrator's fee, one-half of the AAA's fee for a single arbitrator proceeding and one-half of the administrative costs of a single arbitrator proceeding, and the party requesting the three arbitrator proceeding shall pay the third arbitrator's fee, any additional fee charged by the AAA for a three arbitrator proceeding and the administrative costs in excess of those for a single arbitrator proceeding; and

(11) with the award of the arbitrator(s) being binding on Lessor and Lessee.

(c) Rent during the first five years of the Primary Term shall be the annual rent amounts in the table below payable in equal monthly installments on the first day of each month. Rent shall be remitted to Lessor at its address in the heading hereof or elsewhere as Lessor designates in writing.

Year of Primary Term	Annual rent
1	75% of Fair Market Rent
2 through 5	100% of Fair Market Rent

(d) Rent during each renewal term shall be 100% of the then-current Fair Market Rent for the Premises determined as follows:

(i) upon Lessee serving a Renewal Notice, Lessee shall submit Lessee’s Proposal (for Fair Market Rent for the upcoming renewal term) to Lessor;

(ii) Lessor and Lessee shall thereupon conduct good-faith negotiations to mutually agree on the Fair Market Rent. Lessor shall submit Lessor’s Proposal not later than 210 days prior to expiration of the current term. If Lessor and Lessee mutually agree on the Fair Market Rent, this Lease shall be renewed for the upcoming renewal term at the agreed Fair Market Rent. If Lessor and Lessee have not mutually agreed on the Fair Market Rent, Lessee shall have the right, to be exercised not later than 180 days prior to expiration of the current term, to make a Submission, in which event the arbitration shall be conducted in accordance with the process set forth in parts (1) through (11) of Subsection 3(b)(iii) hereof. If, 180 days prior to expiration of the current term, Lessor and Lessee have not agreed on the Fair Market Rent and Lessee has not made a Submission, this Lease shall not be renewed for the upcoming renewal term and shall terminate upon expiration of the current term;

(iii) notwithstanding the foregoing, the rent for the first renewal term shall be not less than 110% of Fair Market Rent for the Primary Term.

(e) Notwithstanding anything herein to the contrary, Lessee shall not be obligated to pay rent under this Lease until delivery of possession of the Premises to Lessee in the condition required by Subsection 2(g) hereof.

(f) In the event Lessor, any legal or beneficial owner, shareholder, member, partner or trustee of Lessor or any entity of which any of the foregoing is an owner, shareholder, member, partner or trustee (Lessor and any of the foregoing, individually and collectively, “Lessor Party”) is in default (as determined by a court’s ruling or judgment or an arbitrator’s award) of a monetary obligation under the Franchise Agreement or under any other Midas Franchise and Trademark Agreement or under any lease, sublease, promissory note or guaranty with Midas or any of its subsidiaries or affiliates, Lessee (so long as Lessee is Midas Realty Corporation or its parent or one of its subsidiaries or affiliates [collectively, “MRC”]) shall have the right to deduct from the rent and Lessee’s other monetary obligations under this Lease the amount of such monetary default (including interest); provided, however, that the amount deducted by Lessee in any given month shall not exceed the lesser of: (i) 25% of the rent and Lessee’s other monetary obligations under this Lease for said month; and (ii) \$1,000.

4. USE. (a) The Premises may be used by Lessee, its assignees and sublessees for the sale, installation and servicing of automotive exhaust systems and parts, brakes and brake parts, shock

absorbers, suspension parts, front end parts, alignments, oil changes and chassis lubrication, heating and air conditioning systems and parts, tires and related parts and services, transmissions, engines, washing, waxing, detailing, audio/video systems, other automotive equipment and accessories and/or a general automotive repair shop and/or allied business operating under the Midas name (“Automotive Use”).

(b) Lessor covenants that during the Preliminary Term and the first year of the Primary Term, Lessor shall not, directly or indirectly, individually or as a member of any business organization, engage, or have an interest as an employee, owner, operator, investor, partner (inactive or otherwise), agent, stockholder, member, manager, director or officer, or otherwise, in, any business, located within a one-mile radius of the Premises, engaged in the Automotive Use or any part thereof. The foregoing covenant shall not apply in the event Lessor (as Franchisee) had, within the 180 days prior to expiration of the Franchise Agreement, served written notice on Midas that Lessor (as Franchisee) elected to not extend the franchise relationship (to not renew the franchise) under the Franchise Agreement.

(c) Lessor agrees that it will not erect, or permit to remain, on any property owned or controlled by Lessor adjacent to the Premises any structure or improvements which would materially interfere with access to the Premises or obstruct the visibility of the Shop or signs identifying the business at the Premises. Further, Lessor will not post, use or display, or permit the posting, use or display of, any signs, advertising or other material on or in the building or the area of which the Premises are a part which are the same or confusingly similar to any names, marks or designs used by Midas or its franchisees.

(d) Notwithstanding the provisions of Subsection 4(a) hereof, Lessee may use or permit the Premises to be used for any lawful purpose, provided that in the event Lessee intends to use or permit the use of the Premises for other than Automotive Use, it shall first notify Lessor in writing. Lessor shall have the right, to be exercised within 30 days after receipt of Lessee's notice, to terminate this Lease by giving Lessee written notice. If Lessor does not terminate this Lease within said 30 days, Lessor shall have no further right to terminate this Lease pursuant to this Subsection 4(d).

5. MAINTENANCE. Except as provided in Sections 11 and 12 hereof, Lessee shall at all times during the Primary Term keep the Premises in a condition substantially equivalent to their condition on the Commencement Date, reasonable wear and use excepted.

6. TAXES AND UTILITIES. (a) Lessee shall pay prior to delinquency all real estate taxes and assessments which may be levied or assessed upon the Premises (“Tax(es)”) during the Term to the end that Lessor shall not be required to pay any Taxes during the Term. Upon request, Lessee will exhibit receipts for Tax payments to Lessor promptly upon payment thereof. Lessee may at its expense contest all Taxes in the name of Lessor if necessary. In the event Lessor is joined in such a proceeding by Lessee, Lessee shall hold Lessor harmless from all costs, expenses and liabilities, including reasonable attorneys' fees associated with such a proceeding.

(b) During the Preliminary Term, Lessor shall maintain in full force and effect, and pay for, the water, gas, electricity, telephone and other utilities services for the Premises (“Utilities”). Lessee shall pay for the Utilities during the Primary Term.

7. LICENSES AND COMPLIANCE WITH LAWS. Lessee shall: (i) maintain and procure at Lessee's own expense and responsibility all licenses, permits, inspection certificates or change of occupancy certificates required by any governmental authority with respect to Lessee's use of the Premises; and (ii) comply with all applicable laws, ordinances and regulations and will not use or permit any use of the Premises in violation thereof (such items in (i) and (ii), collectively, “Laws”). Lessee may contest any Laws and may join Lessor in any such contest, provided that Lessee shall indemnify and hold Lessor harmless from all damages, costs (including reasonable attorney fees), expenses, liabilities, fines,

penalties, liens or criminal sanctions against Lessor or the Premises resulting from Lessee's breach of Laws or actions or proceedings to contest them.

8. PUBLIC LIABILITY INSURANCE AND INDEMNITY. (a) Lessee shall during the Primary Term at its expense keep in force, or cause to be kept in force by its sublessee, public liability insurance on the Premises in an amount of not less than \$1,000,000 for injury to or death of one person or as a result of one occurrence, not less than \$1,000,000 for injury to or death of more than one person as a result of one occurrence, and for damage to property as a result of one occurrence in the amount of \$500,000. Said insurance coverage shall insure Lessee and Lessor, and (if requested by Lessor) Mortgagee, as additional insureds against any liability that may accrue against any of them on account of any occurrences in or about the Premises resulting in personal injury, death or property damage. Lessee or its sublessee shall furnish to Lessor certificates for all such insurance in a form commonly in use in the insurance industry within 30 days following the Commencement Date and not later than the expiration date of any policy period.

(b) Lessee agrees to indemnify and save Lessor harmless from and against all claims of whatever nature arising from: (i) any act or omission of Lessee or its contractors, invitees or employees during the Term; or (ii) any accident, injury or damage whatsoever caused to any person, or to the property of any person occurring during the Term in or about the Premises, where such accident, damage or injury results or is claimed to have resulted from an act or omission on the part of Lessee or its contractors, invitees or employees. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses and liabilities, including reasonable attorneys' fees, incurred in connection with any such claim or proceeding brought thereon and the defense thereof.

(c) Lessee or its sublessee may provide the aforesaid insurance under a "blanket" policy covering other locations.

9. FIRE AND EXTENDED COVERAGE INSURANCE. (a) During the Primary Term, Lessee shall keep, or cause to be kept by its sublessee, the building improvements on the Premises insured at full replacement cost against all damages caused by fire and against other risks covered by standard extended coverage endorsements. Such insurance coverage shall insure Lessee and Lessor, and (if requested by Lessor) Mortgagee, as additional insureds as their interests may appear. Lessee or its sublessee shall furnish to Lessor a certificate of insurance within 30 days following the Commencement Date and not later than the expiration date of any insurance policy.

(b) The proceeds of insurance shall be payable to Lessee and used to restore and/or repair in accordance with commercially reasonable procedures designed to ensure that the work is completed timely and without mechanic's liens for unpaid work or materials following final disbursement.

(c) Lessee or its sublessee may provide the aforesaid insurance under a "blanket" policy covering other locations.

10. WAIVER OF SUBROGATION RIGHTS. Neither Lessor nor Lessee shall be liable to the other for any loss or damage to the Premises from risks insured against under fire insurance policies with extended coverage endorsements irrespective of whether such loss or damage results from their negligence or that of any of their agents, employees, licensees, invitees or contractors.

11. DESTRUCTION OF PREMISES. In the event of damage to, or total destruction of, the Premises by fire, act of God or any other cause, this Lease shall remain in effect, and Lessee shall forthwith apply for all necessary permits, licenses and approvals and shall repair or restore same to substantially the same condition as they were in immediately prior to the casualty within 180 days following receipt of all necessary permits, licenses and approvals.

12. CONDEMNATION. If all of the Premises shall be taken by public authorities by condemnation or otherwise for public or quasi-public purposes, or if such taking is of such part of the Premises that it is, in Lessee's reasonable judgment, impossible or impractical for Lessee to use the Premises efficiently and economically for the conduct of its business, this Lease shall terminate effective at such time as Lessee can no longer continue operations upon the Premises. However, if only a part of the Premises is taken so that the remaining portion does not materially affect the conduct of Lessee's business in Lessee's reasonable judgment, Lessor will, to the extent the taking authority provides or allocates funds or an award for restoration, proceed promptly to restore the building to a complete architectural unit and this Lease shall cease only as to the part so taken and shall continue as to the part not taken. In that event, the rent shall be adjusted in the proportion that the value of the area taken bears to the value of the Premises. Lessor shall be entitled to the entire condemnation award, except that Lessee shall be entitled to any amounts specifically allocated, or awarded to Lessee, for the taking of Lessee's trade fixtures, business value or relocation.

13. ASSIGNMENT AND SUBLETTING. (a) MRC shall have the right, without the consent of Lessor, to assign this Lease, or to sublet all or any part of the Premises, to a Midas franchisee ("New Franchisee"). If this Lease is assigned to New Franchisee, MRC shall give Lessor: (i) notice of the assignment; (ii) the name of New Franchisee; (iii) if New Franchisee is not a person(s), the name of the person(s) holding the controlling interest in New Franchisee; (iv) the address and phone number of New Franchisee or person(s) holding the controlling interest in New Franchisee; and (v) a copy of an agreement between MRC and New Franchisee in which New Franchisee assumes all of Lessee's obligations under this Lease from and after the date of the assignment. Thereupon, MRC shall have no obligation or liability with respect to Lessee's obligations and liability under this Lease occurring from and after the date of the assignment.

(b) Lessor hereby consents to the assignment by New Franchisee to MRC of all New Franchisee's right, title and interest, as Lessee, in and to this Lease via an outright assignment of this Lease or via a conditional assignment of this Lease (triggered by, among other things, the termination, expiration or assignment of the Midas franchise agreement for the Premises, New Franchisee's default or claimed default under this Lease or New Franchisee's failure to exercise an option to renew this Lease), the exercise of which may be at MRC's option ("Reassignment"). The Reassignment shall automatically apply to any extensions or renewals of the Term and any new lease for the Premises entered into by Lessor and New Franchisee (or by any person or entity owning an interest in, or affiliated with, New Franchisee). Any assignment of this Lease, or sublease of the Premises, by New Franchisee to a party other than MRC shall be subject and subordinate to MRC's rights under the Reassignment. Lessor agrees to give MRC written notice of a default by New Franchisee under this Lease at the same time it gives such notice to New Franchisee and agrees that MRC shall have the same right and opportunity to cure such default as New Franchisee is given under this Lease. No modification or amendment of this Lease by Lessor and New Franchisee shall be binding on MRC unless approved in writing by MRC.

(c) In the event: (i) the Reassignment is, in fact, triggered by New Franchisee's default or claimed default in the payment of rent under this Lease; and (ii) MRC, in fact, exercises its Reassignment under such circumstances; and (iii) Lessor had given MRC written notice of New Franchisee's default(s), together with the same right and opportunity to cure such default(s) as New Franchisee was entitled to under this Lease; then MRC shall be obligated to cure any rent payment default by New Franchisee, provided that the maximum amount which MRC shall be obligated to pay shall be six months' rent.

(d) In the event MRC exercises its Reassignment, Lessor shall cooperate with, and give reasonable assistance (by joinder in legal proceedings if necessary) to, MRC in obtaining possession of the Premises from New Franchisee; provided, that MRC shall be responsible for Lessor's reasonable attorney fees in any such legal proceedings.

(e) MRC shall have the right, without Lessor's consent but subject to the provisions of Subsection 4(d) hereof, to assign this Lease, or to sublease all or a portion of the Premises, to any person, firm or corporation other than New Franchisee for any use permitted pursuant to the terms of this Lease provided that MRC shall not be thereby released of its duties, obligations or liabilities hereunder.

(f) Lessee shall have the right, upon obtaining Lessor's consent which shall not be unreasonably withheld, delayed or conditioned but subject to the provisions of Subsection 4(d) hereof, to assign this Lease, or to sublease all or a portion of the Premises, to any person, firm or corporation for any use permitted pursuant to the terms of this Lease provided that Lessee shall not be thereby released of its duties, obligations or liabilities hereunder.

14. MRC'S RIGHT OF FIRST REFUSAL. (a) Lessor hereby grants MRC a right of first refusal to purchase the Premises upon the same terms, provisions and conditions as may be contained in any offer for the purchase thereof which Lessor shall be ready and willing to accept at any time during the Term . Lessor shall give MRC a full and complete copy of said offer, including all terms, provisions and conditions, and MRC shall have 30 days from and after the receipt of such offer to exercise this right of first refusal by giving Lessor written notice of its intent to purchase. If MRC does not so notify Lessor within said 30-day period, the sale of the Premises may be consummated, but only on substantially the same terms, provisions and conditions of said offer and to the same party, and subject to the continuation of this Lease. A reduction of the actual selling price by up to 7.5% of the offer price submitted to Lessee shall be deemed substantially the same terms. If such sale is not so consummated within 120 days after receipt by MRC of the terms of the offer, the proposed sale shall not be thereafter be consummated without Lessor again submitting to MRC the proposed sale as herein provided, as if the proposed sale had not been previously submitted.

(b) This Lease and MRC's and Lessee's rights under this Lease shall continue in full force and effect for the balance of the Term following the consummation of any such sale.

(c) MRC's right of first refusal shall survive, and continue in full force and effect following, an assignment of this Lease to New Franchisee. MRC shall have the right to assign its right of first refusal, before or after MRC's exercise thereof, to New Franchisee.

(d) MRC's right of first refusal shall not apply to sales or transfers to members of the immediate family of Lessor or Lessor's shareholders, to a different corporation owned or controlled by Lessor or Lessor's shareholders or members of their immediate family, to a partnership comprised of Lessor, Lessor's shareholders or members of their immediate family, or to a trust established by Lessor or Lessor's shareholders and under which members of their immediate family constitute a majority of the beneficiaries.

15. SIGNS AND FIXTURES. (a) Subject to compliance with applicable laws and ordinances, Lessee shall have the right to erect, maintain and operate any type or size of sign or signs on the Premises, provided such signs are related to the Automotive Use.

(b) Lessee shall have the right to install any equipment or fixtures required or desirable in the operation of its business, including roof top antennas and other electronic transmittal and receiving devices, which shall always be deemed personal property subject to repossession for protection of the interests of any conditional sales vendor or equipment lessor or similar lien seller thereof.

(c) Upon the expiration of this Lease, Lessee shall have the right to remove from the Premises any and all signs, equipment, fixtures and other personal property which may have been installed or

placed thereon, provided that any damage to the Premises caused by such removal will be repaired by Lessee.

16. LIENS. If any act or omission of Lessee or claim against Lessee results in a lien or claim of lien against Lessor's title, Lessee, within 30 days of receipt of notice thereof, shall arrange for removal of, or a bond over, such lien and shall indemnify and hold Lessor harmless with respect to any such claim. Lessee may contest any such lien at its sole cost and expense.

17. LESSOR'S EXPENDITURES. Upon 15 days prior written notice to Lessee, Lessor may (but need not) in the event of Lessee's failure, omission or inadequate compliance with any of Lessee's undertakings hereunder, make all expenditures or do such acts and things necessary to fulfill and satisfy any such undertakings. Such expenditures and Lessor's costs in connection therewith shall be at Lessee's expense and shall be payable as additional rent upon the first of the month next following.

18. WAIVER AND CUMULATIVE RIGHTS. No waiver of any breach of this Lease by Lessor or Lessee shall be considered to be a waiver of any other or subsequent breach. All rights and remedies of Lessor and Lessee herein provided or allowed by law shall be cumulative.

19. QUIET ENJOYMENT. Lessor represents and warrants that he is the legal owner of the Premises, that he is legally empowered to execute this Lease, and that: (i) under the zoning laws and all other laws, covenants, restrictions, regulations, ordinances and environmental regulations pertaining to the Premises and the improvements thereon, Lessee may, upon the effective date of this Lease, conduct the Automotive Use on the Premises; and (ii) Lessee, on payment of the rent provided for herein and performance of the undertakings aforesaid, shall and may peacefully and quietly have, hold and enjoy the Premises for the Term with all the rights, privileges and for the uses herein provided.

20. REMEDIES OF LESSOR. (a) If Lessee defaults in the payment of rent or any other financial obligation hereunder and such default continues for 10 days (20 days if MRC is Lessee) after Lessor's written notice thereto to Lessee, or if Lessee defaults in the prompt and full performance of any other provision of this Lease and such default by reason of Lessee's neglect or omission continues for 30 days (45 days if MRC is Lessee) after Lessor's written notice thereto to Lessee, Lessor may forthwith terminate this Lease and Lessee's right to possession of the Premises and pursue all remedies available pursuant to applicable law; provided, however, that if the default is of such a nature that it is not capable of being totally cured within 30 days (45 days if MRC is Lessee), Lessee shall not be deemed to be in default if Lessee has commenced to exercise reasonable diligence to cure the default within 30 days (45 days if MRC is Lessee), continues to pursue curing of the default and cures the default as soon thereafter as is reasonably practicable.

(b) If Lessee fails to pay rent or any other financial obligation within 10 days after it is due, Lessor may assess a late charge equal to 10% of the overdue amount.

21. MITIGATION OF DAMAGES. Lessor shall have the duty to mitigate damages in the event of Lessee's default by using reasonable efforts to relet the Premises. Subject to this standard, Lessor may relet the Premises for a term greater or less than the balance of the Term, for other uses, and for rentals greater or less than provided for herein, and may grant concessions. Rentals received by Lessor upon reletting shall first be applied to reasonable brokerage, advertising and legal fees, reasonable expenses incurred by Lessor for repairs and alterations, and other reasonable expenses of reletting incurred by Lessor, and then applied to the rent and other obligations under this Lease.

22. ALTERATIONS. Lessee shall have the right, at its sole cost and expense, to replace or rebuild the improvements on the Premises or to make any alterations, additions and modifications to the Premises (collectively "Alterations"), whether structural and non-structural; provided, however, that any

Alterations: shall conform to applicable laws and codes; shall not reduce the size or cubic content of the building; and shall be equivalent in quality to the existing Premises. Prior to commencement of any Alterations, Lessee shall, upon request, provide Lessor copies of all required permits and plans and specifications for the Alterations. The Alterations shall, upon installation, become Lessor's property and shall remain upon and be surrendered with the Premises. Nothing contained herein, however, shall be construed to give Lessor title to, or prevent the removal of, Lessee's trade fixtures and movable furnishing or equipment (including hoists and racking).

23. CONSENT. Where consent is required hereunder, such consent shall not be unreasonably withheld or delayed.

24. MEMORANDUM OF LEASE. Upon the expiration or termination of this Lease, Lessee shall provide Lessor with a release, in recordable form, of any recorded memorandum of this Lease.

25. HAZARDOUS MATERIALS AND SUBSTANCES. (a) Lessor agrees to indemnify, defend and hold harmless Lessee, its subtenants and assignees, from and against any and all debts, liens, claims, causes of action, administrative orders and notices, costs (including, without limitation, response and/or remedial costs), personal injuries, losses, damages, liabilities, demands, interest, fines, penalties and expenses, including reasonable attorneys' fees and expenses, consultants' fees and expenses, court costs and all other out-of-pocket expenses, suffered or incurred by Lessee or its subtenants and assignees as a result of any occurrence, matter, condition, presence, discharge, disposal, act or omission involving Environmental Laws (as hereinafter defined) or Hazardous Materials (as hereinafter defined) which arose, originated or occurred during the period Lessor (or any entity owned or controlled by Lessor or its owners) owned fee title to the Premises (up to the Commencement Date) or the period any Lessor Party operated a Midas Shop on the Premises and which failed to comply with Environmental Laws or any common law theory.

(b) Lessee agrees to indemnify, defend and hold harmless Lessor, from and against any and all debts, liens, claims, causes of action, administrative orders and notices, costs (including, without limitation, response and/or remedial costs), personal injuries, losses, damages, liabilities, demands, interest, fines, penalties and expenses, including reasonable attorneys' fees and expenses, consultants' fees and expenses, court costs and all other out-of-pocket expenses, suffered or incurred by Lessor as a result of any occurrence, matter, condition, act or omission involving Environmental Laws or Hazardous Materials which are caused by Lessee subsequent to the Commencement Date and which failed to comply with Environmental Laws or any common law theory.

(c) "Hazardous Materials" shall mean any substance, material, waste, gas or particulate matter which at the time of the execution of the Option and Shop Lease or at any time thereafter is regulated by any local governmental authority, the State in which the Premises is located, or the United States Government, including but not limited to, any material or substance which is: (i) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of State law; (ii) petroleum; (iii) asbestos; (iv) polychlorinated biphenyl; (v) radioactive material; (vi) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Sec. 1251 et seq. (33 U.S.C. Sec. 1317); (vii) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq. (42 U.S.C. Sec. 6903); or (viii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sec. 9601 et seq. (42 U.S.C. Sec. 9601).

(d) "Environmental Laws" shall mean all statutes specifically described in the foregoing sentence and all federal, state and local environmental health and safety statutes, ordinances, codes, rules,

regulations, orders and decrees regulating, relating to or imposing liability or standards concerning or in connection with Hazardous Materials.

26. NOTICES: All notices required or permitted hereunder shall be in writing and either (i) personally delivered, (ii) sent Certified U.S. Mail, return receipt requested, or (iii) sent by reputable, recognized overnight courier service regularly providing proof of delivery, to Lessor at the place where rent is payable and to Midas Realty Corporation (as Lessee and MRC) at 1300 North Arlington Heights Road, Itasca, Illinois 60143, Attention: Vice President - Development, with a copy to the General Counsel, or elsewhere as either party designates. Notice shall be effective upon delivery (if personally delivered) or on the delivery date indicated by the post office or courier on its proof of delivery receipt or electronic version thereof.

27. SURRENDER OF PREMISES. Except as provided in Section 22 hereof, upon the expiration or termination of this Lease, Lessee shall peaceably quit and surrender the Premises to Lessor in a condition substantially equivalent to their condition at the Commencement Date, reasonable wear and use excepted.

28. SUCCESSOR AND ASSIGNS. The rights, obligations, covenants and conditions of and for Lessor and Lessee shall be binding upon and inure to the benefit of their heirs, executors, administrators, successors, sublessees and assigns, including but not limited to subsequent holder of fee title to the Premises. Upon a conveyance of the Premises by Lessor, Lessor shall be relieved of all further obligations under this Lease except with respect to the obligations set forth in Section 25 hereof for the period prior to such conveyance by Lessor.

29. ENTIRE AGREEMENT. This constitutes the entire agreement between the parties with respect to the leasing of the Premises and supersedes any prior agreements or understandings, and may be modified or amended by, and only by, a written instrument executed by Lessor and Lessee.

30. FORCE MAJEURE. The period of time during which Lessor or Lessee is prevented from performing any act required to be performed under this Lease (other than Lessee's direct monetary obligations) or by reason of fire, catastrophe, strikes, lockouts, civil commotion, acts of God, the public enemy, governmental prohibitions or preemptions, embargoes, inability to obtain material or labor by reason of governmental regulations or prohibitions, the act or default of the other party, delays occasioned by the adjustment of any casualty loss, or other events beyond the reasonable control of Lessor or Lessee, as the case may be, shall be added to the time for performance of such act.

31. ESTOPPEL CERTIFICATE. Upon request of either party, the other party shall, within 10 business days, deliver to the requesting party a written estoppel statement certifying and stating: that this Lease is in full force and effect; any amendments or modifications; the dates to which the rent and other payments due have been paid; whether or not either party is, to the knowledge of the certifying party, in default, or whether there have occurred events which with the passage of time will constitute a default, and, if so, specifying such defaults and events. Each estoppel statement shall be directed to and state that it may be relied upon by whatever addressee the requesting party may designate.

32. ENFORCEMENT. Lessor and Lessee agree that they shall pay the reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in any action or proceeding to enforce the provisions of this Lease.

33. SURVIVAL. The rights, remedies and obligations of Lessor and Lessee (including MRC, unless otherwise specifically excepted herein) in this Lease shall survive the termination and expiration of this Lease or MRC's assignment of this Lease (pursuant to Subsection 13(a)), except that the foregoing shall not be construed to have the effect of preventing Lessor from exercising, after the term of this Lease

shall have terminated or expired, all rights available to Lessor as the fee simple titleholder of the Premises prior to execution of this Lease. Notwithstanding the above, Lessee's right of first refusal shall not survive the termination or expiration of this Lease; provided, however, Lessee's right of first refusal (including its full 30 days to exercise such right) shall apply to any offer for the purchase of the Premises which Lessor shall be ready and willing to accept at any time prior to Lessee giving its Exercise Notice or at any time during the Term.

IN WITNESS WHEREOF, the parties hereto have executed this instrument.

Lessor:

Midas Realty Corporation

By: _____

By: _____
, Vice President

The undersigned Franchisee under the Franchisee Agreement hereby agrees to observe, perform, and be bound by Lessor's covenants, obligations and undertakings under the foregoing Option and Shop Lease.

Franchisee:

By: _____

EXHIBIT F-4: CONDITIONAL ASSIGNMENT OF LEASE



CONDITIONAL ASSIGNMENT OF LEASE

On this _____, 20___, in consideration of Midas International Corporation (“Franchisor”) granting _____ (“Assignor”) a franchise to operate a Midas Shop at _____ (“Premises”), pursuant to a franchise agreement (“Franchise Agreement”), Assignor hereby assigns, grants and conveys to Midas Realty Corporation (an affiliate of Franchisor), its nominees, successors or assigns (“Assignee”), all of Assignor's right, title and interest, including any security deposit, as tenant, in and to the lease (“Lease”) dated _____, for the Premises, wherein _____ (“Lessor”) is the landlord, a copy of which is attached hereto and incorporated herein as Exhibit A (“Assignment”). Assignor represents, warrants and covenants that: it is the tenant under the Lease; Exhibit A represents a true and complete copy of the Lease including all attachments and amendments; the Lease is in full force and effect and there is no default under the Lease; and Assignor shall not amend or terminate the Lease without Assignee’s advance written consent. Provided, however, the Assignment is subject to the following conditions:

1. The Assignment is conditional and shall become effective and operative (“Triggered”) each time any of the following events occurs:

(a) The Franchise Agreement expires or is terminated by either party for any reason, by its terms, by law or by court or arbitrator’s order. The term Franchise Agreement shall also include: (i) any extensions of the term of the Franchise Agreement; (ii) any renewal, successor, restated or reinstated Midas Franchise and Trademark Agreement relating to the Premises; and (iii) in Assignee’s sole discretion, an operating agreement or license under which the Midas Shop continues in operation from time to time following the termination or expiration of the Franchise Agreement; or

(b) Assignor defaults, or is alleged to have defaulted, under the Lease. Assignor shall immediately notify Assignee in writing of any default or alleged default by Assignor upon defaulting or receiving a default notice and shall give Assignee a copy of such default notice. Assignor grants Assignee the right to cure any default or alleged default by Assignor; or

(c) Assignor does not exercise a renewal option under the Lease (“Renewal”) at least 30 days prior to the deadline for exercising the Renewal or Assignor informs Assignee that Assignor does not intend to exercise the Renewal; provided, however, the Assignment shall not become effective and operational under this subparagraph (c) if: (i) Franchisor had previously given Assignor written approval for relocating the franchise to a specific location; or (ii) Assignor had previously given Assignee written notice that it intends to negotiate a Lease extension on different terms than are applicable to the Renewal and Assignor is, in fact, diligently conducting such negotiations. Assignor authorizes Assignee or Franchisor to inquire of Lessor whether Assignor has exercised a Renewal or is conducting negotiations to extend the Lease or about other matters related to the Lease and Premises.

2. In the event the Assignment is Triggered and Assignee exercises the Assignment, Assignor shall surrender and deliver possession of the Premises to Assignee upon ten (10) days written notice from Assignee. If Assignor fails to deliver possession within ten (10) days, Assignor agrees that

Assignee shall have the right to enter, and take possession of, the Premises without process of law or to commence an action for entry on account of such wrongful withholding of possession or to pursue any other available legal or equitable remedies.

3. Effective upon (and only upon) Assignee's exercise of the Assignment and surrender and delivery of possession of the Premises to Assignee ("Transfer Date"): (i) Assignee shall assume Assignor's obligations under the Lease accruing from and after the Transfer Date; (ii) Assignee shall indemnify and hold Assignor harmless with respect to all obligations under the Lease imposed upon Assignee, as tenant, arising from the Transfer Date until such time as Assignee is no longer the tenant. Without limiting the generality of the foregoing, Assignee shall not assume, or indemnify and hold Assignor harmless from, any monetary, maintenance or repair, environmental, indemnification or other liabilities or claims which arose, accrued or related to acts or omissions occurring prior to the Transfer Date.

4. Assignor hereby agrees to indemnify and hold harmless from, and to immediately reimburse Assignee for, all costs, expenses, damages and claims, including attorneys' fees and costs, incurred by Assignee in enforcing this Conditional Assignment of Lease ("CAL") or in curing Assignor's default or alleged default under the Lease or relating to Assignor's obligations under the Lease.

5. Assignee may at its option exercise or abandon the Assignment each time it is Triggered. Assignee may exercise the Assignment by giving Lessor and Assignor notice in writing served by certified mail, personal delivery or courier service: (i) within thirty (30) days immediately following: (1) the expiration or effective date of the termination of the Franchise Agreement; or (2) receipt by Assignee of a written or emailed notice of default or alleged default by Assignor under the Lease; or (ii) at any time not later than the deadline for exercising a Renewal. In the absence of such exercise by Assignee, neither the Assignment nor the Lease shall be binding on Assignee. Failure of Assignee to exercise the Assignment when Triggered shall not constitute a waiver of Assignee's right to exercise the Assignment any other time it is Triggered.

6. As a material condition hereof, if Assignor or any owner of Assignor or of the Franchisee under the Franchise Agreement acquires legal or equitable title to the Premises, then Assignor shall simultaneously and promptly execute and enter into, or shall cause the titleholder to the Premises to simultaneously and promptly execute and enter into, Assignee's standard option and shop lease document or whatever other real estate control documents Assignee generally uses at such time.

7. Assignor agrees that the obtaining of Lessor's consent to this CAL, if such consent is, in Assignee's opinion, required, shall be the sole responsibility of Assignor; provided that the lack of Lessor's consent shall not affect the enforceability, or constitute a defense by Assignor to the validity or enforceability, of this CAL or the Assignment.

8. Assignor shall provide Assignee with a legal description of the Premises in recordable form. This CAL or a notice hereof shall be recorded against title to the Premises.

9. The obligations of Assignor under this CAL shall be binding upon Assignor's successors, assigns and sublessees. Any assignment of the Lease or sublease of the Premises by Assignor shall be subject and subordinate to Assignee's rights under this CAL which rights shall not be affected by such assignment or sublease.

10. This CAL and the Assignment and the interest in and rights of Assignee hereunder shall (without further agreement or writing being required) automatically apply to: (i) any exercised Renewal or extension of the term of the Lease; and (ii) any new lease for the Premises entered into by Assignor or the Franchisee (or by any person or entity owning an interest in, or affiliated with, Assignor or the

Franchisee) while the Franchise Agreement, including any extension of the franchise relationship thereunder, or any subsequent Franchisor franchise agreement relating to the Premises is in effect ("New Lease"). Assignor agrees to (a) promptly notify Assignee of any exercised Renewal, extension of the term of the Lease or New Lease, (b) provide Assignee a copy of any agreements or notices relating to any exercised Renewal or extension of the term of the Lease and a copy of any New Lease, and (c) sign, upon request, an acknowledgment, in form satisfactory to Assignee, of the applicability of the Assignment to any exercised Renewal, extension of the term of the Lease or New Lease. If the person or entity exercising a Renewal, extending the term of this Lease or entering into a New Lease is not Assignor but is Franchisee or an owner or affiliate of Assignor or Franchisee, Assignor agrees to cause such person or entity to perform the obligations in parts (a), (b) and (c) of this paragraph.

11. Notices hereunder shall be in writing and sent: to Assignor at the Premises or Assignor's business office or home address; to Lessor at the address(s) specified in the Lease for notices or rent payment or at its business office; and to Assignee at 1300 Arlington Heights Road, Itasca, Illinois 60143.

In witness whereof, the parties have executed this CAL.

ASSIGNOR:

ATTEST/WITNESS:

By: _____

By: _____

The undersigned hereby agree to observe, perform, and be bound by Assignor's obligations under the foregoing CAL and Assignment.

LESSOR'S CONSENT TO CONDITIONAL ASSIGNMENT OF LEASE

Lessor hereby: consents to the terms of the foregoing CAL and the Assignment including its applicability to any Renewal, extension of the term and New Lease; agrees that any further assignment of the Lease or sublease of the Premises by Assignor to a third party shall be subject and subordinate to Assignee's rights under the CAL which shall not be affected by such assignment or sublease; agrees that the CAL shall be recorded against title to the Premises (provided, however, Assignee shall be obligated to execute and deliver to Lessor a recordable release of the CAL upon expiration of Assignee's rights under the CAL); agrees to give Assignee a copy of any default notice Lessor serves on Assignor at the same time Lessor serves such notice on Assignor; agrees that Assignee shall have the same right and opportunity to cure such default as Assignor is given under the Lease; agrees, upon Assignee's request, to promptly inform Assignee whether Assignor has exercised a Renewal or is conducting negotiations to extend the Lease; agrees that Assignee, as successor tenant, shall have the right to exercise any Renewal; and agrees to recognize Assignee or its nominee as the successor tenant under the Lease in the event that the Assignment becomes operative at the election of Assignee.

LESSOR:

ATTEST/WITNESS:

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

EXHIBIT F-5: ASSIGNMENT OF LEASE(SUBLEASE)

ASSIGNMENT OF LEASE (SUBLEASE)

In consideration of ten dollars (\$10.00) and other valuable consideration, receipt of which is hereby acknowledged, _____ ("Assignor"), hereby transfers and assigns all of its right, title and interest, as Lessee, in and to the Lease, dated _____ ("Lease"), for the premises at _____, attached hereto as Exhibit A, including all amendments thereto, to _____, a _____ ("Assignee"), having an address of _____, effective _____, 20__ ("Effective Date").

In consideration of this lease assignment and Lessor's consent hereto, Assignee hereby:

(1) assumes, and agrees to perform, all covenants, obligations, representations, warranties and undertakings of Lessee in the Lease and hereby assumes responsibility for all existing conditions under the Lease and all prior and existing uncured breaches and defaults of Lessee under the Lease; and

(2) agrees that it shall pay all Gross Sales percentage rent for: (a) the entire calendar year 20__ (payable March 1, 20__); (b) the portion of 20__, up to and including the Effective Date; and (c) the period commencing with the Effective Date.

Assignor and Assignee acknowledge that it is their responsibility, not Lessor's, to calculate and make any appropriate prorations of Gross Sales percentage rent and other expenses (e.g., rent, common area charges, taxes) in connection with this assignment and the sale of the Shop at the demised premises.

ASSIGNOR:

ASSIGNEE:

By: _____

By: _____

GUARANTY

Guarantor hereby guarantees to Lessor the payment of rent and other money to be paid by Lessee and the performance by Lessee of all the terms and conditions of the Lease. Guarantor hereby waives any extension of time, indulgence or waivers granted by Lessor to Lessee or any other action or modification of the Lease terms whereby the liability of Guarantor but for this provision would be released. Guarantor also agrees to pay all expenses, including attorneys' fees, incurred by Lessor in enforcing this guaranty or the obligations of Lessee. If there is more than one Guarantor, the references herein to "Guarantor" shall be deemed plural, and this guaranty shall be their joint and several undertaking.

WITNESS(ES):

GUARANTOR(S):

Name: _____

CONSENT

Midas Realty Corporation ("Lessor") hereby consents to the foregoing Assignment of Lease subject to the terms therein set forth.

MIDAS REALTY CORPORATION

By: _____

EXHIBIT G: STATE ADMINISTRATORS AND AGENTS OF SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

Listed here the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. The following page contains the state agencies which serve as agents for service of process under the franchise disclosure/registration laws.

California

Department of Corporations:
Toll Free: (866) 275-2677

320 West 4th Street, Suite 750
Los Angeles, CA 90013
(213) 576-7505

1515 K Street, Suite 200
Sacramento, CA 94814
(916) 445-7205

One Sansome Street, Ste. 600
San Francisco, CA 94104
(415) 972-8559

Florida

Department of Agriculture and
Consumer Services
Division of Consumer Services
Terry Lee Rhodes Building
2005 Apalachee Parkway
Tallahassee, FL 32399
(850) 488-2221

Hawaii

Business Registration Division
Department. of Commerce and Consumer
Affairs
P.O. Box 40
Honolulu, HI 96810
(808) 586-2727

Illinois

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana

Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, IN 46204
(317) 232-6681

Maryland

Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2021
(410) 576-6360

Michigan

Michigan Department of Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
G. Mennen Williams Building
525 West Ottawa Street
Lansing, MI 48933
(517) 373-7117

Minnesota

Minnesota Department of Commerce
Market Assurance Division
85 7th Place East, Suite 500
St. Paul, MN 55101
(651) 296-4973

Nebraska

Department of Banking and Finance
1230 "O" Street, Suite 400
P.O. Box 95006
Lincoln, NE 68509
(402) 471-3445

New York

New York State Department of Law
Investor Protection Bureau
120 Broadway, 23rd Floor
New York, NY 10271
(212) 416-8236

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, 5th Floor
Bismarck, ND 58505
(701) 328-2910

Oregon

Department of Consumer and Business Services
Division of Finance and Corporate Securities
350 Winter Street NE, Room 410
Salem, OR 97301
(503) 378-4140

Rhode Island

Department of Business Regulation
Division of Banking and Securities
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, RI 02920
(401) 462-9500

South Dakota

Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, SD 57501
(605) 773-4823

Texas

Secretary of State
Statutory Document Section
1019 Brazos
Austin, TX 78701
(512) 475-1769

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street
Tyler Building, 9th Floor
Richmond, VA 23219
(804) 371-9051

Washington

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98501
(360) 902-8760

Wisconsin

Wisconsin Department of Financial Institutions
Division of Securities
345 West Washington Avenue, 4th Floor
Madison, WI 53703
(608) 266-8557

LIST OF AGENTS FOR SERVICE OF PROCESS

California

California Commissioner of Corporations
Department of Corporations
320 West 4th Street, Suite 750
Los Angeles, California 90013-1105
(213) 576-7500

Hawaii

Commissioner of Securities of the State of Hawaii
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana

Indiana Secretary of State
Business Services – Service of Process
Attn. Service of Process Clerk
302 West Washington Street, Room E-018
Indianapolis, Indiana 46204
(317) 232-6532

Maryland

Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

Michigan

Corporations Division
Franchise
P.O. Box 30054
Lansing, Michigan 48909
(517) 373-7117

Minnesota

Minnesota Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(651) 296-6025

New York

New York State Department of State
Division of Corporations, State Records &
Uniform Commercial Code
One Commerce Plaza
99 Washington Ave., 6th Floor
Albany, New York 12231
(518) 474-4770

North Dakota

North Dakota Securities Department
Commissioner
600 East Boulevard Avenue
State Capitol, 5th Floor
Bismarck, North Dakota 58505
(701) 328-2910

Oregon

Director of the Department of Consumer and
Business Services
350 Winter Street NE
Salem, Oregon 97301
(503) 947-7972

Rhode Island

Director of Rhode Island Division of Banking and
Securities
1511 Pontiac Avenue, Bldg. 69-1
Cranston, Rhode Island 02920
(401) 462-9500

South Dakota

Director of South Dakota Division of Securities
Department of Revenue and Regulation
445 E. Capitol Avenue
Pierre, South Dakota 57501
(605) 773-4823

Virginia

Clerk, State Corporation Commission
1300 East Main Street
Tyler Building - 1st Floor
Richmond, Virginia 23219
(804) 371-9733

Washington

Director of Financial Institutions
Department of Financial Institutions
150 Israel Road SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin

Wisconsin Division of Securities
Department of Financial Institutions
345 West Washington Avenue
4th Floor
Madison, Wisconsin 53703
(608) 266-8557

EXHIBIT H: MIDAS, INC. GUARANTEE OF PERFORMANCE

For value received, Midas, Inc., a Delaware corporation (the "Guarantor"), located at 1300 Arlington Heights Road, Itasca, Illinois 60143, absolutely and unconditionally guarantees to assume the duties and obligations of Midas International Corporation, located at 1300 Arlington Heights Road, Itasca, Illinois 60143 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2010 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with the franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Itasca, Illinois on the 28th of March, 2011.

Guarantor:
MIDAS, INC.



Name: William M. Guzik
Title: Executive Vice President & Chief
Financial Officer

GUARANTY OF PERFORMANCE
(For Illinois)

For value received, Midas, Inc., located at 1300 Arlington Heights Road, Itasca, Illinois 60143, absolutely and unconditionally guarantees the performance by the franchisor, Midas International Corporation, of all obligations under the Illinois Franchise Disclosure Act and Rules, and of all of the obligations of the franchisor to furnish goods and/or services necessary to establish and open the business of franchisees to whom franchises are granted by the franchisor pursuant to the registration of such franchises in the State of Illinois and the terms and conditions of the franchise and other agreements entered into after this date with franchisees under the jurisdiction of the Illinois Franchise Disclosure Act, as the same have been or may hereafter be amended, modified, renewed or extended from time to time. This guaranty shall continue in force until all such obligations of the franchisor shall have been satisfied or until such liability of the franchisor to such franchisees has been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any such claim by a franchisee against the franchisor remains outstanding. Notice of acceptance is waived. Notice of default on the part of the franchisor is not waived. This guaranty shall be binding upon guarantor, its successors and assigns.

In witness whereof, guarantor has, by a duly authorized officer, executed this guarantee at Itasca, Illinois, this 28th day of March, 2011.

Guarantor: **MIDAS, INC.**



Name: William M. Guzik
Title: Executive Vice President &
Chief Financial Officer

ATTEST:



Name: Alvin K. Marr
Title: Secretary

GUARANTEE OF PERFORMANCE
(For Virginia)

For value received Midas, Inc., a Delaware corporation (the "Guarantor"), located at 1300 Arlington Heights Road, Itasca, Illinois 60143, absolutely and unconditionally guarantees the performance by Midas International Corporation, located at 1300 Arlington Heights Road, Itasca, Illinois 60143 (the "Franchisor") of all of the obligations of the Franchisor under its franchise registration in the Commonwealth of Virginia, and of its Franchise Agreements executed after March 21, 2011.

This guarantee continues until all such obligations of the Franchisor under its franchise registrations and franchise agreements are satisfied. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. Notice on the part of the Franchisor is not waived. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Itasca, Illinois on the 28th day of March, 2011.

Guarantor: **MIDAS, INC.**



Name: William M. Guzik —
Title: Executive Vice President &
Chief Financial Officer

EXHIBIT I: ADDITIONAL STATE DISCLOSURES

ADDITIONAL DISCLOSURES FOR THE MULTISTATE FRANCHISE DISCLOSURE DOCUMENT OF MIDAS INTERNATIONAL CORPORATION

The following are additional disclosures for the Multistate Franchise Disclosure Document of Midas International Corporation required by various state franchise laws. A particular state's disclosures only apply if you are covered by that state's franchise law.

MINNESOTA

1. The following paragraph is added at the end of Item 13 of the Disclosure Document:

Provided you have complied with all provisions of the Franchise Agreement applicable to the Marks, we will protect your rights to use the Marks and we also will indemnify you from any loss, costs or expenses arising out of any claims, suits or demands regarding your use of the Marks, in accordance with Minn. Stat. Sec. 80C.12, Subd. 1(g).

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

For franchises governed by the Minnesota Franchises Law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement.

Minnesota Statutes, Section 80C.21 and Minnesota Rule 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 agreements can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Any release as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by applicable law for claims arising under Minn. Rule 2860.4400D.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AND TRADEMARK AGREEMENT

**RIDER TO THE MIDAS INTERNATIONAL CORPORATION
FRANCHISE AND TRADEMARK AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER (this “Rider”) is made as of _____, 200 ____, by and between MIDAS INTERNATIONAL CORPORATION, a Delaware corporation (hereafter referred to as “Midas”), and _____, a _____ corporation (hereafter referred to as “Franchisee”).

1. Background. Midas and Franchisee are parties to that certain Franchise and Trademark Agreement that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Midas Shop that Franchisee will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the franchise offering or sales activity with respect to the Franchise Agreement occurred in Minnesota.

2. Trademark Indemnity. The following language is added as a new Section 2.7 of the Franchise Agreement.

Provided you have complied with all provisions of the Franchise Agreement applicable to the Marks, we will protect your rights to use the Marks and we also will indemnify you from any loss, costs or expenses arising out of any claims, suits or demands regarding your use of the Marks, in accordance with Minn. Stat. Sec. 80C.12, Subd. 1(g).

3. Release. The following language is added to the end of Section 7.4(f) and 9.3 of the Franchise Agreement:

; provided, however, that any release required as a condition of assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. Termination by Midas. The following language is added to the end of Section 8.2 of the Franchise Agreement:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and one hundred eighty (180) days’ notice of non-renewal of a franchise agreement.

5. Arbitration/Controlling Law. The following language is added to the end of the first paragraph of Section 9.7 and Section 10.10 of the Franchise Agreement:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 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 agreements can abrogate or reduce any of franchisee’s rights as provided for in

**RIDER TO THE MIDAS INTERNATIONAL CORPORATION
FRANCHISE AND TRADEMARK AGREEMENT
FOR USE IN NORTH DAKOTA**

THIS RIDER (this “Rider”) is made as of _____, 200____, by and between MIDAS INTERNATIONAL CORPORATION, a Delaware corporation (hereafter referred to as “Midas”), and _____, a _____ corporation (hereafter referred to as “Franchisee”).

1. Background. Midas and Franchisee are parties to that certain Franchise and Trademark Agreement that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of North Dakota and the Midas Shop that Franchisee will operate under the Franchise Agreement will be located or operated in North Dakota and/or (b) any of the franchise offering or sales activity with respect to the Franchise Agreement occurred in North Dakota.

2. The following language is added to the end of Section 7.4(f) and 9.3 of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. Limitation of Claims. The following language is added to the end of Section 7.11 of the Franchise Agreement:

The time limitations set forth in this Section might be modified by the North Dakota Franchise Investment Law, but Franchisor and Franchisee agree to enforce the provisions to the maximum extent the law allows.

4. Termination/Liquidated Damages. The following language is added to the end of Section 8.6 of the Franchise Agreement:

The Commissioner has determined termination or liquidated damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. However, Midas and Franchisee agree to enforce these provisions to the extent the law allows.

5. Arbitration. The last sentence of Section 9.7(a) of the Franchise Agreement is deleted and replaced with the following:

The place of arbitration shall be in Chicago, Illinois; however, if required by the North Dakota Franchise Investment Law (unless preempted by the Federal Arbitration Act), Midas and Franchisee will arbitrate at a site to which the parties mutually agree.

6. Consent to Jurisdiction. The following language is added as a new Section 10.13 of the Franchise Agreement:

Notwithstanding the foregoing and to the extent required by the North Dakota Franchise Investment Law, Franchisee may bring an action in North Dakota.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page.

MIDAS INTERNATIONAL CORPORATION

FRANCHISEE:

By: _____
Alan D. Feldman, Chief Executive Officer

By: _____
, President

ATTEST:

WITNESS/ATTEST:

By: _____
Alvin K. Marr, Secretary

By: _____
, Secretary

ITEM 23: RECEIPT (Your Copy)

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 Midas International Corporation 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 and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan and Washington require that we give you this disclosure document a least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Midas International Corporation 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 the appropriate state agency identified on Exhibit G.

The name, principal business address and telephone number of each franchise seller offering the franchise are: Ron Filian, 1300 Arlington Heights Road, Itasca, Illinois 60143, (630) 438-3000

The issuance date of this Franchise Disclosure Document is March 28, 2011, as amended January 23, 2012*. We authorize the respective state agents identified on Exhibit G to receive service of process for us in the particular states. (* The effective dates for this Franchise Disclosure Document for certain specified states are listed on the third page of this document.)

I have received a Disclosure Document dated March 28, 2011, as amended January 23, 2012* that included the following Exhibits:

A-1	Midas Franchisees as of January 1, 2011	E-1	End User License Agreement
A-2	Former Midas Franchisees	E-2	Software Maintenance Program Agreement
A-3	Midas/Speedee Co-Branding Franchisees as of January 1, 2011	E-3	R.O. Writer Central Service Agreement
B	Financial Statements	F-1	Lease
C-1	Application for Midas Shop Franchise	F-2	Sublease
C-2	Franchise Applicant Questionnaire	F-3	Option and Shop Lease
D-1	Midas Franchise and Trademark Agreement	F-4	Conditional Assignment of Lease
D-2	Personal Guaranty	F-5	Assignment of Lease/Sublease
D-3	Subordination Agreement	G	State Administrators and Agents for Service of Process
D-4	Participation Commitment and Agreement	H	Midas, Inc. Guarantee of Performance
D-5	Authorization for ACH Debits	I	Additional State Disclosures & Riders
D-6	Fleet Program Participation Amendment		
D-7	Assignment of Midas Franchise and Trademark Agreement		
D-8	Midas Standard Release Form		
D-9	Assumption of Shop Obligations		
D-10	Renewal Agreements		
D-11	Matching Marketing Funds Agreement		
D-12	Incentive Program Promissory Note		

KEEP THIS COPY FOR YOUR RECORDS. This Disclosure Document is also available in .pdf format upon request.

Date

Prospective Franchisee (Print Name)

Prospective Franchisee (Sign Name)

ITEM 23: RECEIPT (Our Copy)

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 Midas International Corporation 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 and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan and Washington require that we give you this disclosure document a least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Midas International Corporation 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 the appropriate state agency identified on Exhibit G.

The name, principal business address and telephone number of each franchise seller offering the franchise are: Ron Filian, 1300 Arlington Heights Road, Itasca, Illinois 60143, (630) 438-3000

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- | | | | |
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| B | Financial Statements | F-1 | Lease |
| C-1 | Application for Midas Shop Franchise | F-2 | Sublease |
| C-2 | Franchise Applicant Questionnaire | F-3 | Option and Shop Lease |
| D-1 | Midas Franchise and Trademark Agreement | F-4 | Conditional Assignment of Lease |
| D-2 | Personal Guaranty | F-5 | Assignment of Lease/Sublease |
| D-3 | Subordination Agreement | G | State Administrators and Agents for Service of Process |
| D-4 | Participation Commitment and Agreement | H | Midas, Inc. Guarantee of Performance |
| D-5 | Authorization for ACH Debits | I | Additional State Disclosures & Riders |
| D-6 | Fleet Program Participation Amendment | | |
| D-7 | Assignment of Midas Franchise and Trademark Agreement | | |
| D-8 | Midas Standard Release Form | | |
| D-9 | Assumption of Shop Obligations | | |
| D-10 | Renewal Agreements | | |
| D-11 | Matching Marketing Funds Agreement | | |
| D-12 | Incentive Program Promissory Note | | |

Please sign and date this Receipt page. Please return it to us via fax (630) 438-7991, mail: 1300 Arlington Heights Road, Itasca, Illinois 60143, or as we otherwise instruct. This Disclosure Document is also available in .pdf format upon request.

Date

Prospective Franchisee (Print Name)

Prospective Franchisee (Sign Name)