

FRANCHISE DISCLOSURE DOCUMENT

MIDAS INTERNATIONAL CORPORATION

A Delaware Corporation

4300 TBC Way, Palm Beach Gardens, Florida 33410

(561) 383-3000

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, in a retail environment, 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 \$203,130 and \$424,520. This includes between \$68,000 and \$189,800 that must be paid to the franchisor or its affiliates. The total investment necessary to convert an operating or previously operated automotive repair facility to a Midas Shop ranges between \$74,130 and \$419,520. This includes between \$150 and \$189,800 that must 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 4300 TBC Way, Palm Beach Gardens, Florida 33410, (561) 383-3000.

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: June 27, 2014

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 PALM BEACH GARDENS, FLORIDA. 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 PALM BEACH GARDENS, FLORIDA THAN IN YOUR OWN STATE.
2. 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, 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: _____
Hawaii	Effective date: July 4, 2014
Illinois	Effective date: June 27, 2014
Indiana	Effective date: July 12, 2014
Maryland	Effective date: July 14, 2014
Minnesota	Effective date: _____
New York	Effective date: _____
North Dakota	Effective date: June 27, 2014
Rhode Island	Effective date: June 27, 2014
South Dakota	Effective date: June 27, 2014
Virginia	Effective date: _____
Washington	Effective date: _____
Wisconsin	Effective date: June 27, 2014

In all other states, this Franchise Disclosure Document's effective date is the original issuance date of June 27, 2014.

**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. The foregoing language has been included in this Disclosure Document as a condition to registration. We and you do not agree that the parties are restricted from choosing to conduct arbitration outside of Michigan and believe that each of the provisions of the Franchise Agreement, including each of the arbitration provisions, is fully enforceable. We and you intend to rely on the federal pre-emption under the Federal Arbitration Act.
- (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
Department of Attorney General
Franchise Section – Consumer Protection Division
G. Mennen Williams Building, 1st Floor
525 West Ottawa
Lansing, Michigan 48933
P.O. Box 30213
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

**MIDAS INTERNATIONAL CORPORATION
FRANCHISE DISCLOSURE DOCUMENT**

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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 Franchise 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 Consent to Transfer (Exhibit D-7) (“Consent to Transfer”) in addition to other related franchise documents. Under the Consent to Transfer, the purchaser/transferee of an existing Midas franchise will be subject to the then-current terms and conditions of the Franchise Agreement, which may be materially different than the form signed by the transferring franchisee. 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”). Except as described in this Disclosure Document, 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. 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”.

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

The Franchisor

Midas is a corporation incorporated under the laws of 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. See “Our Parents” below for more information about Midas, Inc.

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 March 31, 2014, there were 1072 franchised Midas Shops in the United States. We also franchise retail automotive repair shops internationally in the Bahamas and Honduras and license 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. Our affiliate, Midas Canada Inc., franchises retail automotive repair shops internationally in Canada. As of March 31, 2014 there were 824 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 March 31, 2014 there were 87 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.

The principal business address of Midas is 4300 TBC Way, Palm Beach Gardens, Florida 33410. Except as stated below, the principal business address for Midas’ parents and affiliates is also 4300 TBC Way, Palm Beach Gardens, Florida 33410.

Our Parents

Midas, Inc. is a corporation incorporated under the laws of Delaware on August 29, 1997. Midas, Inc. was publicly traded on the New York Stock Exchange under the symbol MDS from January 30, 1998 through April 30, 2012.

Effective April 30, 2012, TBC Corporation, a Delaware corporation (“TBC”), through its wholly-owned subsidiary, Gearshift Merger Corp., also a Delaware corporation (“Gearshift”), acquired Midas, Inc. through a cash tender offer (“Merger Transaction”). TBC is a marketer and distributor of tires and other products for the automotive replacement market. TBC sells products or supply services to Midas franchisees. TBC is a wholly-owned subsidiary of Sumitomo Corporation of America, a company organized under the laws of New York, whose principal business address is 600 Third Avenue, New York, NY 10016 (“SCOA”) and by Summit Global Management of America, Inc., a company organized under the laws of Delaware, whose principal business address is 600 Third Avenue, New York, NY 10016 (“Summit”). Both SCOA and Summit are owned by Sumitomo Corporation, a corporation organized under the laws of Japan, whose principal business address is Harumi Island Triton Square Office Tower Y, 8-11 Harumi 1-Chome, Chuo-ku, Tokyo 104-8610 Japan.

Effective through the Merger Transaction, Midas, Inc. became a wholly-owned subsidiary of TBC Shared Services, Inc. (“TBC Shared Services”), a Delaware corporation. TBC Shared Services is a

wholly-owned subsidiary of TBC. TBC Shared Services also owns Big O Tires, LLC (“Big O”) (see below).

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 March 31, 2014, there were 156 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. Starting June 15, 2007, Midas Canada directly engaged in the business of owning and operating Midas shops in Canada, although as of March 31, 2014 Midas Canada did not own or operate any Midas shops. Midas Canada’s principal business address is 8300 Woodbine Avenue, Suite 100, Markham, Ontario L3R 9Y7.

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 March 31, 2014, COSMIC owned and operated 3 company-owned Midas Shops. Since October 2008, COSMIC has been engaged in the business of owning and operating Co-Branding Shops. As of March 31, 2014, COSMIC owned and operated 5 company-owned Co-Branding Shops, 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.

SpeedDee Worldwide Corporation, our wholly-owned subsidiary (“SpeedDee”), has been engaged in the car care business since March 2008. SpeedDee is the franchisor of stand-alone “SpeedDee Oil Change & Tune-up” franchises and the SpeedDee side of the Midas/SpeedDee co-branding franchises (as described above). SpeedDee owns the “SpeedDee” mark and related marks (“SpeedDee Marks”). A SpeedDee shop (“SpeedDee 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 March 31, 2014, there were 58 franchised stand-alone SpeedDee Shops in the United States. On March 30, 2008, SpeedDee assumed two separate master franchise agreements with sub-franchisors in New England and Mexico, granting each sub-franchisor the right to use the SpeedDee Marks for the operation of SpeedDee shops in those territories. As of March 31, 2014, there were 15 SpeedDee Shops in New England and 57 SpeedDee Shops in Mexico operated by these third party sub-franchisors under the separate master franchise agreements with SpeedDee. SpeedDee does not currently operate nor has it ever operated Midas Shops or Co-Branding Shops. Except as described in this Disclosure Document, SpeedDee does not offer, nor has SpeedDee 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 March 31, 2014, COSSI owned and operated 1 company-owned SpeeDee Shop.

Big O Tires, LLC ("Big O") is a Nevada limited liability company and a wholly-owned subsidiary of TBC Shared Services. Big O was originally incorporated as a Nevada corporation on December 30, 1982 and subsequently converted to a limited liability company on September 28, 2007. It does business under its current organizational name Big O Tires, LLC as well as "Big O" and "Big O Tires" and no other name. Big O offers franchises for the operation of retail stores selling and servicing tires and related automotive products and services ("Big O Stores"). Big O also sells tires and automotive accessories to its franchisees. In addition, Big O and its affiliates sell or lease other items to Big O franchisees such as real estate, equipment, signs and services. Big O also conducts wholesale operations under which it sells non-Big O brand tires and other automotive accessories to Big O franchisees and to other purchasers.

Big O has offered franchises for the operation of retail stores selling and servicing tires and related automotive products since approximately 1982. Its principal predecessor, Big O Tire Dealers, Inc., offered franchises in its line of business since 1980 and offered dealer agreements in its line of business from approximately 1962. Big O Stores operate under the service marks "BIG O" or "BIG O TIRES" and other trademarks and trade names, service marks and other logos and symbols periodically designated by Big O. Big O Stores also license from Big O certain proprietary methods of doing business. The Big O Stores are serviced through regional sales and distribution centers, which are either owned or leased, and operated, by Big O. As of March 31, 2014, Big O had 362 franchised outlets and 40 company owned outlets.

TBC is also the indirect parent corporation of TBC Retail Group, Inc. (d/b/a Tire Kingdom, formerly known as Tire Kingdom, Inc.) ("TBC Retail Group"), a Florida corporation. TBC Retail Group operates non-Big O retail outlets for the sale of tires and related automotive products and services and may periodically operate such retail outlets under the Big O Tire name. TBC Retail Group is also responsible for the management of Big O.

TBC has operated, through its subsidiaries, non-Big O, non-Midas, non-Co-Branding and non-SpeeDee retail outlets for tires and related products. As of March 31, 2014, TBC and its wholly-owned subsidiaries operated approximately 767 non-Big O, non-Midas, non-Co-Branding and non-SpeeDee retail tire and automotive services centers. These retail outlets do business under the trade names "Tire Kingdom," "Merchant's," "National Tire Battery," "NTB," and "Tire America."

TBC sells products or supply services to Midas franchisees. Carroll's, LLC, a Georgia limited liability company, is a subsidiary of TBC and also sells products to Midas franchisees. The principal business address of Carroll's is 4158 Old Dixie Highway, Hapeville, Georgia 30354. Franchisees may also, periodically purchase tires from Treadways, LLC, a Delaware limited liability company ("Treadways"), which also is a wholly-owned subsidiary of TBC. The principal business address of Treadways is 2000 Campus Lane, E. Norriton, Pennsylvania 19403.

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, SpeeDee Shops, and Big O 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

Director, Chief Executive Officer: Erik R. Olsen

Mr. Olsen was appointed to these positions of Midas, SpeeDee and Big O effective January 2014. In 2013 he was appointed Chief Operating Officer, and in January 2014 he took office as TBC's President and Chief Executive Officer. He has served as Director of Midas Canada since April 2012. From April 2012 to December 31, 2013, he was the Chief Operating Officer of TBC, and President and Chief Executive Officer of TBC Wholesale Group, a subsidiary of TBC. From October 2008 until April 2012 he was the President and Chief Executive Officer of TBC Wholesale Group and Executive Vice President of TBC. He was elected to the TBC Board of Directors in November of 2008. From 2005 to 2008, Mr.

Olsen held the position of President for Carroll Tire Company. Mr. Olsen joined TBC in December 2004 as Senior Vice President & Chief Marketing Officer. He is located in Palm Beach Gardens, Florida.

Executive Vice President, Chief Financial Officer: Timothy J. Miller

Mr. Miller was appointed to these positions at Midas, as well as Midas Canada and Speedee effective April 30, 2012. Mr. Miller has served as Big O's Executive Vice President, Chief Financial Officer and Treasurer since October 2006. He has served as Executive Vice President, Chief Financial Officer and Treasurer of TBC since October 2006. Mr. Miller is located in Palm Beach Gardens, Florida.

Senior Vice President, Franchise Group: Brant Wilson

Mr. Wilson was appointed to this position with TBC effective November 1, 2013. He has been Director of Midas Canada since January 2014. From 2007 to October 31, 2013, he was employed by H&R Block and held various positions within that organization including, Vice President of Franchise Development and Territory Vice President for the West. He is located in Palm Beach Gardens, Florida.

Executive Vice President and Chief Operating Officer: Michael J. Gould

Mr. Gould was appointed to these positions at Midas, as well as Midas Canada and Speedee on September 1, 2013. From April 30, 2012 until September 1, 2013, Mr. Gould was Senior Vice President – Franchise Operations and Chief Operating Officer of Midas. From March 17, 2009 until March 31, 2012, Mr. Gould served as Senior Vice President, Franchise Operations of Midas. Previous to then, Mr. Gould has held a number of positions over a longstanding career with Midas including Vice President, Franchise Operations, Vice President, Retail Operations, and Vice President, COSMIC. He is located in Palm Beach Gardens, Florida.

Vice President, Franchise Development: William Ketchem

Mr. Ketchem was appointed to this position on April 30, 2012. Mr. Ketchem joined TBC in April 2008 where he held the positions of Financial and Operations Consultant for Big O Tires and Director of Acquisitions and Special Projects. He is located in Palm Beach Gardens, Florida.

Vice President, Franchise Operations East: Gerald V. Schwall

Mr. Schwall was appointed to this position effective April 30, 2012. From June 1, 2006 through April 29, 2012, Mr. Schwall served Midas as the Regional Manager, Eastern Region. He is located in Rehoboth, Massachusetts.

Vice President, Franchise Operations West: Philip P. Hultquist

Mr. Hultquist was appointed to this position effective April 30, 2012. From January 1, 2010 through April 29, 2012, Mr. Hultquist served as Regional Manager, Western Region. Mr. Hultquist served as Regional Manager, South Central Region from September 2007 through December 2009. He is located in Dallas, Texas.

Vice President, Business Management: Darrell R. Fisher

Mr. Fisher was appointed to this position effective September 1, 2013. From May 1, 2012 through August 31, 2013, Mr. Fisher served as Director of Franchise Operations. From January 1, 2006 through May 30, 2012, Mr. Fisher served as Regional Manager Midwest Region. He is located in Chicago, Illinois.

ITEM 3: LITIGATION

Concluded:

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.

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 sought a declaration that the Canadian franchise agreement was 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 claimed that rebates received by Midas Canada constituted "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 was terminated and have complied with their obligations to cease using the Midas Canada's intellectual property and provide the telephone numbers. The parties executed a confidential settlement agreement in February 2012. As part of the settlement, the defendants remitted to Midas Canada a series of checks in the aggregate amount of Cdn. \$125,628.43 which are dated March 2012 through August 2015.

Shareholder Litigation. In connection with TBC's acquisition of Midas, Inc., a total of six shareholder class action lawsuits were filed in three separate courts. Each of the cases were substantially similar insofar as they were all brought on behalf of holders of Midas, Inc. common stock against the same defendants, and allege nearly identical causes of action for alleged breach of fiduciary duties against the individual defendants and alleged aiding and abetting against the corporate defendants:

- a. **Delaware State Court Actions.** Sowder, Rod, Individually and On Behalf of All Others Similarly Situated v. Alan Feldman, Robert Schoeberl, Thomas Bindley, Archie Dykes, Jarobin Gilbert, Diane Routson, Midas, Inc., TBC Corporation and Gearshift Merger Corp. (Case Number 7364, filed on March 28, 2012), Khan, Alan v. Midas, Inc., Alan Feldman, Thomas Bindley, Archie Dykes, Jarobin Gilbert, Diane Routson, Robert Schoeberl, TBC Corporation and Gearshift Merger Corp. (Case Number 7372, filed on March 30, 2012), and Glenn Freedman, On Behalf of Himself and All Others Similarly Situated v. Midas, Inc., Alan Feldman, Archie Dykes, Thomas Bindley, Jarobin Gilbert Jr., Robert Schoeberl, Diane Routson, TBC Corporation, and Gearshift Merger Corp. (Case Number 7346, filed on March 20, 2012) were filed in the Court of Chancery of the State of Delaware. The Court consolidated the cases on April 9, 2012 and on April 12, 2012 the Court denied the Plaintiffs' Motion to Expedite and Seek Injunctive Relief. Subsequently, the Court granted Midas' Motion to Dismiss.

- b. **Illinois State Court Actions.** GSS 5-08 Trust, et al. v. Midas, Inc., Alan D. Feldman, Robert R. Schoeberl, Thomas L. Bindley, Archie R. Dykes, Jarobin Gilbert, Jr., Diane L. Routson, Gearshift Merger Corporation, and TBC Corporation (Case Number 2012CH1266) and Stegar, Marth, individually and on behalf of all others similarly situated v. Alan Feldman, Robert Schoeberl, Thomas Bindley, Archie Dykes, Jarobin Gilbert, Diane Routson, Midas Inc., TBC Corporation and Gearshift Merger Corp. (Case Number 2012L00357). These cases were filed on March 10, 2012 and March 15, 2012, respectively in Illinois Circuit Court, DuPage County. Plaintiffs filed a Motion to Expedite, which the Court denied. The Court has dismissed both cases in their entirety in preference to the Delaware actions.
- c. **Illinois Federal Court Action.** Jacob Scheiner, et al v. Midas, Inc., TBC Corporation, Gearshift Merger Corporation, JP Morgan Securities, LLC, Alan Feldman, R. Schoeberl, Thomas L. Bindley, Archie R. Dykes, Jarobin Gilbert, Jr., and Diane L. Routson (Case Number 12-CV-02653) was filed on April 11, 2012 in the United States District Court, Northern District of Illinois. Plaintiffs filed a Motion to Expedite, which the Court denied. Defendants filed respective Motions to Dismiss, and in a May 9, 2012 Minute Order, the Court indicated that the parties should submit additional briefing on the topic of mootness. This was done and case was dismissed January 2013.

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 (or, as of March 9, 2012, approximately U.S. \$75.8 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. 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. 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. Parties mediated matter on April 3, 2013 and reached a settlement but are awaiting court approval.

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.

Midas International Corporation v. Executive Management Group, Inc. F/K/A KNK Auto Service & Sales, Inc., and Shawn Ferguson, (Case No. 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. Settlement was reached in May 2008.

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, alleging the same claims as the *Morales* case below. Midas filed a Petition for Judicial Coordination with the California Judicial Council, as ordered by the Court in the related *Morales* case, which was granted on September 18, 2009. The coordinated cases were assigned for all purposes to the Los Angeles Superior Court.

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) ("Morales/Hoover Litigation"). Steven Saucedo, a customer, initiated this consumer class action against seven defendants, including Midas and Midas, Inc. (collectively, "Midas Companies") on June 27, 2006. He claimed the Midas Companies and their franchisees engaged in unlawful business practices by advertising and selling brake pads in an unlawful manner. On March 5, 2007, the Midas Companies filed a demurrer and a motion to strike, which the

Court granted, in part. For the next three years the plaintiffs amended the complaint in hopes of complying with the Court's order regarding Midas Companies' demurrers. 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. On December 19, 2011, the Court denied it. The plaintiffs filed a Notice of Appeal on April 19, 2012. The parties subsequently reached a settlement which provided, among other terms, for payment of \$75,000 by Midas Companies to the plaintiffs, which the Court approved.

Hutchins, David, et al v. Midas International Corporation, et al. (Case No. 37-2012-00083884-CU-OE-CTL, Superior Court of California, San Diego County). A purported class action lawsuit was filed on behalf of all exempt store managers in California on October 19, 2012. The complaint stated three claims: (1) failure to pay overtime premium pay (due to the alleged misclassification of Store Managers in California); (2) waiting time penalties under Labor Code section 203; and (3) unlawful and unfair business practices in violation of California Business & Professions Code section 17200. A settlement agreement was reached between the parties in which Midas agreed to pay a gross settlement of \$475,000, inclusive of attorneys' fees and administrative expenses. Final approval of the settlement was granted by the Court on March 21, 2014.

Pending:

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 (or, as of March 9, 2012, approximately U.S. \$40,435) 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 filed an application for judgment on April 23, 2010. The defendants filed for bankruptcy protection and Midas has ceased pursuing collection efforts. We are awaiting the Court to close the file.

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. MESA filed suit against Midas on December 28, 2011 claiming that Midas is in breach of the License Agreement 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 a declaratory judgment suspending MESA's obligation to pay 80% of its future royalty payments owed to Midas under the License Agreement and also seeks its costs of the litigation. Midas

filed Motion to Dismiss claiming the case was already arbitrated in Switzerland and should not be litigated in Italy. After two oral arguments, the Judge issued an order stating that the complexity of the objections raised by Midas were credible but must be decided by the full court. This hearing was held on July 17, 2013. In March 2014 the Court determined that “fairness and equity” required that it retain jurisdiction. Midas continues to vigorously defend this matter.

Related to this lawsuit, on February 6, 2012, Midas filed a Complaint for Breach of Contract and Declaratory Judgment against MESA. *Midas International Corporation v. MESA S.p.A.* (Case No. 2012L001580, Circuit Court of Cook County, Illinois, County Department, Law Division). Midas alleges that MESA is in breach of the License Agreement due to its failure to make full royalty payments. The court dismissed this action on June 14, 2012 because it believed (1) the same contract is at issue in both cases and (2) the Italian case would resolve both parties’ disputes. Midas filed an appeal on October 18, 2012 and this appeal was dismissed without prejudice. Midas intends to refile the action in Italy.

TBC Retail Group Wage and Hour Cases, (JCCP Case No. 4701). This action coordinated two class actions that were pending in two different California Superior Courts on February 10, 2012. This action coordinates Paul Quintana, as an Individual and on Behalf Of All Similarly Situated Employees v. Big O Tires, LLC. (Case no. BC451272, Superior Court of California for the County of Los Angeles) (the “Quintana Action”) and Brian Goegan, et al. v. TBC Retail Group, et al. (Case No. 30-2011-00510643, Superior Court of California, Orange County Superior Court) (the “Goegan Action”). Both actions involve claims for unpaid overtime, failure to provide meal periods, failure to provide rest periods, unfair competition, and related claims under California state law. The Goegan Action also asserts a nationwide claim for wages under the Fair Labor Standards Act (“FLSA”) and seeks to certify a nationwide class of all employees who were classified as non-exempt. The Quintana Action encompasses the entire putative class of the Goegan Action with respect to the state law claims. These claims relate only to Big O company-owned stores. Actions were consolidated for discovery purposes. The court denied conditional certification on the off-the-clock claims and granted conditional certification on the payroll claim on October 10, 2012. In early 2014 the plaintiffs dismissed the national/non-California “off the clock” claims under the FLSA, leaving only the claims involving (national) employee pay cards and California class claims. Big O is vigorously fighting to de-certify the pay card class and oppose plaintiffs’ motion to certify California class claims.

Actions Filed Against Franchisees or Former Franchisees in Our Last Fiscal Year Ending March 31, 2014 to Recover Royalties, Trade Account Debts or Rental Obligations and Honor Post-Termination Obligations:

Midas International Corporation v. Luis Cruz, et al., Superior Court of California, County of Santa Clara, Case Number 1-13-CV-249407, filed on July 12, 2013.

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 (“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 towards the initial franchise fee (as defined below). If the initial franchise fee is waived or reduced due to you participating in an applicable incentive program (as defined below), we will apply a one-time credit that equals the deposit towards your trade account upon signing a Franchise Agreement for a Shop. The Deposit must be paid regardless of whether you are an existing franchisee or not. Except as otherwise provided in the Application, the Deposit is fully earned upon payment to us and is nonrefundable. **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. We may terminate your Application at any time, including if you do not execute and return the Franchise Agreement and other 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 us a one-time site selection, review and approval fee (the "Site Selection Fee"). If you acquire an acceptable site without our assistance, the Site Selection Fee will be \$1,000. However, if we or an affiliate of ours identifies the site, the Site Selection Fee will be \$2,500. 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 Franchise 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, SpeeDee, or Co-Branding 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). 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 2013, in certain circumstances where the franchisee either: reopened a previously operated 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 5 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 an initial franchise fee in the amount of \$10,000.

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 that have been closed a minimum of 120 days, to convert their operating automotive repair business to a Midas Shop or to purchase a company-owned Midas Shop. These incentives may include, but are not limited to, reduced or deferred payment of the initial franchise fee/royalties, and/or contributions toward the purchase of marketing, equipment or signage. Incentives are not offered to all franchisees or for all Midas Shops. We will select the franchisees and Midas Shops to offer these incentive programs based on then-current market conditions. Currently, our incentive programs are categorized for three types of franchisees who sign a Franchise Agreement and the corresponding Incentive Rider (see Exhibits D-12, D-13, or D-14) by June 30, 2015 and open for business by March 31, 2016: (i) an existing Midas franchisee who currently operates a Midas Shop in good standing with Midas and opens a new Midas Shop or re-opens a closed Midas Shop (“Existing Franchisee”) shall: (a) not be required to pay an initial franchise fee (i.e., the initial franchise fee is waived), (b) receive a 75% royalty reduction during the first 12 months of operation and a 35% discount for the second 12 months of operation (with the full royalty commencing in the 25th month of operation), (c) receive a grand opening advertising match of \$5,000 (see Exhibit D-11), (d) receive the current standard signage package up to a maximum cost of \$25,000, inclusive of the cost of installation, (e) be reimbursed up to \$2,000 of travel expenses during the annual convention, (f) receive a free tire changer and balancer, if franchisee places an initial tire order of \$25,000 or more; and (g) receive 50% off of the first twelve months of Rent (the discount does not include or apply to any pass through items, taxes, insurance, CAM charges, utilities or other fees or charges classified as additional rent), if franchisee re-opens a temporarily closed Midas Shop that is owned or leased by MRC or MPI (incentive to be provided within the corresponding lease or sublease); (ii) an independent automotive repair shop owner (i.e., a non-Midas or SpeeDee location) that desires to convert their existing location to a Franchised Unit (“Conversion Franchisee”) shall: (a) not be required to pay an initial franchise fee (i.e., the initial franchise fee is waived), (b) receive a 75% royalty reduction during the first 12 months of operation and a 35% discount for the second 12 months of operation (with the full

royalty commencing in the 25th month of operation), (c) receive a grand opening advertising match of \$5,000 (see Exhibit D-11), (d) receive the current standard signage package up to a maximum cost of \$25,000, inclusive of the cost of installation and (e) receive up to \$2,000 reimbursement for the actual costs of lodging for attending initial training; and (iii) a new franchisee who does not own an automotive repair shop and is not a current franchisee of Midas or SpeeDee that opens a brand new Midas Shop shall (“New Franchisee”): (a) receive a 50% royalty reduction during the first 12 months of operation and a 25% discount for the second 12 months of operation (with the full royalty commencing in the 25th month of operation), (b) receive a grand opening advertising match of \$5,000 (see Exhibit D-11), (c) receive up to \$2,000 reimbursement for the actual costs of lodging for attending initial training, and (d) receive 50% off of the first twelve months of Rent (the discount does not include or apply to any pass through items, taxes, insurance, CAM charges, utilities or other fees or charges classified as additional rent), if franchisee re-opens a closed Midas Shop (it has been closed a minimum of 120 days) that is owned or leased by MRC or MPI (incentive to be provided within the corresponding lease or sublease). The reimbursement or other payments provided for incentives to the Existing Franchisee, Conversion Franchisee, and New Franchisee may be credited against royalties payable to us or rent to be paid, or paid by us directly. In the event of a termination of the Franchise Agreement, these incentives are deemed null and void and the franchisee must reimburse us for the full value of any incentive within 30 days of the date of termination. See the Exhibits D-12, D-13, and D-14 for additional information and the limitations on these incentives.

U.S. Military Veterans

We will waive the initial franchise fee for franchisees that are U.S. military veterans (as established in accordance with our policies as we may adopt periodically) and for franchisees that are corporations, limited liability companies or other entities for which a U.S. military veteran owns a majority of the equity interest (“U.S. Military Veteran Program”). The U.S. Military Veteran 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 eligible to receive an honorable discharge, or their entities as noted above. This waiver applies only to the first franchise established by the veteran or the veteran’s company. If you do not continue to meet this ownership requirement for at least two years after acquiring the new franchise, you must pay us the full initial franchise fee (\$30,000) which would have been due had you not qualified for the U.S. Military Veteran Program, which amount becomes due immediately at the time you no longer meet the ownership requirement. We reserve the right to extend, change or discontinue the U.S. Military Veteran Program at any time. See Exhibit D-15 for limitations on this incentive.

Franchise Referral Program

We encourage referrals from our existing franchisees of a prospective franchisee to us if those referred persons want to become a Midas franchisee. Our referral program offers a \$2,500 referral fee to the person who refers to us a franchisee prospect that we are not currently in discussions with and have not previously contacted. The referral fee is payable only if the referred prospect becomes a Midas franchisee. The referral fee is applied as a credit against an existing franchisee’s trade account 30 days after the opening of the new Midas Shop. The incoming prospective franchisee must have signed a Franchise Agreement and the initial franchise fee must have been paid to us before we will apply the credit. We reserve the right at any time to cancel, modify, amend, or terminate our referral program. If a franchisee wants to benefit from the referral program, the referring franchisee must be in good standing. Our referral program may be changed or discontinued by us at any time.

In addition, we have relationships with various franchise brokers to whom we agree to pay a success fee for referring to us and working with franchisee prospects or raw leads that we are not

currently in discussions with and have not previously contacted. The success fee varies and can be up to \$15,000 depending upon the services the franchise broker is providing.

Marketing Support Program

We are currently offering a Marketing Support Program for all franchisees who sign a Franchise Agreement prior to June 30, 2015 for a new Midas Shop (not renewal), the reopening of a previously operated Midas Shop (that has been closed a minimum of 120 days) or convert their operating automotive repair business to a Midas Shop and open for business prior to March 31, 2016 (the “Marketing Support Program”). Under the Marketing Support Program, you are required to contribute \$10,000 (the “Franchisee Commitment Funds”) for consumer targeted advertising, merchandising, public relations programs and other marketing activities intended to directly benefit your Franchised Unit (“Grand Opening Activities”). You will pay the Franchisee Commitment Funds to us in one lump sum payment upon signing the Franchise Agreement. Under this program, we agree to allocate \$5,000 (“Matching Funds”) toward the Grand Opening Activities in addition to the Franchisee Commitment Funds. The Franchisee Commitment Funds and the Matching Funds allocated to your Franchised Unit are intended to be spent within the first 12 months of the opening date of your Franchised Unit. We will expend the funds under this program on your behalf. The Franchisee Commitment Funds are non-refundable under any circumstance. Neither the Franchisee Commitment Funds nor the Matching Funds shall be payable to Franchisee in cash. 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.

Equipment

The equipment and tools, 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 \$50,000 and \$128,000 (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 from \$0, if you already have the Operating Assets, to \$128,000 (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 between \$6,000 and \$33,000 (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. Items purchased from us do not constitute the entire inventory investment. Please see Item 7 note J for details on total estimated inventory investment. 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 use an approved 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. If you choose to use the R.O. Writer point-of-sale system, you are required to license it from us. We currently license the R.O. Writer point-of-sale system to new Midas franchisees and franchisees in good standing for no initial licensing fees. However, we may charge license fees for the R.O. Writer point-of-sale system in the future. 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	

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Warranty Registration Fee (See Note C)	Brake pads or shoes: \$2.65 per axle Mufflers: \$6.25 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. Additional amounts will be required to be paid if the transferee requests an extension of the remaining term of the Franchise Agreement.
Renewal Fee	One-half of the initial franchise fee charged to franchisees who own three or more Midas, SpeeDee or Co-Branding 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.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
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	
Fee for Manually completing Monthly Sales Report	Currently \$100	As incurred	If Midas is requested or must manually calculate and create the monthly statement of Net Revenue, then Franchisee will pay to Midas its then-current fee for performing this service.
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 Maintenance Fee	\$110 per month	Monthly, via credit card or ACH	Payable to PAS if you use the R.O. Writer Point-of Sale System.
R.O. Writer Express Maintenance Fee	\$30 per month	Monthly, via credit card or ACH	Payable to PAS if you use the Express Module of the R.O. Writer Point-of-Sale System.
R.O. Writer Reset Fee	\$500, each time	As incurred	Payable to PAS if your system is required to be reset.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Technical Information Systems, including Epicor (Activant) Parts Catalog	\$90 per month	Monthly, via credit card or ACH	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.
Deferred Maintenance	Will vary under the circumstances	As incurred	If you purchase a Midas Shop from an existing franchisee either the buyer or seller of the Midas Shop franchise must repair conditions of the Midas Shop from our inspection of the Midas Shop within 90 days of the purchase. See Exhibit F-6.

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. 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 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, 2020, 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, 2020. 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 (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 electronically, 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	\$0 - \$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	Us
Site Selection Fee	\$1,000 - \$2,500	Lump sum	At the time of execution of Franchise Agreement	Us
Marketing Support Program	\$5,000 -See Note B	6 equal monthly installments	First 6 months of term of Franchise Agreement	Us
Travel & Living Expenses while Training	\$1,000 - \$7,800 - see Note C	As incurred	Before opening, as incurred	Third Parties
Security Deposit, Licenses & Permits	\$4,000 - \$10,500 - see Note D	Lump sum	Before occupancy and/or at signing of lease or sublease	Third Parties
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)	\$150 - \$2,000 - 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	\$50,000 - 128,000 - see Note G	As arranged	Before opening	Third Parties or Us

(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
Shipping and Installation Costs - Equipment	\$11,000 - \$15,000	As incurred	Before opening	Third Parties
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
Signage	\$10,000 - \$20,000 - see Note I	As incurred	Before opening	Third Parties
Shipping and Installation Costs - Signage	\$6,000 - \$9,000	As incurred	Before opening	Third Parties
Initial Inventory & Supplies	\$25,000-\$50,000 - see Note J	As arranged	Before opening	Third Parties or Us
Grand Opening Activities	\$10,000	One Lump Sum	Upon execution of the franchise agreement	Third Parties or Us
R.O. Writer Software Installation	\$0 - \$1,800	As incurred	Before opening	PAS (See Item 11)
R.O. Writer Software Maintenance Fee (3 months)	\$0 - \$330	As incurred	Monthly, via credit card or ACH	PAS (See Item 11)
R.O. Writer Express Software Maintenance Fee (3 months)	\$0 - \$90	As incurred	Monthly, via credit card or ACH	PAS (See Item 11)
Technical Information Systems (3 months)	\$480 - \$1,000 - see Note K	As incurred	Monthly, via credit card or ACH	Third Parties
Insurance (3 months)	\$1,500 - \$4,500 -see Note L	As arranged	Before opening	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
Legal & Accounting	\$1,000 - \$3,500 - see Note M	As arranged	As incurred	Third Parties
Additional Funds (3 months)	\$40,000 - \$65,000 - see Note N	As needed	As incurred	Third Parties, Employees
Miscellaneous	\$3,000 - \$5,000 - see Note O	As needed	As incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT	\$203,130 - \$424,520 - see Note P			

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. **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 (under applicable incentive programs this fee may be waived or reduced). The Application deposit of \$5,000 is applied towards this fee.
- 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. You will sign the Matching Marketing Funds Agreement in Exhibit D-11.
- 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 equipment and tools maybe used. 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 (if applicable, we may provide the initial signage package under an incentive program).
- 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 Identifix, ALLDATA or Mitchell as your computer-based auto repair information system and Epicor (formerly 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. **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.
- N. **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.
- O. **Miscellaneous.** You may incur other expenses due to local requirements and/or to purchase additional items of equipment.
- P. **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	\$0 - \$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	Us
Site Selection Fee	\$0 - \$2,500	Lump sum	At the time of execution of Franchise Agreement	Us
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	\$1,000 - \$7,800 - see Note C	As incurred	Before opening, as incurred	Third Parties
Security Deposit, Licenses & Permits	\$4,000 - \$10,500 - see Note D	Lump sum	Before occupancy and/or at signing of lease or sublease	Third Parties
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)	\$150 - \$2,000 - 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 - \$128,000 - see Note G	As arranged	Before opening	Third Parties or Us and Third Parties
Shipping and Installation Costs - Equipment	\$0- \$15,000	As incurred	Before opening	Third Parties
Computer, Hardware & Telephone System	\$2,000-\$6,000	As arranged	Before opening	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
Office & Waiting Room Furniture & Point of Purchase Materials	\$2,000-\$16,000 - see Note H	As arranged	Before opening	Third Parties
Signage	\$0- \$20,000 - see Note I	As incurred	Before opening	Third Parties
Shipping and Installation Costs - Signage	\$0- \$9,000	As incurred	Before opening	Third Parties
Initial Inventory & Supplies	\$0 - \$50,000 - see Note J	As arranged	Before opening	Third Parties, Designated Suppliers and/or Us
Grand Opening Activities	\$10,000	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 Maintenance Fee (3 months)	\$0 - \$330	As incurred	Monthly, via credit card or ACH	PAS (See Item 11)
R.O. Writer Express Software Maintenance Fee (3 months)	\$0 - \$90	As incurred	Monthly, via credit card or ACH	PAS (See Item 11)
Technical Information Systems (3 months)	\$480 - \$1,000 - see Note K	As incurred	Monthly, via credit card or ACH	Third Parties
Insurance (3 months)	\$1,500 - \$4,500 -see Note L	As arranged	Before opening	Third Parties
Legal & Accounting	\$1,000 - \$3,500 - see Note M	As arranged	As incurred	Third Parties
Additional Funds (3 months)	\$40,000 - \$65,000 - see Note N	As needed	As incurred	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
Miscellaneous	\$3,000 - \$5,000 - see Note O	As needed	As incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT	\$74,130 - \$419,520 - see Note P			

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. **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 (under applicable incentive programs this fee may be waived or reduced). The Application deposit of \$5,000 is applied towards this fee.
- 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. You will sign the Matching Marketing Funds Agreement in Exhibit D-11.
- 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 (if applicable, we may provide the initial signage package under an incentive program).
- 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. **Technical Information Systems.** We recommend that you use Identifix, ALLDATA or Mitchell as your computer-based auto repair information system and Epicor (formerly 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. **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.
- N. **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.
- O. **Miscellaneous.** You may incur other expenses due to local requirements and/or to purchase additional items of equipment.
- P. **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. Except as described below, you can currently purchase Products & Services from any supplier, without obtaining our prior approval. However, we reserve the right to require that in the future you purchase or lease certain Products & Services from us, our affiliate, designee, named supplier or according to other restrictions we may place on suppliers.

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) without our approval. 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.

Bulk Oil and Lubricants. You are required to purchase and only use the approved brands of bulk oil and lubricants made by Shell Oil Company (including the Shell, Quaker State and Pennzoil brands), Ashland Inc. (including the Valvoline brand), Exxon Mobil Corporation (including Mobil and Exxon brands) or Chevron Corporation (including the Chevron and Havoline brands). You may purchase the approved brands of bulk oil and lubricants from any supplier. We recommend, but do not currently require, that you purchase Ashland and Valvoline brand bulk oil and lubricants from Ashland due to Ashland's competitive pricing, brand recognition and strong credit card system. However, as described above, you are free to purchase the approved brands of bulk oil and lubricants from any supplier.

In addition, Shell, Ashland, Exxon Mobil and Chevron may provide you, upon proper qualification, certain bulk oil and lubricant product programs. As with all other Shell, Ashland, Exxon Mobil and Chevron programs, you must meet their eligibility requirements for creditworthiness. You must also agree to provide certain personal and financial information, and execute those documents and agreements, as designated and required by Shell, Ashland, Exxon Mobil or Chevron.

Participation in any of the Shell, Ashland, Exxon Mobil or Chevron bulk oil and lubricant programs or the signing of Shell, Ashland, Exxon Mobil or Chevron contracts is entirely voluntary and is not required by us. If you choose to participate in any of the Shell, Ashland, Exxon Mobil or Chevron bulk oil and lubricant programs or sign a Shell, Ashland, Exxon Mobil or Chevron contract, please note that the requirements for participation are established by and subject to the control of Shell, Ashland, Exxon Mobil or Chevron. Any agreements to be executed by you with Shell, Ashland, Exxon Mobil or Chevron and any documents pertaining to your relationship with Shell, Ashland, Exxon Mobil or Chevron are prepared solely by Shell, Ashland, Exxon Mobil or Chevron and are subject to change at their discretion. In some cases you may be required to sign certain supply and reimbursement contracts whereby you agree to purchase a minimum percentage of certain, specified product needs from that bulk oil supplier. We do not recommend that you sign a supply contract that requires you to purchase a minimum amount of product from the supplier. One or more of these bulk oil suppliers may permit you to purchase the approved brands of bulk oil from them without participating in any programs and without signing any contracts, but subject to their credit approval of you.

While you are required to purchase only approved brands of bulk oil and lubricants, you may also purchase other quality brands of case good motor oil and lubricant product needs from other suppliers, although, in some instances, you may not be permitted to use non-Shell, non-Ashland, non-Exxon Mobil or non-Chevron products in conjunction with equipment purchased from or financed by Shell, Ashland, Exxon Mobil or Chevron, respectively. If you do enter into a contract with an oil supplier, it is your responsibility to ensure that you are not prohibited from purchasing another supplier's brand of case good motor oil, ensuring that you retain the ability to meet your customer brand needs.

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 approved Midas products from Midas, Midas' affiliates or Midas' approved suppliers to fulfill the public demands of the Shop. We issue and periodically modify these specifications and the names of approved products or approved suppliers. You may purchase the approved Midas 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 license 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 license the 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. Currently the R.O. Writer point-of-sale software system is comprised of the R.O. Writer software, R.O. Writer Express, 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 under our End User License Agreements (Exhibits E-1 and E-3). We reserve the right to change the fees or require new fees to be charged for the licensing and use of the R.O. Writer system periodically.

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 Franchised 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 maintenance fee is \$110 per month for

each Franchised Unit. In addition, we recommend, but do not require, that you to license the R.O. Writer Express module for a monthly maintenance fee of \$30, which includes 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. PAS charges a \$500 reset fee in the event you require the R.O. Writer software to be reset.

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 Identifix, ALLDATA or Mitchell as your computer-based auto repair information system and Epicor as your electronic parts catalog. You can license Identifix, ALLDATA and Mitchell or other programs from any supplier. However, if you use Epicor with R.O. Writer, you are required to purchase Epicor (formerly Activant) from PAS. The only approved supplier of Epicor with R.O. Writer is PAS. PAS may derive a reasonable amount of income from the reselling of Epicor 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, 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 and is purchased from an approved vendor 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 either manually to the Midaslink Warranty Department via fax or mail or electronically through the R.O. Writer point-of-sale system 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 current 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 2014 are:

Brake pads or shoes:	\$2.65 per axle
Mufflers	\$6.25 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. If you purchase an existing Midas Shop franchise from an existing Midas franchisee you will be required to sign a Deferred Maintenance Agreement which requires the buyer or seller of the Midas Shop franchise to repair conditions of the Midas Shop from our inspection of the Midas Shop within 90 days of the purchase. See Exhibit F-6.

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.

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. 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 parent and 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.

We have supplier arrangements under which we receive discounts/rebates. We currently receive discounts/rebates ranging from 2% to 10% of products and services purchased from certain suppliers by Midas, Speedee franchisees, Midas franchisees, co-branding franchisees, company-owned Speedee Shops, company-owned Midas shops and/or company-owned co-brand shops. The rebates are calculated based upon an agreed upon percentage with the supplier and the amount of certain products and services purchased. These rebates are received by Midas, who then pays an allocated amount of the rebates to each franchisee who actually purchased the eligible products/services from the supplier who provided the discount/rebate, according to the agreed upon percentage and the amount of products/services actually purchased by that specific franchisee receiving the rebate. We reserve the right to discontinue passing through these rebates to our franchisees and to change our rebate programs periodically.

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 March 31, 2014, our total revenue was \$81.9 million, including \$29.7 million (which includes purchases of equipment, inventory, warranty registration and Fleet Program processing) received by us from Midas and Co-Branding franchisees' purchases of Required Products & Services, as described above. This amount was 36.3% 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 and Co-Branding franchisees located in the United States was \$28.1 million. In addition, PAS received \$1.84 million in revenues from Midas and Co-Branding franchisees related to the licensing of the R.O. Writer Software program and Epicor (formerly Activant) in the fiscal year ending March 31, 2014.

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	Sections 1.1 and 6.18 of Franchise Agreement	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, 6.15, 6.18, and 6.20 of Franchise Agreement	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, 6.18, 7.4(g), 8.6 and 9.4 of Franchise Agreement, Section 2 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, Additional Shop Development Rider, Section 2	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

	Obligation	Section in Agreement	Disclosure Document Item
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 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	Items 6 and 11

Obligation	Section in Agreement	Disclosure Document Item	
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, Section 11 of Consent to Transfer, 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

Obligation	Section in Agreement	Disclosure Document Item
x. Dispute resolution	Sections 7.11, 8.2(e), 9.7, and 10.12 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.

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.

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. 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 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, 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. Provide general site selection guidelines and consultation. We must approve a site for your Franchised Unit, but we are not required to locate the site or negotiate your lease. If a site has not been determined upon the execution of the Franchise Agreement, then within 12 months thereof (the "Site Selection Period"), you are required to select and present to us a site and all other information and materials related to the site that we may require. This information may include, but not be limited to, a completed site evaluation questionnaire, a description of the proposed site, a letter of intent or other evidence that satisfactorily confirms to us that you have a favorable chance of obtaining the proposed site, and any other information we may reasonably require. We must approve or disapprove any site you select within 30 days after we receive the required information and materials. If we do not approve of the site by written notice within that 30 day period, the proposed site will be deemed disapproved. (Section 6.18 of the Franchise Agreement.) Concurrently with our approval of the site, we will execute with you the Site Selection Addendum to the Franchise Agreement. (Section 1.1(a)(ii) of the Franchise Agreement.) Our approval of a site is not a guarantee or warranty of the site's eventual performance. The methods and factors we use to evaluate the location of your business and others are based, in part, on the population of your targeted market within a given geographic area, site demographics, population patterns, income statistics, national and local industry trends, the presence of competitors in the geographic area, parking in the area, size of the location, physical characteristics of existing buildings, lease terms, sales volume in the area, consumer shopping patterns, experience of the owners, density of the market area, traffic flow and patterns, access and other commercial criteria. MRC, MPI, or one of our other affiliates may own the site and lease it to you or lease the site and then sublease it to you. Regardless of whether you or one of our affiliates owns or leases the site, you must sign the appropriate Real Estate Documents. (Section 6.20 of the Franchise Agreement.) See the "Shop Opening" section below in this Item 11 and the "Real Estate Documents" section in Item 8.

2. Make available to you standard building plans and signage specifications for a prototype Midas Shop and consult with you regarding the Franchised Unit's layout, exterior design, signage, floorplan and equipment. (Section 3.1(b) of the Franchise Agreement.) You will need to modify these plans for your site at your own expense in order to address site-specific factors, subject to our approval.

3. Furnish general advertising materials, ideas and suggestions for the Franchised Unit's grand opening campaign, as determined by us. (Section 3.1(c) and 6.19 of the Franchise Agreement.)

4. Provide operations training to you and your Designated Owner (defined below), if any, as well as others we may designate. (Section 3.1(d) of the Franchise Agreement.) The Operations Training Programs are described in the "Training Requirements" section below in this Item 11.

5. Make available to you via the Internet a copy of the Manual. (Section 3.1(e) of the Franchise Agreement.) See the “Midas Policy Manual” section below in this Item 11 for more information.

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(f) 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(g) 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(g) 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(h) 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.)

10. Make available to you via the Internet a copy of the Manual. (Section 3.1(e) of the Franchise Agreement.) See the “Midas Policy Manual” section below in this Item 11 for more information.

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, 2020. (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, 2020 (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 of advertising copy, media purchasing and other services which are necessary 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(h) of Franchise Agreement.)

In fiscal year ending March 31, 2014, Midas spent a total of \$41.1 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: 75.8% on media placement, 8.1% on production (which included talent costs, prints, tapes, shipping, research and network integration), 13.3% on administrative expenses, and 2.8% on other expenses. Other expenses 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 Councils 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 8 members, each of whom is appointed by the president of the IMDA. The number of members may change periodically. 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. Currently the R.O. Writer point-of-sale software system is comprised of the R.O. Writer software, R.O. Writer Express, 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 under our End User License Agreements (Exhibits E-1 and E-3). We reserve the right to change the fees or require new fees to be charged for licensing and use of the R.O. Writer system periodically. 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 Franchised Unit 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. PAS charges a \$500 reset fee in the event you require the R.O. Writer software to be reset.

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 maintenance 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 do not require, that you license the R.O. Writer Express module for a monthly maintenance fee of \$30 (\$360 per year), which will include access to Motor/Check-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 1Gpbs 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.

Midas Policy Manual

Franchisees have access to our Manual via the Internet. The Manual is confidential and remains our property. We may modify the Manual periodically. You will be permitted to review the Manual before you purchase the Midas Franchise. The Manuals can be reviewed at our corporate headquarters located at 4300 TBC Way, Palm Beach Gardens, Florida. Attached to this Disclosure Document as Exhibit J is the table of contents of our Manual. There are 57 total pages in our Manual.

Shop Opening

After we have accepted your Application and the related \$5,000 deposit, the length of time between the signing of a Franchise Agreement and the opening of a Midas Shop 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. Typically we expect the length of time between signing the Franchise Agreement and opening the Midas Shop is 12 to 24 months for a new Midas Shop. Factors affecting the 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 changes in personal circumstances. You are required to select and present a site and all information and materials we require to evaluate the site within the Site Selection Period (Section 6.18(a) of the Franchise Agreement.). We have 30 days after receipt of all requested information to approve or disapprove, in our sole and absolute discretion, the site as a location for your Franchised Unit. The proposed site is deemed disapproved if we do not approve it within this time frame. We may terminate the Franchise Agreement if (a) you do not select and present a proposed site for the location of the Franchised Unit to us within the Site Selection Period or (b) you fail to obtain our approval for the proposed site location for the Franchised Unit within 30 days after the expiration of the Site Selection Period. (Sections 6.18(e) and 8.2(d)(ix) of the Franchise Agreement.) If we terminate the Franchise Agreement in either of these events, including but not limited to the circumstance where

you and we cannot agree upon a site, no portion of the initial franchise fee or any other fees payable to us will be refunded to you.

You or your landlord must employ a qualified licensed general contractor at your expense to construct the Franchised Unit and complete all improvements and employ a qualified architect, engineer or other licensed and professionally qualified individual to modify plans to conform to local legal requirements and specifications. (Section 6.18(b) of the Franchise Agreement.) You must complete construction and open a new Midas Shop within 12 months after final site approval. (Section 6.18(c) of the Franchise Agreement.) If you fail to meet any of these construction and opening timelines, we may terminate the Franchise Agreement. (Sections 6.18(e) and 8.2(d)(ix) of the Franchise Agreement.) However, it is our current policy to allow extensions of time if you have been unable to meet these deadlines after diligent efforts, provided you continue to make diligent efforts to find a location and construct and open the Franchised Unit. In that case, if you do not open a new Midas Shop for business within any extension period, we may elect to terminate the Franchise Agreement at that time, notwithstanding any previous extensions of time granted.

You must sign the Franchise Agreement and related agreements before you can open the Franchised Unit for business. Either you or we may terminate the Application at any time before the execution of the Franchise Agreement and other related agreements by giving written notice to the other party. If we do not accept your Application within 90 days of our receipt of your Application, it will be deemed rejected. In addition, we may terminate your Application if you do not execute and return the Franchise Agreement and related agreements to us within 30 days of your receipt thereof and pay any applicable fees. If the Application is terminated: (a) all of your rights provided in the Application will automatically terminate; and (b) we will have no further obligations to you under the Application (except for refunding the deposit in those specific circumstances expressly provided for in the Application).

Training Requirements

After you have signed the Franchise Agreement and other related agreements, but before your Franchised Unit opens, you (or if you are a corporation, partnership, or limited liability company, your Designated Owner (defined below)), and any other management or supervisory personnel of yours we designate must complete one of our initial operations training programs (“Operations Training Program”). If you replace your Designated Owner the replacement Designated Owner must attend and complete, to our satisfaction, the Operations Training Program before the assumption of those responsibilities. The Operations Training Program must be completed, to our satisfaction, by these individuals before the opening of your Franchised Unit. The “Designated Owner” is the Franchisee or, if the Franchisee is a business entity, an owner of the Franchisee that is designated in Section 6.4 of the Franchise Agreement to: (a) devote his or her full time and effort to the active management and operation of the Franchised Unit, (b) reserve and exercise ultimate authority and responsibility regarding the management and operation of the Franchised Unit, and (c) represent and have authority to act on your behalf in all dealings with us. (Sections 3.1(d) and 6.4 of the Franchise Agreement.)

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 Palm Beach Gardens, Florida, 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. The Operations Training Program is 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 Palm Beach Gardens, Florida
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 John Linden (Manager of Training) who facilitates and manages this training in Palm Beach Gardens, Florida. Mr. Linden has been employed by Midas since 1988. Steve Swanson (Manager, Professional Services) is currently the instructor for the R.O. Writer training portion and has been employed by PAS since 2010.

In addition, we 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 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, you will have the right to relocate your Franchised Unit to a new location subject to our approval. If you do not relocate within 6 months of the closing, your Franchise Agreement will automatically terminate. 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 parents and affiliates have the 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 parents 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 parents 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 parents 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 parents 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 4300 TBC Way, Palm Beach Gardens, Florida 33410.

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 4300 TBC Way, Palm Beach Gardens, Florida 33410.

Also as discussed in Item 1, Big O franchises others to operate Big O Stores under the Big O name, trademarks, trade names, service marks and other logos and symbols periodically designated by Big O, which are franchises for the operation of retail stores selling and servicing tires and related automotive products and services ("Big O Stores"). Some of these services may be identical to and in competition with those provided at Midas shops. Big O also owns and operates Big O Stores. See Item 1 above for information regarding the number of franchisee-owned and company-owned Big O Shops as of March 31, 2014. The owners of Big O Shops may solicit and accept customers in any geographic region where Big O Shops and Midas Shops are located. It is possible that Big O Shops may be operated in close proximity to your Franchised Unit. We will resolve conflicts between us and the Big O Store franchisees regarding territory, customers and franchisor support as we deem appropriate under the circumstances. Big O's and our principal business address is 4300 TBC Way, Palm Beach Gardens, Florida 33410.

We currently share training facilities with Speedee and Big O.

TBC and its subsidiaries distribute products in the automotive replacement market, including tires and tubes, through channels of distribution not involving Midas franchisees. The primary brand names for tires distributed by TBC include Cordovan, Multi-Mile, Sigma, Vanderbilt, Eldorado, Jetzon, Telstar, Sumitomo, Sailun, Harvest King, Power King and Towmax. Other brands under which TBC products are marketed include Grand Prix, Grand Am, Grand Spirit, Wild Country, Wild Trac, Supreme, Stampede, Wild Spirit, Grand Sport, Power King, Harvest King and Turbo Tech. TBC Retail Group, an indirect TBC subsidiary which was acquired in June 2000, also makes wholesale sales of tires and other automotive products under well-known brand names such as Bridgestone, Dunlop, Firestone, General, Continental, Goodyear, Michelin, Pirelli, Yokohama and Falken. Treadways, a wholly-owned subsidiary of TBC, markets tires in the United States to retail dealers and wholesale distributors under various brand names and under private brand names. These private brand names are Sumitomo, Mirada, Velozza, Wild

Country, Wild Trac, Stampede, Turbo-Tech, Grand Am, Grand Prix, Arctic Claw and Trailcutter. TBC distributes its products through a network of distributors in the United States, Canada and Mexico. Some of these distributors act as wholesalers, some as retailers, and some as both wholesalers and retailers. Retail outlets carrying products of TBC and its subsidiaries may be located in close proximity to your Franchised Unit.

TBC and certain of its subsidiaries have operated retail outlets selling tires and other automotive aftermarket products. As of March 31, 2014, TBC and its wholly-owned subsidiaries operated approximately 767 non-Big O, non-Midas, non-Co-Branding and non-SpeeDee retail tire and automotive services centers which may be in your geographic area. These retail outlets do business under the trade names “Tire Kingdom,” “Merchant’s,” “National Tire Battery,” “NTB,” and “Tire America.” These retail outlets may solicit and accept customers in any geographic region where Midas Shops are located. It is possible that these retail shops may be operated in close proximity to your Franchised Unit.

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

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>
THE MIDAS TOUCH	1,258,822	11/22/1983
MIDAS and Oval Design	4502845	03/25/2014

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 as the Designated Owner to have managerial responsibility of the Franchised Unit. In this case, the Designated Owner must devote full time and effort in the direct on-premises management and operation of the Franchised Unit. If your Designated Owner 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 Owner is required to own an equity interest in a franchisee that is a business entity, unless we agree otherwise. You must diligently monitor and be responsible for the performance of any Designated Owner. The appointment of a Designated Owner, 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.
	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	Franchise Agreement - Section 8.1	You may terminate at any time after 30 days' written notice.
	Application for Midas Shop Franchise Section 5	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 5	We may terminate at any time upon giving proper notice to you.

Provision	Section in Franchise or Other Agreement	Summary
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 Section 4	We may terminate: if you do not execute and return the Franchise Agreement and related agreements and pay the applicable fees within 30 days of your receipt of them.
	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 franchise or if any of the terms of the Central Service Agreement are breached.

Provision	Section in Franchise or Other Agreement	Summary
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 4	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 or conduct with adverse effect on the system; repeated defaults, even if cured; submission 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; bankruptcy-related events; failure to successfully complete the Operations Training Program or other training; failure to comply with audit; abandonment; failure to open business on time; and failure to sign real estate documents.
	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.

Provision	Section in Franchise or Other Agreement	Summary
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.
	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.

Provision	Section in Franchise or Other Agreement	Summary
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; then-current Franchise Agreement signed along with other franchise documents (which may contain terms and conditions materially different from the original Franchise Agreement and other documents).
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.
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) Option and Shop Lease Section M.4(b)	No competing business at any location for 2 years. You are not permitted to be involved in any automotive repair shop within a 1 mile radius of the Franchise Unit's premises.

Provision	Section in Franchise or Other Agreement	Summary
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.
	Consent to Transfer	Upon transfer, we require the transferee to sign the then-current version of our franchise agreement, which may have terms materially different from the selling franchisee's franchise agreement.
	Fleet Amendment Sections 3 and 4	We may make 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.
t. Integration/merger clause	End User License Agreement Section P, Software Maintenance Program Agreement Section III.J, Central Service Agreement Section Q	We may modify the terms at any time and will provide you notice of these changes.
	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 other related written agreements are binding (subject to applicable state law). Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.

Provision	Section in Franchise or Other Agreement	Summary
u. Dispute resolution by arbitration or mediation	Sections 7.11, 8.2(e), 9.7, and 10.12; Option and Shop Lease Section 3(d); End User License Agreement Section P; Software Maintenance Program Agreement Section III.G; Central Service Agreement Section Q	Except for certain claims, all disputes must be arbitrated in Palm Beach Gardens, Florida (subject to state laws). In the case of determining rent, arbitration will be held the city where the premises is located. Under the Franchise Agreement, if a claim can be brought in court, both you and we agree to waive our rights to a jury trial.
v. Choice of forum	Section 10.12	State court located in Palm Beach County, Florida or Federal court located in West Palm Beach, Florida
w. Choice of law	Section 10.12	Laws of State of Delaware
	End User License Agreement Section P, Software Maintenance Program Agreement Section III.G, Central Service Agreement Section Q	Laws of State of Delaware

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 1,040 franchised Midas Shops and 23 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, 2013. The average actual gross sales of these Midas Shops were \$677,573. All of these Midas Shops are generally comparable to the franchise being offered. Shops operating as Midas/Speedee Co-Branding Shops in 2013 are excluded from these results.

<u>Range of Annual Sales</u>	<u>No. of Midas Shops</u>	<u>Percentage</u>
\$900,000 and over	184	17.3 %
\$400,000 - \$899,999	749	70.5 %
\$0 - \$399,999	130	12.2 %
Total	1,063	100.0 %

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

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 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 July 31, 2012 and February 28, 2013. 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.

	Top <u>Third(1)</u>	Middle <u>Third(1)</u>	Bottom <u>Third (1)</u>
Number of Shops in Group	38	38	38
Average Sales Per Shop	\$921,611	\$620,760	\$438,255
Expenses as % of Sales			
Cost of Goods Sold	23.4%	23.3%	24.4%
Technician Wages (2)	17.6%	16.8%	17.8%
Franchise Royalties	4.8%	4.8%	4.8%
Advertising Royalties	4.8%	4.8%	4.8%
Other Variable Expenses (3)	2.9%	3.4%	3.8%
Other Fixed Expenses (4)	\$35,840	\$30,350	\$26,143

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 that 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, Brian Maciak, either at 4300 TBC Way, Palm Beach Gardens, Florida 33410 or (561) 383-3000, 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 2011 TO 2013

(2012 fiscal year represents the period from January 1, 2012 to March 31, 2013)

(2013 fiscal year represents the period from April 1, 2013 to March 31, 2014)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2011	1210	1164	-46
	2012	1164	1094	-70
	2013	1094	1072	-22
Company-Owned	2011	70	40	-30
	2012	40	35	-5
	2013	35	3	-32
Total Outlets	2011	1280	1204	-76
	2012	1204	1129	-75
	2013	1129	1075	-54

MIDAS/SPEEDEE CO-BRANDING SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2011 TO 2013

(2012 fiscal year represents the period from January 1, 2012 to March 31, 2013)

(2013 fiscal year represents the period from April 1, 2013 to March 31, 2014)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2011	20	41	+21
	2012	41	73	+32
	2013	73	87	+14
Company-Owned	2011	26	34	+8
	2012	34	14	-20
	2013	14	5	-9

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Total Outlets	2011	46	75	+29
	2012	75	87	+12
	2013	87	92	+5

TABLE NO. 2

**TRANSFER OF MIDAS OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)**

YEARS 2011 TO 2013

(2012 fiscal year represents the period from January 1, 2012 to March 31, 2013)

(2013 fiscal year represents the period from April 1, 2013 to March 31, 2014)

State	Year	Number of Transfers
Arizona	2011	1
	2012	6
	2013	9
Arkansas	2011	1
	2012	0
	2013	0
California	2011	7
	2012	6
	2013	5
Colorado	2011	0
	2012	0
	2013	11
Connecticut	2011	1
	2012	0
	2013	0
Florida	2011	0
	2012	10
	2013	6
Georgia	2011	1
	2012	5
	2013	0
Illinois	2011	2
	2012	6
	2013	5
Indiana	2011	5
	2012	0
	2013	0
Kentucky	2011	0
	2012	0
	2013	1
Maryland	2011	8
	2012	2
	2013	1

State	Year	Number of Transfers
Massachusetts	2011	9
	2012	6
	2013	3
Michigan	2011	1
	2012	1
	2013	2
Minnesota	2011	1
	2012	1
	2013	0
Missouri	2011	1
	2012	3
	2013	0
Nevada	2011	0
	2012	0
	2013	5
New Hampshire	2011	6
	2012	2
	2013	0
New Jersey	2011	2
	2012	2
	2013	3
New York	2011	0
	2012	1
	2013	1
North Carolina	2011	1
	2012	0
	2013	0
Ohio	2011	0
	2012	1
	2013	0
Oklahoma	2011	1
	2012	0
	2013	0
Pennsylvania	2011	0
	2012	2
	2013	5
Rhode Island	2011	1
	2012	2
	2013	0
South Carolina	2011	3
	2012	1
	2013	3
South Dakota	2011	0
	2012	1
	2013	0
Tennessee	2011	2
	2012	1
	2013	1

State	Year	Number of Transfers
Texas	2011	10
	2012	4
	2013	3
Virginia	2011	2
	2012	3
	2013	1
Washington	2011	0
	2012	2
	2013	0
Wisconsin	2011	0
	2012	1
	2013	1
Wyoming	2011	1
	2012	0
	2013	0
Total	2011	67
	2012	69
	2013	66

TRANSFER OF MIDAS/SPEEDEE CO-BRANDING OUTLETS FROM
FRANCHISEES TO NEW OWNERS (OTHER THAN TO THE FRANCHISOR)
YEARS 2011 TO 2013

(2012 fiscal year represents the period from January 1, 2012 to March 31, 2013)

(2013 fiscal year represents the period from April 1, 2013 to March 31, 2014)

State	Year	Number of Transfers
California	2011	0
	2012	0
	2013	1
Florida	2011	0
	2012	0
	2013	1
Louisiana	2011	0
	2012	0
	2013	1
Totals	2011	0
	2012	0
	2013	3

TABLE NO. 3

**STATUS OF MIDAS FRANCHISED OUTLETS
YEARS 2011 TO 2013**

(2012 fiscal year represents the period from January 1, 2012 to March 31, 2013)

(2013 fiscal year represents the period from April 1, 2013 to March 31, 2014)

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
Alabama	2011	4	1	0	0	0	0	5
	2012	5	0	0	0	0	0	5
	2013	5	2	0	0	0	0	7
Alaska	2011	8	0	0	0	0	0	8
	2012	8	0	0	0	0	0	8
	2013	8	0	0	0	0	0	8
Arizona	2011	28	0	0	0	0	0	28
	2012	28	0	6	0	0	0	22
	2013	22	0	0	0	0	1	21
Arkansas	2011	8	0	0	0	0	0	8
	2012	8	0	1	0	0	0	7
	2013	7	0	0	0	0	1	6
California	2011	103	3	7	1	1	1	96
	2012	96	5	8	1	1	0	91
	2013	91	3	2	0	0	16	76
Colorado	2011	21	6	0	0	0	0	27
	2012	27	2	0	0	0	1	28
	2013	28	0	0	0	0	0	28
Connecticut	2011	26	0	2	0	0	0	24
	2012	24	0	2	0	0	0	22
	2013	22	3	0	0	0	4	21
Delaware	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	2	0	0	0	0	3
District of Columbia	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	1	0	0	0	1
Florida	2011	37	5	2	0	0	0	40
	2012	40	4	5	0	0	3	36
	2013	36	4	0	0	0	0	40
Georgia	2011	21	0	2	0	0	0	19
	2012	19	3	2	0	0	0	20
	2013	20	1	0	0	0	0	21
Hawaii	2011	10	0	0	0	0	1	9
	2012	9	0	0	0	0	0	9
	2013	9	0	0	0	0	0	9

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
Idaho	2011	3	0	2	0	0	0	1
	2012	1	2	0	0	0	0	3
	2013	3	0	0	0	0	0	3
Illinois	2011	85	0	2	0	0	1	82
	2012	82	3	3	0	0	0	82
	2013	82	2	0	0	0	2	82
Indiana	2011	31	3	2	0	0	0	32
	2012	32	4	0	0	3	1	32
	2013	32	3	1	0	0	0	34
Iowa	2011	14	0	0	0	0	1	13
	2012	13	0	0	0	0	0	13
	2013	13	0	0	0	0	0	13
Kansas	2011	16	0	0	0	0	0	16
	2012	16	0	1	0	0	0	15
	2013	15	1	0	0	0	1	15
Kentucky	2011	8	0	0	0	0	0	8
	2012	8	0	0	0	0	0	8
	2013	8	0	0	0	0	0	8
Louisiana	2011	15	0	3	0	0	0	12
	2012	12	0	2	0	0	0	10
	2013	10	0	0	0	0	0	10
Maine	2011	10	0	0	0	0	0	10
	2012	10	0	6	0	0	0	4
	2013	4	0	0	0	0	0	4
Maryland	2011	42	0	0	0	0	0	42
	2012	42	0	5	0	0	1	36
	2013	36	1	9	0	0	0	28
Massachusetts	2011	37	1	3	0	0	0	35
	2012	35	2	1	0	0	0	36
	2013	36	3	1	0	0	2	36
Michigan	2011	59	0	0	0	0	0	59
	2012	59	2	4	0	2	1	54
	2013	54	3	1	0	0	0	56
Minnesota	2011	36	0	3	0	0	0	33
	2012	33	0	4	0	0	0	29
	2013	29	0	0	0	0	0	29
Mississippi	2011	10	0	0	0	0	0	10
	2012	10	0	2	0	0	0	8
	2013	8	0	0	0	0	0	8
Missouri	2011	30	1	3	0	0	1	27
	2012	27	0	2	0	0	0	25
	2013	25	0	1	0	0	2	22

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
Montana	2011	6	0	1	0	0	0	5
	2012	5	0	0	0	0	0	5
	2013	5	0	0	0	0	0	5
Nebraska	2011	8	0	0	0	0	2	6
	2012	6	0	0	0	0	0	6
	2013	6	0	0	0	0	0	6
Nevada	2011	8	1	0	0	0	0	9
	2012	9	1	1	0	0	0	9
	2013	9	0	0	0	0	0	9
New Hampshire	2011	16	0	2	0	0	0	14
	2012	14	0	1	0	0	0	13
	2013	13	0	0	0	0	1	12
New Jersey	2011	38	2	1	0	0	0	39
	2012	39	2	4	1	0	0	36
	2013	36	4	1	0	0	0	39
New Mexico	2011	8	0	0	0	0	1	7
	2012	7	0	0	0	0	0	7
	2013	7	0	0	0	0	1	6
New York	2011	65	0	12	0	0	0	53
	2012	53	2	7	0	0	0	48
	2013	48	1	0	0	0	2	47
North Carolina	2011	14	0	1	0	0	0	13
	2012	13	1	1	0	0	0	13
	2013	13	0	0	0	0	0	13
North Dakota	2011	3	0	1	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
Ohio	2011	82	0	3	0	0	0	79
	2012	79	1	2	0	0	0	78
	2013	78	1	0	0	0	1	78
Oklahoma	2011	11	0	1	0	0	0	10
	2012	10	0	1	0	0	0	9
	2013	9	0	0	0	0	0	9
Oregon	2011	11	1	0	0	0	1	11
	2012	11	0	0	0	0	0	11
	2013	11	0	0	0	0	0	11
Pennsylvania	2011	49	2	2	0	0	0	49
	2012	49	1	2	0	0	1	47
	2013	47	5	0	0	0	0	52
Rhode Island	2011	8	1	0	0	0	0	9
	2012	9	0	0	0	0	0	9
	2013	9	0	0	0	0	2	7

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
South Carolina	2011	18	0	0	0	0	0	18
	2012	18	0	1	1	0	1	15
	2013	15	0	0	0	0	0	15
South Dakota	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
Tennessee	2011	23	0	2	0	0	0	21
	2012	21	2	2	0	0	0	21
	2013	21	0	0	0	0	3	18
Texas	2011	71	0	3	0	0	0	68
	2012	68	0	3	0	0	3	62
	2013	62	1	0	0	0	9	54
Utah	2011	12	0	0	0	0	0	12
	2012	12	0	1	0	0	0	11
	2013	11	0	0	0	0	0	11
Vermont	2011	4	0	0	0	0	0	4
	2012	4	0	0	0	0	0	4
	2013	4	0	0	0	0	0	4
Virginia	2011	26	0	0	0	0	0	26
	2012	26	0	2	0	0	0	24
	2013	24	1	0	0	0	0	25
Washington	2011	32	0	1	0	0	0	31
	2012	31	0	1	0	0	0	30
	2013	30	0	0	0	0	2	28
West Virginia	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
Wisconsin	2011	25	0	1	0	0	0	24
	2012	24	0	3	0	0	0	21
	2013	21	4	0	0	0	0	25
Wyoming	2011	4	0	0	0	0	0	4
	2012	4	0	0	0	0	0	4
	2013	4	0	0	0	0	0	4
Totals	2011	1210	27	62	1	1	9	1164
	2012	1164	37	86	3	6	12	1094
	2013	1094	45	17	0	0	50	1072

STATUS OF MIDAS/SPEEDEE CO-BRANDING FRANCHISED OUTLETS
YEARS 2011 TO 2013

(2012 fiscal year represents the period from January 1, 2012 to March 31, 2013)

(2013 fiscal year represents the period from April 1, 2013 to March 31, 2014)

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
California	2011	10	6	0	0	0	0	16
	2012	16	15	0	0	0	1	30
	2013	30	3	0	0	0	2	31
Colorado	2011	0	0	0	0	0	0	0
	2012	0	2	0	0	0	0	2
	2013	2	1	0	0	0	0	3
Florida	2011	0	2	0	0	0	0	2
	2012	2	6	1	0	0	0	7
	2013	7	4	0	0	0	1	10
Hawaii	2011	1	1	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
Illinois	2011	0	3	0	0	0	0	3
	2012	3	1	0	0	0	0	4
	2013	4	4	0	0	0	0	8
Indiana	2011	0	1	0	0	0	0	1
	2012	1	2	0	0	0	0	3
	2013	3	0	0	0	0	0	3
Iowa	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
Louisiana	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	1	0	0	0	0	3
Michigan	2011	0	0	0	0	0	0	0
	2012	0	1	0	0	0	0	1
	2013	1	0	0	0	0	0	1
Mississippi	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	1	1
Nebraska	2011	0	2	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
New Jersey	2011	0	0	0	0	0	0	0
	2012	0	1	0	0	0	0	1
	2013	1	0	0	0	0	0	1
New Mexico	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
New York	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
Ohio	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
Pennsylvania	2011	0	0	0	0	0	0	0
	2012	0	1	0	0	0	0	1
	2013	1	0	0	0	0	0	1
South Carolina	2011	0	1	0	0	0	0	1
	2012	1	2	0	0	0	0	3
	2013	3	0	0	0	0	0	3
Texas	2011	2	2	0	0	0	0	4
	2012	4	3	0	0	0	0	7
	2013	7	5	0	0	0	0	12
Virginia	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
Totals	2011	20	21	0	0	0	0	41
	2012	41	34	1	0	0	1	73
	2013	73	18	0	0	0	4	87

TABLE NO. 4

**STATUS OF MIDAS COMPANY-OWNED OUTLETS
YEARS 2011 TO 2013**

(2012 fiscal year represents the period from January 1, 2012 to March 31, 2013)

(2013 fiscal year represents the period from April 1, 2013 to March 31, 2014)

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	2011	12	0	1	7	2	4
	2012	4	0	1	0	2	3
	2013	3	0	0	1	1	1
Colorado	2011	9	0	0	0	7	2
	2012	2	0	0	0	2	0
	2013	0	0	0	0	0	0
Connecticut	2011	3	0	0	0	0	3
	2012	3	0	0	0	0	3
	2013	3	0	0	0	3	0
Delaware	2011	2	0	0	0	0	2
	2012	2	0	0	0	0	2
	2013	2	0	0	0	2	0

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
Florida	2011	16	0	0	6	3	7
	2012	7	2	0	0	3	6
	2013	6	0	0	1	3	2
Illinois	2011	3	0	0	0	0	3
	2012	3	0	0	0	2	1
	2013	1	0	0	0	1	0
Indiana	2011	8	0	0	0	3	5
	2012	5	0	3	0	5	3
	2013	3	0	0	0	3	0
Massachusetts	2011	0	0	0	0	0	0
	2012	0	2	0	0	0	2
	2013	2	0	0	0	2	0
Michigan	2011	0	0	0	0	0	0
	2012	0	1	2	0	1	2
	2013	2	0	0	0	2	0
New Jersey	2011	6	0	0	0	1	5
	2012	5	0	0	0	1	4
	2013	4	0	0	0	4	0
Pennsylvania	2011	7	0	0	0	2	5
	2012	5	0	0	0	0	5
	2013	5	0	0	0	5	0
Wisconsin	2011	4	0	0	0	0	4
	2012	4	0	0	0	0	4
	2013	4	0	0	0	4	0
Totals	2011	70	0	1	13	18	40
	2012	40	5	6	0	16	35
	2013	35	0	0	2	30	3

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

**STATUS OF MIDAS/SPEEDEE CO-BRANDING COMPANY-OWNED OUTLETS
YEARS 2011 TO 2013**

(2012 fiscal year represents the period from January 1, 2012 to March 31, 2013)

(2013 fiscal year represents the period from April 1, 2013 to March 31, 2014)

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2011	14	7	0	0	2	19
	2012	19	0	0	1	14	4
	2013	4	0	0	1	1	2

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Florida	2011	4	7	0	0	2	9
	2012	9	0	0	0	3	6
	2013	6	0	0	1	2	3
Illinois	2011	7	0	0	0	2	5
	2012	5	0	0	0	1	4
	2013	4	0	0	0	4	0
Indiana	2011	1	0	0	0	1	0
	2012	0	1	0	0	1	0
	2013	0	0	0	0	0	0
New Jersey	2011	0	1	0	0	0	1
	2012	1	0	0	0	1	0
	2013	0	0	0	0	0	0
Totals	2011	26	15	0	0	7	34
	2012	34	1	0	1	20	14
	2013	14	0	0	2	7	5

TABLE NO. 5

PROJECTED MIDAS OPENINGS FOR 2014

State	Franchise Agreements Signed but Outlet Not Opened (See Note 1)	Projected New Franchised Outlets in the Next Fiscal Year (2014) (See Note 2)	Projected New Company-Owned Outlets in the Next Fiscal Year (2014) (See Note 3)
Arizona	0	2	0
California	0	7	0
Georgia	0	2	0
Louisiana	0	1	0
Maryland	0	1	0
New Jersey	0	2	0
New York	0	1	0
Oregon	0	1	0
Texas	0	4	0
Virginia	0	1	0
Totals	0	22	0

PROJECTED MIDAS/SPEEDEE CO-BRANDING SHOP OPENINGS FOR 2014

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year (2014)	Projected New Company-Owned Outlets in the Next Fiscal Year (2014)
Alaska – Conversion	0	1	0
California – Conversion	0	2	0
Florida – Conversion	0	1	0
Hawaii – Conversion	0	2	0
Illinois – Conversion	0	1	0
Kansas – Conversion	0	1	0
Louisiana	0	1	0
Missouri- Conversion	0	1	0
Montana- Conversion	0	1	0
Totals	0	11	0

The figures contained in this Item 20 are as of December 31, 2011, March 31, 2013 and March 31, 2014, 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 March 31, 2014. 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 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 period of April 1, 2013 through March 31, 2014, 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 Co-Branded Franchisees and the addresses and telephone numbers of their Co-Branding Shops as of March 31, 2014. Exhibit A-4 lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of each of the Co-Branded 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 period of April 1, 2013 through March 31, 2014, 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 6311 W. Gross Point Road, Niles, IL 60714, (877) 543-6203, fax (847) 647-8940. The IMDA's website is imdaonline.org. We recognize this association.

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

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

ITEM 21: FINANCIAL STATEMENTS

Attached to this Disclosure Document in Exhibit B are the audited consolidated balance sheets of TBC and subsidiaries as of March 31, 2014, 2013, and 2012, and the related statements of income, stockholders' equity and comprehensive income, and cash flows for the years then ended. TBC absolutely and unconditionally guarantees our performance of our obligations under the Franchise Agreement and state registrations. Copies of TBC'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)
Franchise 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)
Consent to Transfer 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)
Existing Franchisee Incentive Rider (Exhibit D-12)
Conversion Franchisee Incentive Rider (Exhibit D-13)
New Franchisee Incentive Rider (Exhibit D-14)
Veteran Incentive Rider (Exhibit D-15)
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 Agreement – Maryland, Minnesota, New York, North Dakota, Washington (Exhibit I)
Deferred Maintenance Agreement (Exhibit F-6)

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 MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Alabama						
200 7th St S.	Clanton	AL	35045	White Metro Automotive, Inc.	Jerry Handley	(205) 280-1044
3125 Ross Clark Circle NW	Dothan	AL	36303	Auto Associates of Southern Alabama, LLC	Thomas Fogarty , Steven Towers	(334) 446-0048
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
3000 Leeman Ferry Rd SW	Huntsville	AL	35801	Knight Ventures LLC	Royce Andy Knight	(256) 882-2960
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
Arkansas						
702 S. Walton Blvd	Bentonville	AR	72712	Alkar, Inc.	Alvin E. Kohler Family Trust , Jean F. Kohler Revocable Trust , Karl A. Kohler	(479) 273-0097
2570 North College Ave	Fayetteville	AR	72703	Alkar, Inc.	Alvin E. Kohler Family Trust , Jean F. Kohler Revocable Trust , Karl A. Kohler	(479) 521-2978
7310 Rogers Ave	Ft. Smith	AR	72903	K. Smith Enterprises, Inc.	Kevin R Smith	(479) 452-4076
4536 Central Ave	Hot Springs	AR	71913	Alkar, Inc.	Alvin E. Kohler Family Trust , Jean F. Kohler Revocable Trust , Karl A. Kohler	(501) 525-4857

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Arkansas (cont'd)						
9214 Rodney Parham	Little Rock	AR	72227	Alkar, Inc.	Alvin E. Kohler Family Trust , Jean F. Kohler Revocable Trust , Karl A. Kohler	(501) 224-6108
8201 Warden Road	Sherwood	AR	72120	Alkar, Inc.	Alvin E. Kohler Family Trust , Jean F. Kohler Revocable Trust , Karl A. Kohler	(501) 834-1007
Arizona						
7020 North 43rd Ave	Glendale	AZ	85301	CRC Enterprises, LLC	Robert E Cooper	(623) 931-9101
6021 West Bell Road	Glendale	AZ	85308	TXAZ Auto Enterprises, Inc.	Thomas S. Poole , Tony D'Andrea	(602) 843-4600
2964 East Main	Mesa	AZ	85213	Jasko Automotive Inc.	Michael Jaskowiak , Shannon K Viola	(480) 830-5240
6902 East Southern	Mesa	AZ	85208	Deamma, Inc.	Dennis E. Robbins	(480) 832-8083
6845 West Peoria Ave	Peoria	AZ	85345	CWS Auto, Inc.	Don Kibner	(623) 486-1700
18783 N. 83rd Ave	Peoria	AZ	85382	AZV, Inc	Michael Aulger	(623) 376-0188
4223 East Bell Road	Phoenix	AZ	85032	Deamma, Inc.	Dennis E. Robbins	(602) 569-3332
8816 N Black Canyon	Phoenix	AZ	85051	CRC Enterprises, LLC	Robert E Cooper	(602) 995-9229
39 East Southern Ave	Phoenix	AZ	85040	CRC Enterprises, LLC	Robert E Cooper	(602) 268-5634
6856 West Indian School	Phoenix	AZ	85033	CRC Enterprises, LLC	Robert E Cooper	(623) 846-7291
9550 N. 90th St, Suite A-2	Scottsdale	AZ	85258	Joelle Auto Services, Inc	Gregory S Milan	(480) 391-0796
2428 North Scottsdale Road	Scottsdale	AZ	85257	Robbins Enterprises Arizona, LLC	Matthew J. Robbins	(480) 947-7363
1317 East Fry Blvd	Sierra Vista	AZ	85635	TXAZ Mountainview Enterprises, Inc.	Thomas S. Poole	(520) 459-3090
9958 Santa Fe Dr	Sun City	AZ	85351	TXAZ Auto Enterprises, Inc.	Thomas S. Poole , Tony D'Andrea	(623) 933-8293
1050 East Broadway	Tempe	AZ	85282	Robbins Enterprises Arizona, LLC	Matthew J. Robbins	(480) 894-1127
7710 South Autoplex Loop	Tempe	AZ	85284	Robbins Enterprises Arizona, LLC	Matthew J. Robbins	(480) 598-0111
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

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Arizona (cont'd)						
7220 East 22nd St	Tucson	AZ	85710	C & C 22CD LLC	Nicholas R. Conforti , Christopher N Conforti	(520) 885-6703
3621 West Ina Road	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
California						
2100 West Valley Blvd	Alhambra	CA	91803	Mormar, Inc.	Marv Walker	(626) 289-6113
1701 West La Palma	Anaheim	CA	92801	James A. Jackson, Sole Proprietor	James A Jackson	(714) 533-3194
1200 Auto Center Dr	Antioch	CA	94509	3 Nativid	Bayani Natividad , Philip Natividad , Henry Natividad	(925) 778-3400
6919 White Ln	Bakersfield	CA	93309	Vincent-Miller Bakersfield, LLC.	Kenneth J Jachim	(661) 398-0921
3723 Auburn St	Bakersfield	CA	93306	Vincent-Miller Bakersfield, LLC	Kenneth J Jachim	(661) 873-8212
660 West Main	Barstow	CA	92311	Welco Enterprises, Inc.	Julie Welker , Steven Brummett	(760) 256-6188
1835 San Pablo Ave	Berkeley	CA	94703	Jose Luis Gonzalez-Sole Proprietor	Jose Luis Gonzalez	(510) 849-1400
8537 Wilshire Blvd	Beverly Hills	CA	90211	Shanat Investment Group	Amos Mahrer	(310) 652-3040
1236 White Oaks Ave	Campbell	CA	95008	Khan Brothers Inc	Sher Khan , Fayaz Asghar	(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
68-275 Ramon Road	Cathedral City	CA	92234	MCAT Inc	Steve Methot , Sherrill Methot	(760) 324-8231
1097 North Long Beach Blvd	Compton	CA	90221	AAP Maharaj Inc	Ashok Prasad	(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	Seaside Automotive Group	Greg Connor	(949) 650-2200
5570 Sepulveda Blvd	Culver City	CA	90230	Stonestream, Inc.	Kevin Stromsborg	(310) 836-3040
6040 Cerritos Ave	Cypress	CA	90630	A.G.N. Corp.	Mohinder L. Nanda	(714) 828-9740

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
California (cont'd)						
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 Cameron , Joshua Cameron	(760) 753-7836
8118 Greenback Ln	Fair Oaks	CA	95628	MCP Auto Care, Inc.	Michael C. Palmer	(916) 726-3305
50 Montrose Dr	Folsom	CA	95630	TS-GM, Incorporated	Timothy S. Washburn	(916) 983-1663
9413 Sierra Ave	Fontana	CA	92335	Manny Ochoa, Inc.	Manny Ochoa	(909) 350-7811
7340 North Blackstone	Fresno	CA	93726	MP Riverpark Inc	Marvin Pedersen	(559) 449-1700
3937 North Blackstone	Fresno	CA	93726	Agri Center Auto Parts Inc	Phillip J Sorenson	(559) 224-1700
501 West Florida Ave	Hemet	CA	92543	Philip G. Esbensen	Philip G. Esbensen	(951) 652-5962
5801 Sunset Blvd	Hollywood	CA	90028	Stonestream, Inc	Kevin Stromsborg	(323) 465-1141
19301 Beach Blvd	Huntington Beach	CA	92648	Cameron Ventures, Inc	James E. Cameron , Dona Cameron , Monica Cameron , Joshua Cameron	(714) 960-5554
80962 Hwy 111	Indio	CA	92201	The Coyne Company, Inc.	Karen D. Coyne , Michael Coyne	(760) 342-2260
811 East Manchester Ave	Inglewood	CA	90301	Stonestream, Inc.	Kevin Stromsborg	(310) 674-0902
14628 East Valley Blvd, Unit A	La Puente	CA	91746	Muracrick Inc.	Charles Cricks , Manuel Muratalla	(626) 336-2618
1251 North Coast Hwy	Laguna Beach	CA	92651	Abbas Mashayekh - Sole Proprietor	Abbas Mashayekh	(949) 376-0800
22752 Centre Dr	Lake Forest	CA	92630	Seaside Automotive Group	Greg Connor	(949) 855-1218
335 East Kettleman Ln	Lodi	CA	95240	Lally & Sons LLC	Gurjinder Lally , Puneet Lally	(209) 369-5851
2000 Lomita Blvd	Lomita	CA	90717	W. E. Martin- Sole Proprietor	W. E. Martin	(310) 326-0600
401 East Anaheim St	Long Beach	CA	90813	Aria-K Corporation	Kaveh Yazdan	(562) 591-2377
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
1412 West Yosemite Ave	Manteca	CA	95336	Becker Automotive Corporation	Kenneth E Becker	(209) 825-4400
928 H St	Marysville	CA	95901	Investments Bridge Inc	Randy Sparks , Brad McDonald	(530) 742-2301
27220 La Paz Road	Mission Viejo	CA	92692	MAXRANGER, Inc.	David Trussell , John Trussell	(949) 380-8081

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
California (cont'd)						
3833 North McHenry Ave	Modesto	CA	95356	DADIO & Co, Inc	Gary J Moya , Helen Moya	(209) 523-4706
338 McHenry Ave	Modesto	CA	95354	KITMD Enterprise Inc	Kit Duong , Jeffrey Wolf	(209) 527-0400
1314 South Myrtle Ave	Monrovia	CA	91016	Automotive Limited, Inc	Albert Agdaian	(626) 303-1606
11814 Rosecrans Ave	Norwalk	CA	90650	Liamben, Inc.	Reuven Av-Tal	(562) 864-2702
1922 East Chapman Ave	Orange	CA	92867	Jon-Dav, Inc	Carmen Lim	(714) 538-0056
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
1639 West Redlands Blvd	Redlands	CA	92373	MRED Incorporated	Steve Methot , Sherrill Methot	(909) 798-4655
110 East Valley Blvd	Rialto	CA	92376	TKSM, LLC	Thomas E Kopp , Steve Methot , Sherrill Methot	(909) 820-9070
212 Harding Blvd	Roseville	CA	95678	TS-GM, Incorporated	Timothy S. Washburn	(916) 783-8600
431 16th St	Sacramento	CA	95814	Jilmar, Inc.	Mark S. Tannenbaum	(916) 446-7808
6308 Florin Road	Sacramento	CA	95823	JPB Automotive Inc	Jeff Beyer	(916) 393-0131
1020 Del Paso Road, Suite 200	Sacramento	CA	95834	MARJEN, Inc.	Marco Gonzalez	(916) 419-6366
227 John St	Salinas	CA	93901	DHT Incorporated	Charly Johnston	(831) 424-8077
2067 North Main St	Salinas	CA	93906	DHT Incorporated	Charly Johnston	(831) 442-8708
14640 San Pablo Ave	San Pablo	CA	94806	Johnie 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
131 College Ave	Santa Rosa	CA	95401	SFS Enterprises Corp	Ed Gasca	(707) 527-9310
25745 Railroad 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
820 East Los Angeles Ave	Simi Valley	CA	93065	JDP Automotive LLC	Jeff Patey	(805) 522-2505
5897 Pacific Ave	Stockton	CA	95207	Brewer Enterprises Inc	Willie Brewer	(209) 951-5686

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
California (cont'd)						
26677 Ynez Road	Temecula	CA	92591	Philip G. Esbensen, Sole Proprietor	Philip G. Esbensen	(951) 308-9114
2651 Geer Road	Turlock	CA	95381	KITMD Enterprises	Kit Duong , Jeffrey Wolf	(209) 668-8101
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 Stromsborg	(909) 946-5400
1250 East Monte Vista	Vacaville	CA	95688	SAI LLC	Shahid Iqbal , Ameritpal Kahlon	(707) 446-1605
3949 East Main St	Ventura	CA	93003	ERNAT, Inc	Amos Mahrer	(805) 644-7464
14780-7th St	Victorville	CA	92395	Cummins Enterprises Inc.	Richard Cummins	(760) 243-3868
1226A E. Mineral King	Visalia	CA	93292	M. L. Richards, Inc.	Lori D. Richards , Michael L. Richards	(559) 739-7373
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 Stromsborg	(562) 693-0766
Colorado						
12190 West 64th Ave	Arvada	CO	80004	Leeds West Inc	Judd Kyle Shader	(303) 425-9784
628 South Havana	Aurora	CO	80012	Leeds West Inc	Judd Kyle Shader	(303) 341-7574
16708 East Iliff	Aurora	CO	80013	Colorado Motor Sports, LLC	Steven B Armstrong	(303) 752-4132
3000 Walnut St	Boulder	CO	80301	Boulder Muffler, Inc.	The Estate of Terry O'Connor	(303) 449-5808
123 Plum Creek Parkway	Castle Rock	CO	80104	Rich Enterprises, Inc.	Sheryl T. Rich , Warren D. Rich	(303) 688-8831
742 Castleton Road	Castle Rock	CO	80109	Rich Enterprises, Inc.	Sheryl T. Rich , Warren D. Rich	(303) 688-6615
8270 South Holly St	Centennial FKA Littleton	CO	80122	Laranesh Corp	Rachid Ouasti	(303) 773-2277
1410 South Nevada	Colorado Springs	CO	80906	Wenco Industries, Inc.	Jeffrey R Genuario , Elizabeth M Genuario	(719) 636-3802
2875 East Platte Ave	Colorado Springs	CO	80909	Wenco Industries, Inc.	Jeffrey R Genuario , Elizabeth M Genuario	(719) 636-1666
4055 North Academy	Colorado Springs	CO	80918	Wenco Industries, Inc.	Jeffrey R Genuario , Elizabeth M Genuario	(719) 593-1295

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Colorado (cont'd)						
8104 North Academy	Colorado Springs	CO	80920	Wenco Industries, Inc.	Jeffrey R Genuario , Elizabeth M Genuario	(719) 594-4788
5845 Stetson Hills Blvd	Colorado Springs	CO	80922	Wenco Industries Inc	Jeffrey R Genuario , Elizabeth M Genuario	(719) 622-3000
959 W. 6th Ave	Denver	CO	80204	Wenco Industries, Inc.	Jeffrey R Genuario , Elizabeth M Genuario	(303) 595-0076
341 South Colorado Blvd	Denver	CO	80246	Wenco Industries, Inc.	Jeffrey R Genuario , Elizabeth M Genuario	(303) 388-6455
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
5770 West Alameda	Lakewood	CO	80226	Leeds West Inc	Judd Kyle Shader	(303) 934-5833
3444 S Wadsworth Blvd	Lakewood	CO	80227	Leeds West Inc	Judd Kyle Shader	(303) 980-9919
11411 West Colfax Ave	Lakewood	CO	80215	Wenco Industries, Inc	Jeffrey R Genuario , Elizabeth M Genuario	(303) 233-6581
8050 South Broadway	Littleton	CO	80122	Mile High Mechanics, Inc	Dave Tucker , Carole Tucker	(303) 797-1572
5850 South Kipling St	Littleton	CO	80127	D&T Turner Enterprises Inc	Daniel Turner , Therese Turner	(303) 972-4866
1220 Ken Pratt Blvd	Longmont	CO	80501	LD Wing Inc	Lonnie E Wing	(303) 772-2263
6240 E. Pine Ln	Parker	CO	80138	Laranesh Corp	Rachid Ouasti	(303) 840-1747
1500 Hwy 50 West	Pueblo	CO	81003	Wenco Industries, Inc.	Jeffrey R Genuario , Elizabeth M Genuario	(719) 543-4203
4005 East 120th Ave	Thornton	CO	80233	Dinkum Automotive, LLC	Linda J Murchison	(303) 280-1131
3805 North Wadsworth Blvd	Wheat Ridge	CO	80033	Wenco Industries, Inc.	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

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Connecticut (cont'd)						
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
350 Main St	Danbury	CT	06810	Leeds West Connecticut, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(203) 743-6369
5 Palomba Dr	Enfield	CT	06082	JCM Auto, L.L.C.	Christime P Morande , John Morande	(860) 745-0305
925 Boston Post Road	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
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 Ln	Milford	CT	06460	Old Gate Automotive, LLC	James Halpin	(203) 878-7688
377 Main Ave	Norwalk	CT	06851	Leeds West Connecticut, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(203) 846-3248
90 Queen St	Southington	CT	06489	Muffler Shop of Southington, Inc.	Edwin G. Vickerman , James W. Vickerman , Thomas M. Vickerman	(860) 621-9333
41 Main St	Stamford	CT	06901	Leeds West Connecticut, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(203) 324-9207
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
918 New Britain Ave	West Hartford	CT	06110	Pack/Conn, Inc.	Kenton H Childs , Paulina Anderson	(860) 953-0171

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Connecticut (cont'd)						
55 Boston Post Road	Westbrook	CT	06498	Jas Automotive, LLC	Jeffrey Dziegielewski , Lisa Dziegielewski	(860) 669-9937
District of Columbia						
1620 Rhode Island Ave, Northeast	Washington	DC	20018	Systems Engineering R. I., Inc.	Dennis R. Endee , Lesley H. Endee	(202) 526-3400
Delaware						
1604 North Dupont Hwy	New Castle	DE	19720	C-Met, Inc.	Connie Natal , Ernest Natal Jr.	(302) 652-1884
656 Kirkwood Hwy	Newark	DE	19711	Leed West Delaware, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(302) 454-7179
3425 Kirkwood Hwy	Wilmington	DE	19808	Leed West Delaware, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(302) 998-0533
Florida						
610 East Altamonte Dr	Altamonte Springs	FL	32701	Bonini Group 2	Jorge E Bonini	(407) 339-4856
5105 East Bay Dr	Clearwater	FL	33764	Clear Gold Service Experts Incorporated	Adam Ford	(727) 531-4070
8080 Wiles Road	Coral Springs	FL	33065	Millar Heritage Ventures, Inc	Robert L Miller	(954) 752-9222
4680 South University Dr	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	Volks Parts Trading Inc	Jovan Katic , Beverley Michelle Katic	(954) 522-1106
101 Eglin Parkway, SE	Ft. Walton Beach	FL	32548	Robert Towers - Sole Proprietor	Robert Towers	(850) 244-3706
3845 Southwest Archer Road	Gainesville	FL	32608	Harkay Enterprises	Harold Noordhoek	(352) 376-2833
1426 North Main St	Gainesville	FL	32601	Harkey Enterprises	Harold Noordhoek	(352) 377-8760
3855 South Military Trl	Greenacres AKA Lake Worth	FL	33463	Gulfstream Auto Group, LLC	Christopher Behne	(561) 967-8945
1000 North Federal Hwy	Hallandale	FL	33009	J. M. S. Automobile Corp.	Hratch Heghinian	(954) 454-1287
14081 Beach Blvd	Jacksonville	FL	32250	Singleton International	Lanny Singleton	(904) 992-7050

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Florida (cont'd)						
10311 Atlantic Blvd	Jacksonville	FL	32225	ANGELS'L LLC	Juan M Sanchez , Yolanda Cifuentes Arellano	(904) 641-3375
7462 Lem Turner Road	Jacksonville	FL	32208	Singleton International	Lanny Singleton	(904) 262-1331
3820 Sunbeam Road	Jacksonville	FL	32257	Singleton International	Lanny Singleton	(904) 262-1331
6710 SW 117th Ave	Kendall	FL	33183	Alson Of Florida, Inc.	Herbert Sonnenklar , Norma Sonnenklar	(305) 595-4404
301 West Vine St	Kissimmee	FL	34741	The Ultimate Repair Specialist Inc.	Maria Mora	(407) 847-7444
4480 S. Babcock St (a.k.a. Palm Bay)	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
555 Northwest 79th St	Miami	FL	33150	Nordco, Inc.	Harold Noordhoek	(305) 758-6767
2175 Northeast 2nd Ave	Miami	FL	33137	Kevrin, Inc.	Harold Noordhoek	(305) 573-6020
900 Southwest LeJeune Road	Miami	FL	33134	Rynod, Inc.	Harold Noordhoek	(305) 443-9022
12805 SW 137th Ave	Miami	FL	33186	Alson of Homestead, Inc.	Herbert Sonnenklar , Norma Sonnenklar	(305) 251-2177
18525 N. W. 27th Ave	Miami Gardens (FKA Carol City)	FL	33056	J. C. Vazquez Corp.	Juan Vazquez	(305) 620-5145
2111 Pine Ridge Road	Naples	FL	34109	B3 Enterprises	Michael Buschhoff , Patricia Buschhoff	(239) 592-0070
214 Blanding Blvd	Orange Park	FL	32073	Lanny Singleton, Sole Proprietor	Lanny Singleton	(904) 272-6560
5617 West Colonial Dr	Orlando	FL	32808	Marsh Pointe Enterprises, LLC	Hector Haddock , Michael Haddock	(407) 298-8187
9825 South Orange Blossom Trail	Orlando	FL	32837	Bonini Group LLC	Jorge E Bonini , Luis F Bonini	(407) 438-5083
1737 Alafaya Trail	Orlando	FL	32826	Alnor, Inc.	Harold Noordhoek	(407) 823-7707
3400 South Orange Ave	Orlando	FL	32806	Indigo Isle Enterprises, LLC	Hector Haddock , Jacqueline Haddock , John Haddock	(407) 859-4020
12391 Pembroke Road	Pembroke Pines	FL	33025	J.C. Vazquez Corp.	Juan Vazquez	(954) 442-8883
2228 North Flamingo Road	Pembroke Pines	FL	33028	JM Vaquez Corporation	Juan Vazquez	(954) 433-7188
1400 South Federal Hwy	Pompano Beach	FL	33062	Pompn, Inc.	Harold Noordhoek	(954) 942-3023
4125 Tamiami Trail	Port Charlotte	FL	33952	T.I.A. Automotive Inc	Tibor Szondi	(941) 627-2228

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Florida (cont'd)						
10730 South U S 1	Port St. Lucie	FL	34952	Pro Wrench, Inc.	Munir Abutineh	(772) 335-0421
290-34th St North	St. Petersburg	FL	33713	Old Gold Service Experts Incorporated	Adam Ford	(727) 327-4630
5844 4th St North	St. Petersburg	FL	33703	Solid Gold Service Experts Inc	Adam Ford	(727) 528-0028
1050 U.S. Hwy 41 Bypass	Venice	FL	34285	Car Hospital L.L.C.	Greg Oldfield , Jay Schrauf	(941) 484-3709
2253 North Military Trl	West Palm Beach	FL	33409	Gulfstream Auto Group, LLC	Christopher Behne	(561) 687-2000
100 North Orlando Ave	Winter Park	FL	32789	Norwin, Inc.	Harold Noordhoek	(407) 647-4362
Georgia						
224 North Main St	Alpharetta	GA	30009	915 Alpharetta Auto Center LTD	Randolph S. Katz	(678) 689-2139
920 Northside Dr	Atlanta	GA	30318	916 Northside Dr Auto Center LTD	Randolph S. Katz	(404) 876-5879
2806 Washington Road	Augusta	GA	30909	Finely Tuned Automotive LLC	Ronald S Jensen , Jennifer L Jensen	(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 Epwy	Columbus	GA	31904	CLS Automotive, Inc.	Charles Sutton	(706) 323-9634
1561 Dogwood Dr	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
5861 Fairburn Road	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	917 Fayetteville Auto Center LTD	Randolph S. Katz	(770) 461-7731
2730 Town Center Dr	Kennesaw	GA	30144	913 Town Center Kennesaw Auto Center LTD	Randolph S. Katz	(770) 425-5300
422 West Pike St	Lawrenceville	GA	30045	K & K Auto, Inc.	Thomas C. Llewellyn , Guillermo Ramirez	(770) 822-6848
512 Thornton Road	Lithia Springs	GA	30122	Ramco General, Inc.	Iris A. McLeod , Roy A. McLeod	(770) 745-1500
1105 Johnson Ferry Road	Marietta	GA	30068	914 Johnson Ferry Auto Center LTD	Randolph S. Katz	(770) 509-1838
1764 Cobb Parkway S	Marietta	GA	30060	912 Cobb Pkwy Auto Center LTD	Randolph S. Katz	(770) 952-0151

EXHIBIT A-1: MIDAS FRANCHISEES
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EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Georgia (cont'd)						
7005 Jimmy Carter Blvd	Norcross	GA	30092	T & M Auto Service, Inc.	Meridethe Llewellyn , Thomas C. Llewellyn	(770) 368-9335
820 Holcomb Bridge Road	Roswell	GA	30076	911 Holcomb Bridge Roswell Auto Center LTD	Randolph S. Katz	(770) 998-2974
6560B Roswell Road	Sandy Springs	GA	30328	Precision Maintenance, Inc.	George Hall	(404) 255-7272
3620 Ogeechee Road	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 Waialae 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 Dr	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
Iowa						
113 Lincoln Way	Ames	IA	50010	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(515) 232-4153
4810 University Ave	Cedar Falls	IA	50613	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(319) 268-0167
2602 Williams Blvd Southwest	Cedar Rapids	IA	52404	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(319) 364-2212

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Iowa (cont'd)						
3230 First Ave NE	Cedar Rapids	IA	52402	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(319) 365-9161
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.	Susan Blaser , Alan Mahrt	(515) 226-1199
2201 East Euclid Ave	Des Moines	IA	50317	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(515) 265-5333
5618 Douglas Ave	Des Moines	IA	50310	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(515) 278-0496
6500 S.E. 14th St.	Des Moines	IA	50320	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(515) 285-4905
2010 Ingersoll Ave	Des Moines	IA	50312	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(515) 243-1253
1720 John F. Kennedy Road	Dubuque	IA	52002	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(563) 557-7525
19 Sturgis Road	Iowa City	IA	52240	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(319) 351-7250
129 S. Delaware	Mason City	IA	50401	Gansemer Lies & Associates, Inc.	William Gansemer	(641) 424-1152
Idaho						
9245 Fairview Ave	Boise	ID	83704	Gold Group, LLC	David Kelly Feil , George Walton Wadsworth Jr, Clyde Crandall , John Lough , Robert Schwenkler , Patricia Schwenkler	(208) 377-0300
277 South 27th St	Boise	ID	83702	Gold Group, LLC	David Kelly Feil , George Walton Wadsworth Jr, Clyde Crandall , John Lough , Robert Schwenkler , Patricia Schwenkler	(208) 336-0300
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 East Homer M. Adams Parkway	Alton	IL	62002	RBG Investments Co, LLC	Michael Carey	(618) 465-4664
1150 East Rand Road	Arlington Heights	IL	60004	Trehan Automotive Inc	Sunil Trehan	(847) 392-1300
797 West Alqonquin Road	Arlington Heights	IL	60005	Trehan Automotive Inc	Sunil Trehan	(847) 593-4244
4379 Fox Valley Center Dr	Aurora	IL	60504	Valley Muffler Shop, Inc.	Hugh A. Boeset , Jennifer L Kettinger , Michele A Argyilan	(630) 851-7002
6601 Ogden Ave	Berwyn	IL	60402	N. S. B., Inc.	Ronald Tonika	(708) 749-2240

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Illinois (cont'd)						
905 I.A.A. Dr	Bloomington	IL	61701	Bloomington Auto Service Inc.	Cheryl Allen , Dorotha C. Bratcher (Trust) , James D. Bratcher (Trust) , Robert Bratcher , Walter Bratcher , Donna Teal , James Allen	(309) 662-3366
460 North Bolingbrook Dr	Bolingbrook	IL	60440	Valley Muffler Shop, Inc.	Hugh A. Boeset , Jennifer L Kettinger , Michele A Argyilan	(630) 739-5900
1625 N State- Route 50	Bourbonnais	IL	60914	Bradley Auto Repair Center, Inc	Sue A. Steeves	(815) 937-5812
8333 South Harlem	Bridgeview	IL	60455	WLA, Corp.	Cheryl Allen , Dorotha C. Bratcher (Trust) , James D. Bratcher (Trust) , Robert Bratcher , Walter Bratcher , Donna Teal , James Allen	(708) 598-9440
821 River Oaks Dr	Calumet City	IL	60409	Tedco Automotive, Inc	Bradford Filmanowicz	(708) 891-5700
900 East Main St	Carbondale	IL	62901	Lewis Automotive LLC	Terry Lewis	(618) 490-1430
2102 Moreland Blvd	Champaign	IL	61821	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(217) 359-0900
515 Lincoln Ave	Charleston	IL	61920	John S. Inyart, Sole Proprietor	John S. Inyart	(217) 345-1114
4433 South Kedzie Ave	Chicago	IL	60632	Pack Twelve Enterprises, Inc.	Dale J. Mueller	(773) 523-7878
8245 South Cicero Ave	Chicago	IL	60652	Jimbo Inc.	Cheryl Allen , Dorotha C. Bratcher (Trust) , James D. Bratcher (Trust) , Robert Bratcher , Walter Bratcher , Donna Teal , James Allen	(773) 585-6500
158 West Grand Ave	Chicago	IL	60610	Allbrat Inc.	Cheryl Allen , Dorotha C. Bratcher (Trust) , James D. Bratcher (Trust) , Robert Bratcher , Walter Bratcher , Donna Teal , James Allen	(312) 670-2505
5353 South Archer Ave	Chicago	IL	60632	MMS Enterprises Inc.	Dale J. Mueller	(773) 767-4828
510 West Roosevelt Road	Chicago	IL	60607	Pops's Auto Service, 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	Purni Automotive Systems Inc.	Patvardhana B. Gorrepati	(773) 233-0988
7501 North Western Ave	Chicago	IL	60645	Western 4, Inc.	Ricardo F. Chaquinga	(773) 761-5200

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Illinois (cont'd)						
7419 South Stony Island	Chicago	IL	60649	Purni Automotive Systems, Inc.	Patvardhana B. Gorrepati	(773) 667-1111
7251 South Stony Island	Chicago	IL	60649	Purni Automotive Systems, Inc.	Patvardhana B. Gorrepati	(773) 643-1610
7137 South Western Ave	Chicago	IL	60636	Classic Car Enterprises Inc.	Dale J. Mueller	(773) 776-8747
2654 West Fullerton	Chicago	IL	60647	MRMS, Inc.	Ricardo F. Chaquinga	(773) 342-8485
4216 West Irving Park Road	Chicago	IL	60641	Irving Park Auto LLC	Eugene Taylor	(773) 725-7171
1717-23 North Clybourn	Chicago	IL	60614	Leeds West Illinois, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(312) 642-0455
656 West Lincoln Hwy	Chicago Heights	IL	60411	Everett's Automotive	Andrea A Brown	(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 Road	Countryside	IL	60525	J.A.L.K., Inc.	Allen 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 West Virginia St	Crystal Lake	IL	60014	Guzder Technologies, Inc.	Shapoor Guzder	(815) 455-3540
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	Sauk Valley Auto Service Center, Inc.	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 Road	Franklin Park	IL	60131	AGF, Inc.	Ricardo F. Chaquinga	(847) 455-0364
3903 S. State Route 159	Glen Carbon	IL	62034	R & M Capital, LLC	Richard Wolff	(618) 288-1900

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Illinois (cont'd)						
2151 N 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	Christopher & Jonathan Mirski- Individually	Christopher Mirski , Jonathan Mirski	(847) 855-0400
1804 Army Trail Road	Hanover Park	IL	60103	The 44th Corporation	Jonathan Mirski , Roberta Mirski , Thaddeus Mirski	(630) 372-9811
1505 West Irving Pk Road	Hanover Park	IL	60103	Uni-Systems, Inc.	Christopher Mirski , Jeanine Mirski , Jonathan Mirski , Thaddeus Mirski	(630) 830-0500
60 Skokie Valley Road	Highland Park	IL	60035	Traq Auto Inc	Sunil Trehan	(847) 831-5000
809 East Morton Ave	Jacksonville	IL	62650	Lincoln Land FS, Inc.	Lincoln Land FS	(217) 245-1533
1802 North Larkin Ave	Joliet	IL	60403	R & H Company	Estate of Danny Hillman	(815) 725-6500
1200 North Milwaukee Ave	Libertyville	IL	60048	Kencar Enterprises, Inc.	Kenneth Nelson , Carol Nelson	(847) 918-8600
1805 West Ogden Ave	Lisle	IL	60532	C&C Automotive All Stars Inc	Carlos Rivera	(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	Jonathan Mirski , Roberta Mirski , Thaddeus Mirski	(815) 344-1200
4500 23rd Ave	Moline	IL	61265	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(309) 764-5797
5610 West Dempster	Morton Grove	IL	60053	GTJL23CO, LLC	Eugene Taylor	(847) 966-3350
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 Of Long Grove)	IL	60060	LGV Enterprises, Inc.	Mary Beth Bulgarelli , Michael J. Bulgarelli	(847) 949-6500
800 East Ogden Ave	Naperville	IL	60563	Valley Muffler Shop, Inc.	Hugh A. Boeset , Jennifer L Kettinger , Michele A Argyilan	(630) 355-2533
5016 Ace Ln	Naperville	IL	60564	Valley Muffler Shop, Inc.	Hugh A. Boeset , Jennifer L Kettinger , Michele A Argyilan	(630) 922-1320
7369 North Milwaukee	Niles	IL	60714	ACTL, Inc.	Ricardo F. Chaquinga	(847) 588-1800

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Illinois (cont'd)						
11009 South Cicero Ave	Oak Lawn	IL	60453	J.C. Link, Inc.	Cheryl Allen , Dorotha C. Bratcher (Trust) , James D. Bratcher (Trust) , Robert Bratcher , Walter Bratcher , Donna Teal , James Allen	(708) 425-2100
6249 W. North Ave	Oak Park	IL	60302	Golden Tiger, LLC	Sargon Youkhanna	(708) 848-2010
14810 South Lagrange Road	Orland Park	IL	60462	Bratco, Inc.	Cheryl Allen , Dorotha C. Bratcher (Trust) , James D. Bratcher (Trust) , Robert Bratcher , Walter Bratcher , Donna Teal , James Allen	(708) 349-1750
11108 South Southwest Hwy	Palos Hills	IL	60465	Cab Corp	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 , Donna Teal , James Allen	(309) 347-5991
2200 North University	Peoria	IL	61604	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(309) 688-8608
2306 West Glen Ave	Peoria	IL	61614	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(309) 691-5551
4224 Mahoney Dr	Peru	IL	61354	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(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	Robert Noble, Sole Proprietor	Robert Noble	(815) 708-0827
2109 Stevenson Dr	Springfield	IL	62703	GGPACK, Inc.	Kenton H Childs , Paulina Anderson	(217) 529-4408
1529 South 9th St	Springfield	IL	62703	GGPACK, Inc.	Kenton H Childs , Paulina Anderson	(217) 528-0484
1502 West Main St	St. Charles	IL	60174	Valley Muffler Shop, Inc.	Hugh A. Boeset , Jennifer L Kettinger , Michele A Argyilan	(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

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Illinois (cont'd)						
7011 West 159th St	Tinley Park	IL	60477	Cab Corp	Cheryl Allen , Dorotha C. Bratcher (Trust) , James D. Bratcher (Trust) , Robert Bratcher , Walter Bratcher , Donna Teal , James Allen	(708) 614-1600
304 West University	Urbana	IL	61801	Topa, Inc.	Ata O. Toghraee	(217) 367-0300
5 E. North Ave	Villa Park	IL	60181	Trehan Automotive Inc	Sunil Trehan	(630) 833-0660
501 S. Green Bay Road	Waukegan	IL	60085	Christophoer & Jonathan Mirski - Individually	Christopher Mirski , Jonathan Mirski	(847) 623-8395
130 West Roosevelt Road	West Chicago	IL	60185	Bessie, Inc.	ALn A. Creamer , Jeremiah J. Creamer	(630) 876-9466
11105 W. Roosevelt Road	Westchester	IL	60154	MIAH, Inc.	ALn 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 Road	Wheaton	IL	60187	Shau Mufflers Roosevelt, Inc.	ALn A. Creamer , Jeremiah J. Creamer	(630) 653-7678
33 South Wheeling Road	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 , Jennifer L Kettinger , Michele A Argyilan	(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	GIG Biz, Inc.	Jason S Linback	(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	Leeds West Indiana, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(574) 522-8293
2811 North St. Joseph Ave	Evansville	IN	47720	Green River Tycoons, LLC	John E Hudson	(812) 424-9263

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Indiana (cont'd)						
1435 North Green River Road	Evansville	IN	47715	Green River Tycoons, LLC	John E Hudson	(812) 476-1364
7444 East 116th St	Fishers	IN	46038	Automotive Group, Inc.	Michael L. Pratt	(317) 842-8300
3910 Coldwater Road	Ft. Wayne	IN	46805	MRE Automtotive, Inc.	Michael R. Emberton	(260) 484-8588
3422 Illinois Road	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	(219) 981-2175
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.	Estate of Danny Hillman	(219) 845-8005
3654 N. Hobart Road	Hobart	IN	46342	K.M.& E., Inc.	Kurt Federschmidt	(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
1210 North Illinois	Indianapolis	IN	46202	Reed Automotive-Indy Illinois LLC	Michael E Reed , Rosanne Reed	(317) 632-3202
8530 Michigan Road Northwest	Indianapolis	IN	46268	Reed Automotive-Indy Michigan LLC	Michael E Reed , Rosanne Reed	(317) 872-1132
851 North Shadeland	Indianapolis	IN	46219	Mid-West Automotive Corporation	Philip Lee Hollar , Adrian Sierras Hollar	(317) 353-6216
1706 East Markland Ave	Kokomo	IN	46901	Automotive Grup, Inc.	Michael L. Pratt	(765) 452-0031
804 North Sagamore Parkway	Lafayette	IN	47904	Reed Automotive Service Inc	Michael E Reed , Rosanne Reed	(765) 447-7646
8611 Pendleton Pike	Lawrence	IN	46226	BLU Fin Inc	Brian Formulak	(317) 897-2265
760 W. 81st Ave US 30	Merrillville	IN	46410	K.M.& E., Inc.	Kurt Federschmidt	(219) 738-1960
3805 South Franklin	Michigan City	IN	46360	Purni Automotive Systems, Inc.	Patvardhana B. Gorrepati	(219) 879-4618
215 West University Dr	Mishawaka	IN	46545	Leeds West Indiana, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(574) 271-7898
1901 North Broadway	Muncie	IN	47303	Advantage Investment Firm, LLC	John Surface , Glen Ellis , Jean Ellis	(765) 288-8882
2608 East Main St	Plainfield	IN	46168	Veera Automotive, LLC	Sandeep Shah	(317) 839-8887
1611 E. State Road 44	Shelbyville	IN	46176	DWJ Automotive, Inc.	Dennis W. Emberton	(317) 392-2828

EXHIBIT A-1: MIDAS FRANCHISEES
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Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Indiana (cont'd)						
525 South Michigan St	South Bend	IN	46601	Leeds West Indiana, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(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
Kansas						
1101 North Lorraine	Hutchinson	KS	67501	Auto Systems Experts Inc	Susan Blaser , Alan Mahrt	(620) 665-1170
2801 South Iowa St	Lawrence	KS	66046	Unrein & Company, Inc.	Eric Unrein	(785) 841-1767
10342 State Line Road	Leawood	KS	66206	Midwest Dynamics, Inc.	Anne Hoge Kimball , Cordelia Hoge Smith	(913) 381-9700
330 North Seth Child Road	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.	Susan Blaser , Alan Mahrt	(913) 764-4663
7433 West 119th St	Overland Park	KS	66213	Unrein & Company, Inc.	Eric Unrein	(913) 345-8826
7818 Metcalf	Overland Park	KS	66213	Auto Systems Experts Inc	Susan Blaser , Alan Mahrt	(913) 648-1200
6300 Nieman Road	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
9133 West Central	Wichita	KS	67212	Auto Systems Experts, Inc	Susan Blaser , Alan Mahrt	(316) 721-5757
2820 South Seneca	Wichita	KS	67217	Auto Systems Experts Inc	Susan Blaser , Alan Mahrt	(316) 524-4283
3330 North Rock Road	Wichita	KS	67226	Auto Systems Experts Inc	Susan Blaser , Alan Mahrt	(316) 636-9299
4635 East Kellogg	Wichita	KS	67218	Auto Systems Experts Inc	Susan Blaser , Alan Mahrt	(316) 685-1346
Kentucky						
603 US 31W By-Pass	Bowling Green	KY	42101	McElhinny Automotive Co., Inc.	Anthony P McElhinny	(270) 842-6561
3822 Dixie Hwy	Erlanger	KY	41018	501 Erlanger Auto Center, LTD.	Randolph S. Katz	(859) 727-1871
8220 US Route 42	Florence	KY	41042	506 Florence Auto Center, LTD.	Randolph S. Katz	(859) 371-5780
1246 US Route 127 S	Frankfort	KY	40601	Green River Tycoons, LLC	John E Hudson	(502) 875-1750

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Kentucky (cont'd)						
457 Southland Dr	Lexington	KY	40503	Lexington Purni 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
4210 Saron Dr	Lexington	KY	40515	Lexington Purni 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) 272-1100
678 East New Circle Road	Lexington	KY	40505	Lexington Purni 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) 255-3781
2102 Alexandria Pike	Newport	KY	41071	525 Newport Auto Center, LTD.	Randolph S. Katz	(859) 491-6830
Louisiana						
2358 College Dr	Baton Rouge	LA	70808	2358 College Dr, Inc.	Sara L. Pepitone , William Pepitone	(225) 926-8040
5950 South Sherwood Forest Blvd	Baton Rouge	LA	70816	5950 S. Sherwood, Inc.	Sara L. Pepitone , William Pepitone	(225) 293-9433
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 Dr	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) 834-6696
5117 Airline Dr	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
180 Gause Blvd	Slidell	LA	70458	House of Lloyds, Inc	Douglas W. Perroncel	(985) 649-7666

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Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Massachusetts						
125 Great Road	Acton	MA	01720	Western Point Systems, Inc.	Thomas Fogarty	(978) 263-4611
451 SouthBridge St	Auburn	MA	01501	Shivick Management LLC	Thomas F Shivick Jr	(508) 832-9600
556 Boston Road	Billerica	MA	01821	K & K Auto Repair, Inc	Eleni Kontis , John Kontis	(978) 663-2777
198 Broad St	Bridgewater	MA	02324	KentCo South Inc	Kent S. Smith	(508) 697-3434
772 North Main St	Brockton	MA	02301	Trans Atlantic Enterprises, LLC	Augustine O. Okolo , Ahmadis H. Sambo	(508) 587-1955
120 Boylston St, Rt. 9 East	Brookline	MA	02445	Kentco South, Inc.	Kent S. Smith	(617) 731-6212
66 Middlesex Turnpike	Burlington	MA	01803	Burlington Automotive Services, Inc	Joseph N. Bernard	(781) 272-7800
704 Memorial Dr	Chicopee Falls	MA	01020	Leeds West Massachusetts, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(413) 593-5207
244 Teaticket Hwy	East Falmouth	MA	02540	Scorton Creek Assoc LLC	Paul C Davidson	(508) 540-4290
3014 Cranberry Hwy	East Wareham	MA	02538	HBH Auto, Inc.	Henry Williams , Kathleen Nelson	(508) 295-8440
1439 Plymouth Ave	Fall River	MA	02722	4 J Auto, Inc.	Joseph Medeiros , Joanne Medeiros	(508) 679-1066
752 Worcester Road	Framingham	MA	01701	Kentco South, Inc.	Kent S. Smith	(508) 872-3537
18 Dyer St	Gardner	MA	01440	Tridev Corporation	Kumar M. Khajurivala , Mamta K. Khajurivala	(978) 630-1400
397 Russell St	Hadley	MA	01035	Bean Management, LLC	Barry Drucker	(413) 586-9991
1975 Washington St	Hanover	MA	02339	Wolverine Motor Works III. Inc	Daniel S LaCouture , Lawrence M Mahan	(781) 871-2442
74 Iyannough Road	Hyannis	MA	02601	Wolverine Motor Works II, Inc	Daniel S LaCouture , Lawrence M Mahan	(508) 771-2637
555 Lynnway	Lynn	MA	01905	KentCo South Inc	Kent S. Smith	(781) 598-9811
65 Commercial	Malden	MA	02148	Kentco South Inc	Kent S. Smith	(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	Minuano Development Corp, LLC	Alan Carney	(508) 473-5662
840 Worcester Road	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 Road	North Dartmouth	MA	02747	Duddy Corporation	Paul F Duddy Jr, Donna M Duddy	(508) 996-3161
220 Main St	North Reading	MA	01864	KentCo South Inc	Kent S. Smith	(978) 664-4437
144 Cranberry Hwy	Orleans	MA	02653	Wolverine Motor Works I, Inc	Daniel S LaCouture , Lawrence M Mahan	(508) 255-0112

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Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Massachusetts (cont'd)						
100 Mayor McGrath Hwy	Quincy	MA	02169	KentCo South Inc	Kent S. Smith	(617) 471-1240
25 New State Hwy	Raynham	MA	02767	KentCo South Inc	Kent S. Smith	(508) 823-6166
1202 Broadway	Saugus	MA	01906	KentCo South Inc	Kent S. Smith	(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 Road	Springfield	MA	01119	KPG Mass Inc	Kenton H Childs , Paulina Anderson , George Panayides	(413) 783-2326
151 Main St	Stoneham	MA	02180	KentCo South Inc	Kent S. Smith	(781) 438-9160
76 Arsenal St	Watertown	MA	02472	Oldford Enterprises, Inc.	Christopher Oldford , Stephen Oldford	(617) 926-1250
91 Turnpike Road	Westborough	MA	01581	Shivick Management LLC	Thomas F Shivick Jr	(508) 898-0099
302 East Main St	Westfield	MA	01085	Leeds West Massachusetts, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin Lefkowitz , JGL Legacy Trust	(413) 568-8621
1 Depot St	Wrentham	MA	02093	Arthur J. Robison, Sole Proprietor	Arthur J. Robison	(508) 384-3700
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.	Christopher Mohns	(410) 266-5868
6555 Baltimore National Pike	Baltimore	MD	21228	Maryland Car Care, Inc.	Estate of Douglas B. Tennant	(410) 744-7822
7206 Eastern Ave	Baltimore	MD	21224	J.M.S., Inc.	Christopher Mohns	(410) 285-1500
2617 Reistertown Road	Baltimore	MD	21217	Bahk Corp. #2	Steve Bahk	(410) 523-9200
1772 East Joppa Road	Baltimore	MD	21234	Maryland Car Care, Inc.	Estate of Douglas B. Tennant	(410) 668-9014
3010 West Patapsco Ave	Baltimore	MD	21230	Maryland Car Care, Inc.	Estate of Douglas B. Tennant	(410) 525-1602
4725 Cheltenham Dr	Bethesda	MD	20814	Bethesda Car Care, Inc.	Stephen Hackett	(301) 913-0228
8407 Central Ave	Capitol Heights	MD	20743	Murclin, Inc.	LeeAnn Grimm , Tony Grimm	(301) 336-4747
8001 Malcolm Road	Clinton	MD	20735	Murclin, Inc.	LeeAnn Grimm , Tony Grimm	(301) 856-3000
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

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Maryland (cont'd)						
9438 Baltimore National Pike	Ellicott City	MD	21042	Maryland Car Care, Inc.	Estate of Douglas B. Tennant	(410) 461-8500
5717 Silver Hill Road	Forestville	MD	20747	Forestville Auto Repair	Nicholas White	(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
204 North Frederick Ave	Gaithersburg	MD	20877	Russ Rotruck, Sole Proprietor	Russ Rotruck	(301) 948-0804
19550 B Frederick Road	Germantown	MD	20876	Russ Rotruck, Sole Proprietor	Russ Rotruck	(301) 353-1200
1390 Dual Hwy	Hagerstown	MD	21740	Hagerstown Mufflers, Inc.	The Estate of June L. Sipocz	(301) 791-4900
324-330 Washington Blvd	Laurel	MD	20707	JPS Auto Services, Inc.	Jerrold M. Sipocz	(301) 498-2400
21544 Great Mills Road	Lexington Park	MD	20653	AOK Automotive LLC	Alexander O Kram , Paul O Kram	(301) 862-9501
9710 Reistertown Road	Owings Mills	MD	21117	GIO, Inc.	Daniel Bahk , Steve Bahk	(410) 356-0650
65 Heritage Blvd	Prince Frederick	MD	20678	M.C.M, L.L.C.	Matthew L. Blazeovich , Mark Blazeovich , Chris Blazeovich	(410) 535-3600
1460 Rockville Pike	Rockville	MD	20852	Russ Rotruck, Sole Proprietor	Russ Rotruck	(301) 762-7090
8528 Piney Branch Road	Silver Spring	MD	20901	Poulah Investors LLC	L Djampa , C Djeutcha , A Kadjemse , A Pougoum , M Tegantchouang	(301) 589-4116
7047 Allentown Road	Temple Hills	MD	20748	Murclin, Inc.	LeeAnn Grimm , Tony Grimm	(301) 449-3320
12055 Vivian Adams Dr	Waldorf	MD	20601	Waldorf Mufflers, Inc.	Matthew L. Blazeovich , Mark Blazeovich , Chris Blazeovich	(301) 932-9366
97 South Cranberry Rd	Westminster	MD	21157	Maryland Car Care, Inc.	Estate of Douglas B. Tennant	(410) 876-3366
11340 Amherst Ave	Wheaton	MD	20902	Wheaton Muffler, Inc.	Jerrold M. Sipocz	(301) 933-1200
Maine						
1011 Union St	Bangor	ME	04401	Keith's Auto Repair, Inc.	Keith Woodard	(207) 947-6792
Route 3 (Bar Harbor Rd)	Ellsworth	ME	04605	KAR II	Keith Woodard	(207) 667-3261
155 College Ave	Waterville	ME	04901	Keith's Auto Repair, Inc.	Keith Woodard	(207) 873-2715
95 Larrabee Road	Westbrook	ME	04092	Gessner Enterprises Inc.	Casey L. Mogren , Mark R. Mogren	(207) 854-1222

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Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
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
2395 Jackson	Ann Arbor	MI	48103	L. Glenn McIntyre, Sole Proprietor	Rusty McIntyre	(734) 665-7495
3170 Washtenaw Ave	Ann Arbor	MI	48104	Glen Mac, Inc.	Rusty McIntyre	(734) 971-4520
308 North Euclid	Bay City	MI	48706	Randy Geneseo, Sole Proprietor	Randy Geneseo	(989) 686-6181
2054 M Number 139	Benton Harbor	MI	49022	Leeds West Michigan, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(269) 927-2491
220 South Mitchell	Cadillac	MI	49601	Peterson Services, Inc.	Donald M. Peterson	(231) 775-8771
41580 Ford Road	Canton	MI	48187	Acorn Auto Specialists, Inc.	Gerald A. Fillmore	(734) 981-1090
28300 23 Mile Road	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
1424 North Lincoln Rd	Escanaba	MI	49829	CBL Enterprises, Inc.	Thomas L Auston	(906) 789-9100
2717 Center Ave	Essexville	MI	48732	Cron Ventures, Inc.	James Cron	(989) 892-6558
G3211 Miller Road	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
2360 Alpine Ave NW	Grand Rapids	MI	49544	Dan Sprich, Inc.	Robert A. Sprich	(616) 363-7705
2710 28th St, Southeast	Grand Rapids	MI	49512	Phoenix Auto Speicalists, Inc.	Gerald A. Fillmore	(616) 957-0030
3424 Plainfield NE	Grand Rapids	MI	49525	Phoenix Auto Specialists, Inc.	Gerald A. Fillmore	(616) 363-9055
1503 Clinton Road	Jackson	MI	49202	Phoenix Auto Specialists, Inc.	Gerald A. Fillmore	(517) 784-7197
6009 Gull Road	Kalamazoo	MI	49004	Phoenix Auto Specialists, Inc.	Gerald A. Fillmore	(269) 343-2596
591 South Lapeer Road	Lake Orion	MI	48362	Acorn Auto Service, Inc.	Gerald A. Fillmore	(248) 693-1488
3800 South 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

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Michigan (cont'd)						
30481 Plymouth Road	Livonia	MI	48150	LL Max, LLC.	Leon Feinstein	(734) 261-9150
19708 Middlebelt Road	Livonia	MI	48152	Mego, Inc.	Frank L. Grisa , Rosina V. Grisa Trust , Mark E Grisa Residuary Trust	(248) 477-0556
5797 West US 10	Ludington	MI	49431	Ave Tire & Service, Inc.	John M. Gillies	(231) 845-0392
385 W. 12 Mile Road	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 Road	Midland	MI	48640	Cron Ventures Midland, Inc	James Cron	(989) 631-0310
531 South Telegraph Rd	Monroe	MI	48161	111 Telegraph Road Auto Center, LTD.	Randolph S. Katz	(734) 241-7680
1303 East Pickard St	Mt. Pleasant	MI	48858	C & H Frakes Inc.	Charles H. Frakes Jr., Heidi L Frakes	(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	Leeds West Michigan, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(269) 684-3740
43421 W 12 Mile Road	Novi	MI	48377	Acorn Auto Service, Inc.	Gerald A. Fillmore	(248) 348-3140
2227 West Grand River	Okemos	MI	48864	806 Okemos Auto Center LTD	Randolph S. Katz	(517) 349-1210
705 West Ann Arbor Road	Plymouth	MI	48170	Mego, Inc.	Frank L. Grisa , Rosina V. Grisa Trust , Mark E Grisa Residuary Trust	(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	Rita Pro, LLC	Sandra D McKee , Robert J McKee	(586) 779-6333
32700 Woodward Ave	Royal Oak	MI	48073	LTC Automotive, Inc.	Michael P. Cleary	(248) 549-0411
8170 Gratiot Road	Saginaw	MI	48609	Hickey Automotive Sales and Services, Inc.	Michael F. Hickey	(989) 781-2007
50021 Van Dyke Road	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 Road	Southfield	MI	48075	Sigma Auto Service, Inc.	Suresh K. Nanda	(248) 559-0929
13252 Eureka Road	Southgate	MI	48195	Bosman Automotive, Inc	Jeffrey A. Bosman	(734) 285-9600

EXHIBIT A-1: MIDAS FRANCHISEES
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Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Michigan (cont'd)						
29611 Harper Ave	St. Clair Shores	MI	48082	Nesda Corporation	Michael L. Gnesda	(586) 775-1830
1500 West Maple	Troy	MI	48084	LTC Automotive, Inc.	Michael P. Cleary	(248) 643-0203
2995 East Big Beaver Road	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	OM Guri Ashish Auto Inc	Yogesh M Patel , Bhavesh M Patel	(734) 729-4430
404 East Michigan	Ypsilanti	MI	48198	Terr-Rus-Kel, Inc.	Rusty McIntyre	(734) 484-1472
Minnesota						
15455 South Cedar Ave	Apple Valley	MN	55124	Stranik, Inc.	Jean E Stranik , Joseph L. Stranik , Mark R. Stranik , Richard J. Stranik	(952) 431-5454
9211 Lyndale Ave South	Bloomington	MN	55420	Moran Inc.	Michael Moran	(952) 884-4781
8100 Brooklyn Blvd	Brooklyn Park	MN	55445	Erin, Inc.	Peter R. Houser	(763) 493-2212
14053 Grand Ave	Burnsville	MN	55337	Stranik, Inc.	Jean E Stranik , Joseph L. Stranik , Mark R. Stranik , Richard J. Stranik	(952) 435-6030
4415 Central Ave Northeast	Columbia Heights	MN	55421	Stranik, Inc.	Jean E Stranik , Joseph L. Stranik , Mark R. Stranik , Richard J. Stranik	(763) 788-9459
3550 Northdale Blvd	Coon Rapids	MN	55448	Stranik, Inc	Jean E Stranik , Joseph L. Stranik , Mark R. Stranik , Richard J. Stranik	(763) 421-9633
8647 South Eastpoint Douglas	Cottage Grove	MN	55016	Erin, Inc.	Peter R. Houser	(651) 458-9938
19340 Hwy 7	Deephaven	MN	55331	Hendrickson Enterprises, Inc.	Stephen S. Hendrickson	(952) 470-0459
8260 Flying Cloud Dr	Eden Prairie	MN	55343	Hendrickson Enterprises, Inc.	Stephen S. Hendrickson	(952) 944-8450
19244 Freeport Ave	Elk River	MN	55330	Jimichaeleen Mufflers, Inc.	James I. Taylor	(763) 441-5050
8094 University Ave	Fridley	MN	55432	LESAM Auto, Inc.	Lynn V Levercom , James L Wodziak	(763) 780-8244
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 Dr	Maple Grove	MN	55369	Jimichaeleen Mufflers, Inc.	James I. Taylor	(763) 420-9282
1945 E County Rd D	Maplewood	MN	55109	Erin, Inc.	Peter R. Houser	(651) 777-3750

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Minnesota (cont'd)						
601 East Lake St	Minneapolis	MN	55407	Stranik, Inc.	Jean E Stranik , Joseph L. Stranik , Mark R. Stranik , Richard J. Stranik	(612) 827-4628
5445 Lyndale Ave South	Minneapolis	MN	55419	Erin, Inc.	Peter R. Houser	(612) 827-4604
12812 Wayzata Blvd	Minnetonka	MN	55305	Hendrickson Enterprises, Inc.	Stephen S. Hendrickson	(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	KE Wix LLC	Keith Wix , Amy Wix	(507) 282-4414
2168 Snelling Ave North	Roseville	MN	55113	Stranik, Inc.	Jean E Stranik , Joseph L. Stranik , Mark R. Stranik , Richard J. 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 , Richard J. Stranik	(952) 920-4920
520 University Ave	St. Paul	MN	55103	Stranik, Inc.	Jean E Stranik , Joseph L. Stranik , Mark R. Stranik , Richard J. Stranik	(651) 222-6835
1697 West 7th St	St. Paul	MN	55116	Stranik, Inc.	Jean E Stranik , Joseph L. Stranik , Mark R. Stranik , Richard J. Stranik	(651) 699-0220
1415 White Bear Ave	St. Paul	MN	55106	Erin, Inc.	Peter R. Houser	(651) 774-0338
1450 South Robert St	West St. Paul	MN	55118	Erin, Inc.	Peter R. Houser	(651) 457-4381
721 West Litchfield Ave	Willmar	MN	56201	Central Lakes Cooperative	Central Lakes Cooperative	(320) 235-3700
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 , John Engelmeyer , Roger Boyles	(573) 443-0493

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Missouri (cont'd)						
1117 Gravois Road	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
6003 North Antioch Rd	Gladstone	MO	64119	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(816) 454-5757
7790 North Lindbergh	Hazelwood	MO	63042	Clif Wilkerson, Inc.	Clifton W Wilkerson Jr, Craig G Wilkerson	(314) 838-7272
3101 South Noland Rd	Independence	MO	64055	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(816) 836-1677
7648 Troost	Kansas City	MO	64131	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(816) 363-1433
921 NE Rice Road	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
1818 East St. Louis St	Springfield	MO	65802	Alkar, Inc.	Alvin E. Kohler Family Trust , Jean F. Kohler Revocable Trust , Karl A. Kohler	(417) 862-0538
1237 East Battlefield	Springfield	MO	65804	Alkar, Inc.	Alvin E. Kohler Family Trust , Jean F. Kohler Revocable Trust , Karl A. Kohler	(417) 883-7340
3636 Lemay Ferry Road	St. Louis	MO	63125	Mac Associates, Inc.	Kenton H Childs , Paulina Anderson , George Panayides	(314) 894-2727
9200 Manchester Road	St. Louis	MO	63144	Clif Wilkerson, Inc.	Clifton W Wilkerson Jr, Craig G Wilkerson	(314) 962-3386
3538 S. KingsHwy	St. Louis	MO	63139	Clif Wilkerson, Inc.	Clifton W Wilkerson Jr, Craig G Wilkerson	(314) 752-0710
720 South 4th St	St. Louis	MO	63102	Lanton Automotive, L.L.C.	Lance Krug , Tonya Krug	(314) 241-0510
336 Mid Rivers Mall Dr	St. Peters	MO	63376	Clif Wilkerson, Inc.	Clifton W Wilkerson Jr, Craig G Wilkerson	(636) 279-1300
10542 Watson Road	Sunset Hills (FKA St. Louis)	MO	63127	McMahan Automotive Center L.L.C.	Rhonda McMahan , Darren McMahan	(314) 821-1168
2 Jiffy St	Wentzville	MO	63385	Clif Wilkerson Inc	Clifton W Wilkerson Jr, Craig G Wilkerson	(636) 332-3940

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EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Mississippi						
1865 Pass Road	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 , Sylvia Garletts	(662) 332-4171
503 Broadway Dr	Hattiesburg	MS	39401	House of Lloyds, Inc.	Douglas W. Perroncel	(601) 582-3013
2880 Hwy 80 East	Pearl	MS	39208	Metro Undercar Service, Inc.	Clark Garletts , Frank A. Garletts , Frank T. Garletts , Sylvia Garletts	(601) 939-3500
827 Ridgewood Road Extension	Ridgeland	MS	39157	Metro Undercar Service, Inc.	Clark Garletts , Frank A. Garletts , Frank T. Garletts , Sylvia Garletts	(601) 957-9896
3936 North Gloster	Tupelo	MS	38804	Tupelo Auto Worx, LLC	Louis Anthony Silvestri, III	(662) 842-2226
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
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
North Carolina						
2137 Hendersonville Rd	Arden	NC	28704	RC Automotive LLC	Eric M Rosenthal , Robert D Cooper	(828) 654-9636
162 Tunnel Road	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 Sutariya	(919) 493-5441
3720 High Point Road	Greensboro	NC	27407	Carolina Creepers, Inc.	Jeff Hinshaw	(336) 294-1306
3519 South Memorial Dr	Greenville	NC	27834	Guirguis Corp	Daniel M Guirguis	(252) 756-9374
9209 East Independence Blvd	Matthews	NC	28105	P. C. Khosla, Inc.	Chanchal Khosla , Parbodh Khosla , Vikus Khosla	(704) 841-0770
9960 Pineville/ Mathews Road	Pineville	NC	28134	P. C. Khosla, Inc.	Chanchal Khosla , Parbodh Khosla , Vikus Khosla	(704) 889-1400

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Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
North Carolina						
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 Dr	Wilmington	NC	28405	A.D. Enterprises of Wilmington, LLC	Loid Atkinson	(910) 762-7721
4207 Oleander Dr	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 Parkway	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
Nebraska						
1403 Ft. Crook Road	Bellevue	NE	68005	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(402) 733-5188
7030 "O" St	Lincoln	NE	68510	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(402) 483-2282
9009 West Center Road	Omaha	NE	68124	West Center Auto Repair, Inc.	Brad Bachmann , Kirk Bachmann	(402) 397-9070
7051 Military Road	Omaha	NE	68104	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(402) 571-4750
13906 "R" Plaza	Omaha	NE	68137	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(402) 895-2670
7557 Dodge St	Omaha	NE	68114	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(402) 393-2207
New Hampshire						
79 Fort Eddy Road	Concord	NH	03301	Kentco North Inc.	Kent S. Smith	(603) 228-1331
68 Key Road	Keene	NH	03431	Pack 2000 Inc.	Kenton H Childs , Paulina Anderson	(603) 357-2300
22 Auto Center Road	Manchester	NH	03103	Kentco North Inc.	Kent S. Smith	(603) 624-4200
116 Daniel Webster Hwy, South	Nashua	NH	03060	Kentco North Inc.	Kent S. Smith	(603) 888-4545
518 Amherst St	Nashua	NH	03063	Kentco North Inc.	Kent S. Smith	(603) 880-1411
2234 White Mountain Hwy	North Conway	NH	03860	H & R Auto Service LLC	Rita Stoessel , Haig Zeytoonian	(603) 356-9404
27 Lafayette Road	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

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
New Hampshire (cont'd)						
8 Milton Road	Rochester	NH	03868	SEACOAST EXHAUST AND BRAKE, LLC	Bruce E. Hodsdon	(603) 335-2110
331 S. Broadway & Route 28	Salem	NH	03079	S.T.A.D.S.	David DiGiovanni	(603) 893-8693
497B High St	Somersworth	NH	03878	VRV TALL Automotive Inc	Rhoda Forsythe , Thomas W Sommer	(603) 743-5888
5 Airport Road	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 Rt 22, Somerville	Bridgewater Township	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 Road	Cherry Hill	NJ	08002	SAMM Enterprises, Inc.	Mark C. Stackhouse	(856) 486-7222
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 Arora	(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	Auto Experts, LLC	Sam Ayoubi	(732) 542-0660
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
1820 N. Olden Ave	Ewing FKA Trenton	NJ	08638	DERCO LLC	Joseph Derkits	(609) 882-6577
221 Route 202-Rte 31	Flemington	NJ	08822	Leeds West New Jersey, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua u Weinreich 2012 Trust , Benjamir M Lefkowitz , JGL Legacy Trust	(908) 782-9322
3575 Route 9 North	Freehold	NJ	07728	Auto Experts USA LLC	Sam Ayoubi	(732) 780-0950
910 Hwy 33	Hamilton Square	NJ	08690	A &E Auto Management LLC	Peter J. CoFrancisco	(609) 890-1844
3149 South Broad St	Hamilton Township	NJ	08610	Auto Experts USA LLC	Sam Ayoubi	(609) 888-4700

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Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
New Jersey (cont'd)						
1093 Goffle Road	Hawthorne	NJ	07506	Auto World Experts LLC	Hilda Zaidan	(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
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
160 N. Black Horse Pike	Mt. Ephraim	NJ	08059	Titan Auto Care LLC	Joseph Piroso	(856) 931-3995
55 Hampton House Road	Newton	NJ	07860	Leeds West New Jersey, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(973) 579-1030
1965 US Hwy 1	North Brunswick	NJ	08902	Arora Enterprises, Inc.	Bikram Arora	(732) 821-7100
697 Route 22 West	North Plainfield	NJ	07060	IGM Auto LLC	James M Coppola	(908) 757-7575
150 Bergen Mall	Paramus	NJ	07652	Leeds West New Jersey, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(201) 845-4200
500 State Hwy 17	Paramus	NJ	07652	Leeds West New Jersey, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(201) 265-0200
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 S	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
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
2403 Hwy 35	Wall Township AKA Manasquan	NJ	08736	A & E Automotive	Peter J. CoFrancisco	(732) 528-5155

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
New Jersey (cont'd)						
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						
7000 Menaul Blvd, Northeast	Albuquerque	NM	87110	Hinnen Corporation	James Craig Hinnen , James E. Hinnen , Shirley A. Hinnen	(505) 883-6822
3711 Hwy 528, Northwest	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, Northwest	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
211 North Solano	Las Cruces	NM	88001	Joe Anaya, Sole Proprietor	Joe Anaya	(575) 523-7569
Nevada						
2041 West Sunset	Henderson	NV	89014	ZFR Inc	Jessica Cherniack	(702) 433-6334
2620 Windmill Parkway	Henderson	NV	89074	Phoenix Holdings of Nevada, Inc.	Paul J. Beehler	(702) 361-0363
2980 Saint Rose Parkway	Henderson	NV	89052	Irish Rose LLC	PJB Nevada Trust , Dragonfly Irrevocable Trust , Maverick Living Trust	(702) 570-6200
3400 North Rancho Dr	Las Vegas	NV	89130	Phoenix Holdings of Nevada, Inc.	Paul J. Beehler	(702) 645-8100
10177 West Charleston Blvd	Las Vegas	NV	89135	Hessling Investments LLC	Michael Hessling	(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	Mojave Capital LLC	Stephen Woolstenhulme	(702) 438-0075
2797 East Tropicana	Las Vegas	NV	89121	Mojave Capital LLC	Stephen Woolstenhulme	(702) 458-4191
1850 South Rainbow	Las Vegas	NV	89146	Hessling Investments, LLC	Michael Hessling	(702) 368-0550

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
New York						
1722 Central Ave	Albany	NY	12205	Montcalm Point Associates, Inc	Kent S. Smith	(518) 869-9521
967 Central Ave	Albany	NY	12205	724 Central Ave Auto Center, LTD.	Randolph S. Katz	(518) 482-7191
236 Grant Ave	Auburn	NY	13021	743 Auburn Auto Center, Ltd.	Randolph S. Katz	(315) 253-9916
1743 Sunrise Hwy	Bayshore	NY	11706	Americar Service Centers II, Inc.	Ijaz Bokhari	(631) 968-8644
489 Court St	Binghamton	NY	13904	734 Court St City Auto Center, LTD.	Randolph S. Katz	(607) 724-6060
589-91 East Fordham Road	Bronx	NY	10458	J.D.M. Auto Service, Inc.	Scott R Frankland	(718) 933-1300
779 Hoosick Road	Brunswick	NY	12180	726 Hooksick Auto Center, Ltd.	Randolph S. Katz	(518) 279-0807
315 Niagara St	Buffalo	NY	14201	MAPS Automotive LLC	Patrick J Reardon	(716) 852-1121
1835 Middle Country Road	Centereach	NY	11720	T. Miller, Inc.	Thomas R. Miller	(631) 585-5800
7992 Brewerton Road	Cicero	NY	13039	741 Brewerton Auto Center Ltd.	Randolph S. Katz	(315) 288-1888
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
3240 Erie Blvd East	Dewitt	NY	13214	705 Dewitt Auto Center, LTD.	Randolph S. Katz	(315) 446-5451
4007 Vineyard Dr	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
816 Route 5 & 20	Geneva	NY	14456	Father and Son Automotive Inc	Brian DeLucia	(315) 789-0156
140 Route 17 M	Harriman	NY	10926	BRG Automotive Enterprises, LLC	Maurice V. Geissler	(845) 782-4445
248 Route 9-W	Haverstraw	NY	10927	BRG Automotive Enterprises, LLC	Maurice V. Geissler	(845) 429-2677
56 Healy Blvd	Hudson	NY	12534	Tria Management Corp.	Gabriel Karathomas	(518) 822-0644
347 Elmira Road	Ithaca	NY	14850	735 Ithaca Auto Center, Ltd.	Randolph S. Katz	(607) 272-6312
1008 Troy Schenectady Road	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	(631) 888-5107
7382 Oswego Road	Liverpool	NY	13090	706 Liverpool Auto Center, Ltd.	Randolph S. Katz	(315) 457-7906

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address New York (cont'd)	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
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 Road	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
5453 South Bay Road	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
486 Route 3	Plattsburgh	NY	12901	Laidman Automotive, Inc.	Stuart Laidman	(518) 563-8282
333 Quaker Road	Queensbury	NY	12804	Montcalm Point Associates, Inc.	Kent S. Smith	(518) 792-5803
888 Old Country Road	Riverhead	NY	11901	Miller Brothers Auto Repair LLC	Thomas R. Miller	(631) 369-2313
1800 Black River Blvd	Rome	NY	13440	712 Rome Auto Center, LTD.	Randolph S. Katz	(315) 337-9455
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 Road	Scotia	NY	12302	722 Glenville Auto Center, LTD.	Randolph S. Katz	(518) 399-2194
3906 Sunrise Hwy	Seaford	NY	11783	Venator Seaford, Inc.	Hunter Johnson	(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 III, Inc.	Ijaz Bokhari , Syed Muntiqah 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	RCP Auto Inc	Richard Ilievski	(585) 671-1211
328 Hempstead Tpke	West Hempstead	NY	11552	DHIRS INC.	Rajiv Dhir	(516) 538-0600
319 Oriskany Blvd	Yorkville	NY	13495	713 Oriskany Auto Center, LTD.	Randolph S. Katz	(315) 736-5254

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Ohio						
75 Ghent Road	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 Road	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 Road	Brook Park	OH	44142	323 Brook Park Auto Center, Ltd.	Randolph S. Katz	(216) 267-0837
785 North Bridge St	Chillicothe	OH	45601	223 Chillicothe Auto Center, LTD.	Randolph S. Katz	(740) 775-2626
9010 Colerain Ave	Cincinnati	OH	45251	Groesbeck Muffler, Inc.	David Swillinger , Steven L. Wolfson	(513) 385-7810
2612 Reading Road	Cincinnati	OH	45206	522 Reading Road Auto Center, LTD.	Randolph S. Katz	(513) 751-2739
6705 Montgomery Road	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
616 Rust Ln	Cincinnati	OH	45244	513 Rust Ln 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 Road	Cincinnati	OH	45209	511 Smith Road Auto Center, LTD.	Randolph S. Katz	(513) 631-5855
1950 East Galbraith Road	Cincinnati	OH	45215	521 Galbraith Road Auto Center, LTD.	Randolph S. Katz	(513) 821-5661
8502 Beechmont Ave	Cincinnati	OH	45255	516 Beechmont Auto Center, LTD,	Randolph S. Katz	(513) 474-4700
4808 Memphis Ave	Cleveland	OH	44144	Joseph Enterprises, Inc.	The Estate of Joseph Hudec , Rita Hudec	(216) 398-7990
3263 West Broad	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

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Ohio (cont'd)						
2087 Riverside Dr	Columbus	OH	43221	202 Riverside Auto Center, LTD.	Randolph S. Katz	(614) 486-2408
4320 Karl Road	Columbus	OH	43224	216 Karl Road Auto Center, LTD.	Randolph S. Katz	(614) 267-6981
4505 Refugee Road	Columbus	OH	43232	206 Refugee Auto Center, LTD.	Randolph S. Katz	(614) 864-8989
2218 West Henderson Road	Columbus	OH	43220	221 Henderson Auto Supply, Ltd.	Randolph S. Katz	(614) 451-4133
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.	Randolph S. Katz	(937) 294-2661
4498 Salem Ave	Dayton	OH	45416	612 Salem Ave Auto Center, LTD.	Randolph S. Katz	(937) 276-5935
4876 Airway Road	Dayton	OH	45431	603 Airway Auto Center, LTD.	Randolph S. Katz	(937) 258-2138
5518 North Dixie Dr	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
2390 East Dorothy Ln	Dayton	OH	45420	605 Dorothy Ln 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 Road	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 Road	Garfield Hts	OH	44125	Hudec Enterprises, Inc.	The Estate of 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

EXHIBIT A-1: MIDAS FRANCHISEES
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EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Ohio (cont'd)						
1450 W. 117th St	Lakewood	OH	44107	324 Lakewood Auto Center, Ltd.	Randolph S. Katz	(216) 228-4000
216 Hornbeam Ln	Lewis Center	OH	43035	224 Powell Auto Center LTD.	Randolph S. Katz	(740) 657-8988
84 Grandin Road	Maineville	OH	45039	517 Grandin Auto Center LTD	Randolph S. Katz	(513) 583-5797
1139 Park Ave West	Mansfield	OH	44906	LaGrange Inc	Daniel Scott Childers , David Scott Childers , Randy Lynn Orsborn	(419) 529-4825
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 Road	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) 942-4600
4451 Roosevelt Blvd	Middletown	OH	45044	614 Middletown Auto Center, LTD.	Randolph S. Katz	(513) 424-5615
6710 Cincinnati-Dayton Road	Middletown	OH	45044	616 LIBERTY TWP AUTO CENTER LTD	Randolph S. Katz	(513) 755-6206
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 Road	Newark	OH	43056	214 Newark Auto Center, LTD.	Randolph S. Katz	(740) 522-8161
5999 Youngstown Warren Road	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 Road	Northfield	OH	44067	301 Northfield Auto Center, LTD.	Randolph S. Katz	(330) 467-0562
3011 Woodville Road	Northwood	OH	43619	103 Woodville Auto Center, LTD.	Randolph S. Katz	(419) 693-6595
90 South Main St	Oberlin	OH	44074	K-Kon Inc	Keith A Konnerth	(440) 774-5566
921 Hill Road North	Pickerington	OH	43147	218 Pickerington Auto Center LTD.	Randolph S. Katz	
11710 Lebanon Road	Sharonville	OH	45241	512 Sharonville Auto Center, Ltd.	Randolph S. Katz	(513) 563-0851
33655 Station St	Solon	OH	44139	327 Station St 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 Road	Stow	OH	44224	314 Stow Kent Auto Center, LTD.	Randolph S. Katz	(330) 688-1910

EXHIBIT A-1: MIDAS FRANCHISEES
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EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Ohio (cont'd)						
9100 State Route 14	Streetsboro	OH	44241	315 Streetsboro Auto Center, LTD.	Randolph S. Katz	(330) 626-5005
16910 Royalton Road	Strongsville	OH	44136	Express Auto Repair, Inc.	Boris Gecovich	(440) 846-1118
1111 Alexis Road	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 Road	University Heights	OH	44118	East Express Auto Repair, Inc.	Boris Gecovich	(216) 371-3738
5891 Westerville Road	Westerville	OH	43081	215 Westerville Auto Center, LTD.	Randolph S. Katz	(614) 890-0736
4540 Mahoning Ave	Youngstown	OH	44515	333 Mahoning Auto Center, Ltd.	Randolph S. Katz	(330) 793-9033
5938 Market St	Youngstown	OH	44512	331 Market St Auto Center, LTD.	Randolph S. Katz	(330) 758-2377
Oklahoma						
11123 South Memorial	Bixby	OK	74008	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(918) 369-2444
2901 S. Broadway	Edmond	OK	73013	Pearcy Enterprises Inc	Robert Lynn Percy , Jenny Lynn Percy	(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 , Dyanna Vafaei	(405) 360-3001
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
4546 South Peoria	Tulsa	OK	74105	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(918) 743-1331
3715 E. 11th St	Tulsa	OK	74112	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(918) 834-3335
4602 South Memorial Dr	Tulsa	OK	74145	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(918) 622-6022
Oregon						
4325 SW Cedar Hills Blvd.	Beaverton	OR	97005	Lomin, Inc.	Joan E. Schrader , William J. Schrader	(503) 643-5561
3575 Hwy 97 North	Bend	OR	97701	Wuzznex, LLC	Raul M. Fraga , Allen D. Morton	(541) 389-2638

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Oregon (cont'd)						
680 West 7th Ave	Eugene	OR	97402	Express Auto Care, LLC	Steven Nohrenberg , Christopher Nohrenberg , Debby Nohrenberg	(541) 342-8146
135 NW Burnside Dr	Gresham	OR	97030	Lomin, Inc.	Joan E. Schrader , William 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	FastLn Enterprises, Inc.	Eleanor Beets , Steven W. Beets	(541) 884-9706
935 North Central	Medford	OR	97501	Medford Auto Service Experts, LLC	Thomas Smith	(541) 772-3015
11520 SE 82nd Ave #E	Portland	OR	97086	Lomin, Inc.	Joan E. Schrader , William J. Schrader	(503) 659-9950
11750 NE Halsey St	Portland	OR	97220	Lomin Incorporated	Joan E. Schrader , William J. Schrader	(503) 252-7277
1685 Lancaster Dr NE	Salem	OR	97301	Express Auto 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	David M. Schweizerhof , Joanmarie 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 Road	Bensalem	PA	19020	Auto Experts USA LLC	Sam Ayoubi	(215) 244-1112
3003 Washington Pike	Bridgeville	PA	15017	425 Bridgeville Auto Center, LTD.	Randolph S. Katz	(412) 221-3023
733 Haverford Road	Bryn Mawr	PA	19010	Prenlyn Enterprises Inc	Linda Beers , Tracy R. Beers , Herbert F. Hollinger , Judith Hollinger , Brian Beers	(610) 527-3811
101 Evans City Road	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
1776 Easton Road	Doylestown	PA	18901	Raczak Enterprises, Inc	Stephen P Raczak , Ursula H Raczak	(215) 348-2217
64 West Germantown Pike	East Norriton	PA	19401	RVP85, LLC	Rohan Patel , Larry Schneider	(610) 272-2626
2914 William Penn Hwy	Easton	PA	18042	M.I.N. Corporation	David M. Schweizerhof , Joanmarie Schweizerhof	(610) 253-9070

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Pennsylvania (cont'd)						
295 East St Road	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 , Cheryle C Humphries	(717) 632-7594
2471 Paxton St	Harrisburg	PA	17111	N & N Holdings, Inc	Nicholas A Newman , Nathan A Newman	(717) 236-7779
172 Dekalb Pike	King Of Prussia	PA	19406	Leeds West Pennsylvania, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(610) 337-7441
1810 Columbia Ave	Lancaster	PA	17603	Safeway Brake Shops of Harrisburg, Inc.	Jennifer H. Frailey	(717) 397-8204
2070 Lincoln Hwy East	Lancaster	PA	17602	Safeway Brake Shops of Harrisburg, Inc.	Jennifer H. 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	LGC Enterprises, LLC	Michael S. Cottingham	(717) 763-0270
1200 Route 940	Mt. Pocono	PA	18344	Leeds West Pennsylvania, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(570) 839-2344
13050 Frankstown Rd	Penn Hills	PA	15235	405 Penn Hills Auto Center, LTD.	Randolph S. Katz	(412) 795-7200
2300 East Castor Ave	Philadelphia	PA	19134	Quality Undercar, Inc.	Jason Jefremow	(215) 533-7660
4316 North Broad St	Philadelphia	PA	19140	GPT Performance, Inc.	George Johnston , Patricia Johnston	(215) 457-3440
147 West Chelten Ave	Philadelphia	PA	19144	Prenlyn Enterprises, Inc.	Linda Beers , Tracy R. Beers , Herbert F. Hollinger , Judith Hollinger , Brian Beers	(215) 849-1300
4138-52 Market St	Philadelphia	PA	19104	Kassarac, Inc.	Richard S. Kassoway	(215) 382-3298
9417 Bustleton Ave	Philadelphia	PA	19115	Auto Experts USA LLC	Sam Ayoubi	(215) 671-1410
6750 Ridge Ave	Philadelphia	PA	19128	Prenlyn Enterprises, Inc.	Linda Beers , Tracy R. Beers , Herbert F. Hollinger , Judith Hollinger , Brian Beers	(215) 482-9333

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Pennsylvania (cont'd)						
854-60 Cottman Ave	Philadelphia	PA	19111	Auto Experts USA LLC	Sam Ayoubi	(215) 342-0211
5914 Station St	Pittsburgh	PA	15206	429 Penn Circle Auto Center, Ltd.	Randolph S. Katz	(412) 441-5883
7575 Mcknight Road	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
3390 William Penn Hwy	Pittsburgh	PA	15235	401 Monroeville Auto Center, LTD.	Randolph S. Katz	(412) 823-2424
549 Chester Pike	Prospect Park	PA	19076	Prenlyn Enterprises, Inc.	Linda Beers , Tracy R. Beers , Herbert F. Hollinger , Judith Hollinger , Brian Beers	(610) 461-8222
335 SW Blvd	Quakertown	PA	18951	M.I.N. Corporation	David M. Schweizerhof , Joanmarie Schweizerhof	(215) 538-1095
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 , Brian Beers	(610) 544-7272
2298 North Atherton St	State College	PA	16803	Jalenda Co. Inc.	James E. Rubin , Matthew D. Miller	(814) 237-8200
1016 North 9th St	Stroudsburg	PA	18360	MIN Corporation	David M. Schweizerhof , Joanmarie Schweizerhof	(570) 424-5116
3952 West Lincoln Hwy	Thorndale	PA	19335	Leeds West Pennsylvania, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(610) 269-1100
7501 Westchester Pike	Upper Darby	PA	19082	Prenlyn Enterprises, Inc.	Linda Beers , Tracy R. Beers , Herbert F. Hollinger , Judith Hollinger , Brian Beers	(610) 449-9100
420 West St Road	Warminster	PA	18974	Leeds West Pennsylvania LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(215) 674-9976
33 Murtland Ave	Washington	PA	15301	426 Washington Auto Center, LTD.	Randolph S. Katz	(724) 222-9080

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Pennsylvania (cont'd)						
1415 West Chester Pike	West Chester	PA	19382	Leeds West Pennsylvania, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(610) 692-7787
11350 Perry Hwy	Wexford	PA	15090	412 Wexford Auto Center, LTD.	Randolph S. Katz	(724) 935-5931
1820 Macarthur Road	Whitehall	PA	18052	M.I.N. Corporation	David M. Schweizerhof , Joanmarie Schweizerhof	(610) 437-5091
933 South Broadway	Wind Gap	PA	18091	MIN Corporation	David M. Schweizerhof , Joanmarie Schweizerhof	(610) 863-7777
Rhode Island						
525 Reservoir Ave	Cranston	RI	2910	Royal Repairs, Inc.	Donald F. Roy , Kyle D Roy	(401) 941-0227
158 E. Main Road	Middletown	RI	2842	KentCo South Inc	Kent S. Smith	(401) 849-7744
1640 Mineral Springs Ave	North Providence	RI	2904	Mineral Spring Automotive Inc	Joseph M Cunha	(401) 353-7121
721 Kingstown Road	Wakefield	RI	2879	Undercar South, LLC	Timothy F. Stearns , Jeffrey Stearns	(401) 788-9300
999 Bald Hill Road	Warwick	RI	2886	UnderCar Management, LLC	Timothy F. Stearns , Jeffrey Stearns	(401) 320-1150
80 Franklin St	Westerly	RI	2891	MACT, Inc	Kenton H Childs , Paulina Anderson , Mark A Robbins	(401) 596-8745
1645 Diamond Hill Road	Woonsocket	RI	2895	Diamond Hill Auto LLC	Ellen Frank , Jeffrey Frank , David M Frank	(401) 766-7100
South Carolina						
880 E. Pine Log Road	Aiken	SC	29803	Finely Tuned Automotive LLC	Ronald S Jensen , Jennifer L Jensen	(803) 648-5452
992 Knox Abbott	Cayce	SC	29033	Palmetto Garage Works, LLC	James Herlong	(803) 796-5794
1875 Sam Rittenberg	Charleston	SC	29407	Palmetto Garage Works, LLC	James Herlong	(843) 556-1523
700 Bush River Road	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
2701 Millwood Ave	Columbia	SC	29205	Palmetto Garage Works, LLC	James Herlong	(803) 254-5068
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	Finely Tuned Automotive LLC	Ronald S Jensen , Jennifer L Jensen	(864) 227-9881

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
South Carolina (cont'd)						
95 Mathews Dr	Hilton Head Island	SC	29926	Auto Experts IV, LLC	Dexter Elliott	(843) 681-2332
1621 Hwy 17 By-Pass	Mt. Pleasant	SC	29464	Palmetto Garage Works, LLC	James Herlong	(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	Palmetto Garage Works, LLC	James Herlong	(843) 572-1340
531 South Blackstock Road	Spartanburg	SC	29301	Rikard Auto Enterprises, LLC	Charles David Rikard	(864) 595-0750
1674 Trolley Road	Summerville	SC	29485	Palmetto Garage Works, LLC	James Herlong	(843) 821-0226
South Dakota						
1701 West Main St	Rapid City	SD	57702	Diver Down, Inc.	Frank L. Bowers	(605) 348-7723
1901 S Minnesota Ave	Sioux Falls	SD	57105	S.J. Inc	John Kolb , Byron Whaler	(605) 339-9410
Tennessee						
5951 Brainerd Road	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 Dr	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 Road	Hermitage	TN	37076	Kar Plus, Inc.	Ronald Atkisson , Karen Atkisson	(615) 391-4396
5231 Hwy 153	Hixson	TN	37343	MSR Enterprises, Inc - "Debtor in Possession"	Mark S Rice	(423) 870-2291
1064 East Stone Dr	Kingsport	TN	37660	KDS Enterprises, Inc.	Douglas L. Standifer , Kenneth M. Standifer	(423) 246-4001
10025 Kingston Pike	Knoxville	TN	37922	CCG Auto LLC	Carlos De Almeida	(865) 691-5005
115 Montgomery Ln	Maryville	TN	37803	Jess-Rae Inc.	Bruce A. Wachter , Cathy S. Wachter	(865) 681-6619
798 Brookhaven Circle	Memphis	TN	38117	BNC Enterprises Inc.	William Brickhill , Catherine Brickhill	(901) 682-6622

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Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Tennessee						
1728 NW Broad 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 Road	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 Road	Nashville	TN	37205	Kar Plus, Inc.	Ronald Atkisson , Karen Atkisson	(615) 385-9565
Texas						
2700 North 1st St	Abilene	TX	79603	KLJL, Inc.	Kennon Law Jr., Janet Law	(325) 677-2606
3120 West Pioneer Pkwy	Arlington	TX	76013	Winters Automotive Corp	Brian Winters	(817) 274-3393
5861 South Cooper St	Arlington	TX	76017	R-Kar One, Inc.	Robert M. Koenigseder	(817) 468-1661
4001 Guadalupe St	Austin	TX	78751	Pace IV LLC	Michael Pace	(512) 454-0388
2415 West Ben White Blvd	Austin	TX	78704	Pace IV LLC	Michael Pace	(512) 444-2616
7829 Burnet Road	Austin	TX	78757	Pace IV L.L.C.	Michael Pace	(512) 454-5879
11928 Research Blvd	Austin	TX	78759	Pace IV L.L.C.	Michael Pace	(512) 331-5522
2506 Belt Line Road	Carrollton	TX	75006	Grace and Mercy Auto Services Inc	Reji Mathew , Anne Mathew	(972) 416-1760
2621 Midway Road	Carrollton	TX	75006	Pace IV L.L.C.	Michael Pace	(972) 250-0585
622 West Henderson	Cleburne	TX	76033	Cleburne Safety Service, Inc.	Michael Conover	(817) 558-1227
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
13645 Montfort Dr	Dallas	TX	75240	Pace IV LLC	Michael Pace	(972) 789-0101
6629 E Northwest Hwy	Dallas	TX	75214	Pace IV L.L.C.	Michael Pace	(214) 750-4900
5715 West Lovers Ln	Dallas	TX	75209	Ryan P. Townsley - Sole Proprietor	Ryan P Townsley	(214) 357-9234
504 South Industrial Blvd	Euless	TX	76040	R-Kar One, Inc.	Robert M. Koenigseder	(817) 571-3188

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Texas (cont'd)						
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
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	BG Automotive Industries Inc	Brian A Goad , Virginia K Young	(972) 262-2442
1281 Williams D. Tate	Grapevine	TX	76051	R-Kar One, Inc.	Robert M. Koenigseder	(817) 421-8816
1150 S Commerce St	Harlingen	TX	78550	Stutz, Inc.	Jon Kerry Stutz , Kevin R. Stutz	(956) 425-7313
10555 S Post Oak Road	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 W Holcombe Blvd	Houston	TX	77030	HM Holcombe, Inc	Walter P. McCarver , Ronald Hartman	(713) 666-4267
3607 Westheimer Road	Houston	TX	77027	HM Westheimer, Inc.	Walter P. McCarver , Ronald Hartman	(713) 965-9280
2500 S Dairy Ashford	Houston	TX	77077	RMDA Ventures LLC	Raymond Marchand	(281) 497-8913
2509 Farm Rd 1960 E	Houston	TX	77073	Mufflers-USA, Inc.	Thomas S. Poole	(281) 443-8047
15410 N Kuykendahl	Houston	TX	77090	Marchand Ventures LLC	Raymond Marchand	(281) 537-5317
258 W Airport Freeway	Irving	TX	75062	ATS International LLC	Binoy Sebastian , Aleyamma Binoy	(972) 579-1810
989 S. Mason Road	Katy	TX	77450	Pneuma International Traders LLC	Marcelino Santos	(281) 829-5050
149 Hwy 332 West	Lake Jackson	TX	77566	R & L Interests, LTD.	Walter P. McCarver	(979) 297-0353
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 , Randall Bosworth Family Trust , Boscor Inc , Linda Lou Bosworth	(806) 794-6667
3548 Gus Thomasson	Mesquite	TX	75150	Guessford Group Incorporated	Paul Guessford	(972) 270-6772
3301 West Wall St	Midland	TX	79701	The Bosworth Company, LTD.	Keldon Bosworth , Randall Bosworth Family Trust , Boscor Inc , Linda Lou Bosworth	(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 , Randall Bosworth Family Trust , Boscor Inc , Linda Lou Bosworth	(432) 498-6363
4401 Broadway	Pearland	TX	77581	Ronnie L Powell - Sole Proprietor	Estate of Ronnie L Powell	(281) 485-1770

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Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Texas (cont'd)						
620 West Parker Road	Plano	TX	75075	Pace IV Enterprises	Michael Pace	(972) 424-3541
2919 West Loop 306	San Angelo	TX	76904	The Bosworth Company, LTD	Keldon Bosworth , Randall Bosworth Family Trust , Boscor Inc , Linda Lou Bosworth	(325) 944-4524
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 Dr	San Antonio	TX	78221	Hagen Enterprises, Inc	Johnny Hagen	(210) 923-4546
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	OOSIK, Inc	Johnny Hagen	(210) 675-5005
2424 Broadway	San Antonio	TX	78215	Duke Automotive, Inc	Johnny Hagen	(210) 226-3161
3503 N State Line Ave	Texarkana	TX	75503	Ty Harris Enterprises, LLC	Ty Harris	(903) 794-0400
713 Sawdust Court	The Woodlands	TX	77380	Mufflers-USA, Inc.	Thomas S. Poole	(281) 367-8162
6407 N. Navarro	Victoria	TX	77904	Hartcarve Investments, Inc.	Walter P. McCarver , Ronald Hartman	(361) 573-0727
4428 West Waco Dr	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 South State St	Murray	UT	84107	Powerhouse Auto 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
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 & Leonard Hall , Duane Tweedie	(801) 225-3314
5349 S & 1900 West	Roy	UT	84067	D.J.R., Inc.	Danny J. Rogers	(801) 773-6400
902 South Main St	Salt Lake City	UT	84101	R & R Joint Ventures, Inc	Jay D Russell	(801) 328-0258
875 East 2100 South	Salt Lake City	UT	84106	Powerhouse Automotive and Tire Inc	Paul D Day	(801) 487-0825

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Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Virginia						
450 South Pickett St	Alexandria	VA	22304	Trump, Inc.	T. Kevin Trump	(703) 370-8833
3100 Duke St	Alexandria	VA	22314	Trump, Inc.	T. Kevin Trump	(703) 751-2121
6730 Lee Hwy	Arlington	VA	22205	Quality Auto Service and Repair Manufacturer, Inc.	Yong Kim , Heysun Kong	(703) 536-6401
1001 South Glebe Road	Arlington	VA	22204	MASS Corp	Mirwais Niaz	(703) 920-2220
13979 Metrotech Dr	Chantilly	VA	20151	BHS Enterprises, Inc.	Brian H Shumate	(703) 263-2067
1400 Blvd	Colonial Heights	VA	23834	Mark A. 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 Road	Falls Church	VA	22042	SP Auto Services, Inc.	Sunny Park	(703) 698-7215
4806-B Jefferson Davis Hwy	Fredericksburg	VA	22408	CTMID, Inc.	Craig D. Trump	(540) 898-6707
2801 Mercury Blvd West	Hampton	VA	23666	Tidewater Express Inc	Michael L Pelfrey	(757) 826-0222
282 University Blvd	Harrisonburg	VA	22801	Bauserman Investments, LLC.	Gary Bauserman	(540) 432-6623
10 Catoctin Circle NE	Leesburg	VA	20176	Blue Ridge Car Care, Inc.	James C. Marsh III	(703) 779-2090
7892 Sudley Road	Manassas	VA	20109	Trump Inc	T. Kevin Trump	(703) 368-1175
10160 Hull St Road	Midlothian	VA	23112	TMT, L.L.C.	Mark A. Smith	(804) 276-9600
14798 Warwick Blvd	Newport News	VA	23608	Tidewater Express Inc	Michael L Pelfrey	(757) 874-8133
11463 West Broad St	Richmond	VA	23233	TMT, L.L.C.	Mark A. Smith	(804) 360-2211
5301 West Broad St	Richmond	VA	23230	TMT, L.L.C.	Mark A. Smith	(804) 288-4055
6410 Backlick Road	Springfield	VA	22150	CTMID Inc.	Craig D. Trump	(703) 451-6230
23765 Pebble Run Place	Sterling(AKA Dulles)	VA	20166	Ashburn Auto Inc.	Shir Niaz	(703) 661-5106
2597 Virginia Beach Blvd	Virginia Beach	VA	23452	Hyatt Automotive Services, LLC	Glenn W Hyatt	(757) 340-0366
3696 Holland Road	Virginia Beach	VA	23452	M & P Enterprise LLC	Michael LoCash	(757) 498-9898
241 Broadview 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

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Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Vermont						
139-41 Northside Dr	Bennington	VT	5201	Bennington Concordat, L.L.C.	Vern McGuire	(802) 442-8131
207 US Rte 4 East	Rutland	VT	5701	TM Services, Inc.	Joseph Merone , Francis J. Trombetta	(802) 775-2948
60 Midas Dr	South Burlington	VT	5403	Auto Resource Center, Inc.	Peter Ferdinand , The Estate of Fred LaBlanc	(802) 864-4543
191 Lake St	St. Albans	VT	5478	Christopher R. Wood, Sole Proprietor	Christopher R. Wood	(802) 524-5481
Washington						
4000 Factoria Blvd, Southeast	Bellevue	WA	98006	J & A Automotive, L.L.C.	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 & A Automotive, L.L.C.	Timothy Moore , S Trust Amelia J Gundogdu , S Trust - Jessica A Johnston , Vicki Moore	(253) 826-4327
17410 NE Bothell Way, Northeast	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
716 Southeast Everett Mall Way, Suite A	Everett	WA	98208	Gold Link, Inc.	Timothy Grout , Jennifer Grout	(425) 355-1027
32530 Pacific Hwy, South	Federal Way	WA	98002	J & A Automotive, L.L.C.	Timothy Moore , S Trust Amelia J Gundogdu , S Trust - Jessica A Johnston , Vicki Moore	(253) 838-2622
1655 Northwest Mall St	Issaquah	WA	98027	Silence, Inc.	Charles D. Harlowe	(425) 391-9157
24242 104th Ave, Southeast	Kent	WA	98031	Mercer Automotive Group LLC - Debt in Possession Acct	Luis Jimenez	(253) 850-3575
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	Estate of Thadius Roberts	(360) 577-8174
19625 Alderwood Mall Parkway	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

EXHIBIT A-1: MIDAS FRANCHISEES
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EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Washington (cont'd)						
118 West Valley Road	Moses Lake	WA	98837	Joe Nelson Enterprises LLC	James Joseph Nelson	(509) 764-0708
1212 Riverside Dr	Mt. Vernon	WA	98273	Birnbaum Automotive, LLC	Patrick C. Birnbaum , La Vaughn Chaffee Birnbaum	(360) 428-5007
108 NW 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 - Debt in Possesion Acct	Luis Jimenez	(425) 255-1221
7055 15th Ave, NW	Seattle	WA	98117	Silence, Inc.	Charles D. Harlowe	(206) 784-7220
4457 Fauntleroy Way, Southwest	Seattle	WA	98126	Mercer Automotive Group LLC - Debt in Possesion Acct	Luis Jimenez	(206) 937-1950
13201 Aurora Ave, N	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
10726 Silverdale Way	Silverdale	WA	98383	Angelina Enterprises LLC	Rajinder Bharti	(360) 698-2217
9140 Gravelly Lake Dr. SW	Tacoma	WA	98499	J & A Automotive, L.L.C.	Timothy Moore , S Trust Amelia J Gundogdu , S Trust - Jessica A Johnston , Vicki Moore	(253) 584-6161
14714 Pacific Ave South	Tacoma	WA	98444	SAI LLC	Shahid Iqbal , Ameritpal Kahlon	(253) 302-5720
5707 Northeast Gher Road	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
Wisconsin						
1050 Mutual Way	Appleton	WI	54913	Fox Valley Auto Service LLC	Robert Dziubinski	(920) 731-6448
12530 West Capital Dr	Brookfield	WI	53005	CEMA Corp.	Kenton H Childs , Paulina Anderson	(262) 781-0138
5550 S Packard Ave	Cudahy	WI	53110	ABRAR Autos	Shahzad I Ghaffar	(414) 847-4700
6044 N Pt Washington	Glendale	WI	53217	CEMA Corp.	Kenton H Childs , Paulina Anderson	(414) 963-0858
2055 Wisconsin Ave	Grafton	WI	53024	Grafton MLV Corporation	Michael L. Vichich	(262) 377-8229
1320 South 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	(414) 282-5030
4654 S. 76th St	Greenfield	WI	53220	CEMA Corp.	Kenton H Childs , Paulina Anderson	(414) 282-5520

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Wisconsin (cont'd)						
5381 South 108th St	Hales Corners	WI	53130	R. W. Corporation	Raymond F. Strehlow	(414) 425-4120
4500 52nd St	Kenosha	WI	53144	KNA Enterprises, Inc.	Mary Beth Bulgarelli , Michael J. Bulgarelli	(262) 658-3536
3757 East 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
N96-W 18375 Hwy Q	Menomonee Falls	WI	53052	Leeds West Wisconsin, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(262) 253-6799
4225 W Good Hope Rd	Milwaukee	WI	53209	M L V Corporation	Michael L. Vichich	(414) 352-8390
5811 West Capitol Dr	Milwaukee	WI	53216	Leeds West Wisconsin, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(414) 445-5225
6050 North 91st St	Milwaukee	WI	53225	Leeds West Wisconsin, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(414) 353-9460
3706 West Wisconsin Ave	Milwaukee	WI	53208	Leeds West Wisconsin, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(414) 344-4464
350 South Koeller	Oshkosh	WI	54902	DD Colls, LLC	David Collier , Debra Collier	(920) 426-0616
1230 South Green Bay Road	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 E Moreland Blvd	Waukesha	WI	53186	CEMA Corp.	Kenton H Childs , Paulina Anderson	(262) 544-5201
2202 Grand Ave	Wausau	WI	54403	Malone Enterprises Inc	Charles M Malone , Annette R Malone	(715) 842-0985
1456 South 108th St	West Allis	WI	53214	CEMA Corp.	Kenton H Childs , Paulina Anderson	(414) 257-1590
2334 W 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

EXHIBIT A-1 MIDAS FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Wyoming						
3130 Cy Ave	Casper	WY	82604	J&L Management, Limited Liability Company	Joe J. Dykhuizen , LouAnn Dykhuizen	(307) 237-0854
2423 East Lincolnway	Cheyenne	WY	82001	Wyobrit, Inc.	Brook A. Dodgson , Nicholas A. Dodgson	(307) 638-8928
2307 South Douglas Hwy	Gillette	WY	82718	Seshco, Inc.	Heather Sessions , Steven S. Sessions	(307) 682-6800
1080 East Brundage Ln	Sheridan	WY	82801	JM Lube Companies Inc	Joseph Matthew Lube	(307) 672-6800

EXHIBIT A-2: FORMER MIDAS FRANCHISEES

FRANCHISEES WHO HAVE LEFT THE MIDAS SYSTEM BETWEEN APRIL 1, 2013 AND MARCH 31, 2014 (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>	
Karl Kohler, Jean Kohler, Estate of Alvin Kohler	Little Rock	AR	(501) 223-3309	
Michael Horlacher	Peoria	AZ	(623) 376-0188	*
Cindy Robbins	Phoenix	AZ	(480) 598-0111	*
Cheralee Robbins (3 Shops)	Scottsdale	AZ	(480) 994-0302	
Dennis Robbins	Scottsdale	AZ	(480) 994-0302	
Harvey Nevins	Tucson	AZ	(520) 955-0920	
Paul G. O'Brien	Yuma	AZ	(928) 782-5166	*
Bayani Natividad	Antioch	CA	(925) 778-3400	*
Sardon Jonoubei	Auburn	CA	(530) 885-2055	*
Leo Charles Brown	Glendora	CA	(626) 963-1416	*
Tim Washburn	Granite Bay	CA	(916) 595-4904	
Kernneth Gini	Lodi	CA	(209) 369-5851	*
Thomas Kopp (2 Shops)	Redlands	CA	(909) 798-4655	*
John Caskey	Sacramento	CA	(916) 927-2293	*
Michael Greco (10 Shops)	San Mateo	CA	(650) 574-2304	
Alan Marchick, Judith Marchick	Stockton	CA	(209) 951-5685	*
Kevin Stromsborg	Van Nuys	CA	(818) 908-5388	
Ron Genuario, Pamela Genuario (10 Shops)	Colorado Springs	CO	(719) 593-1277	
Richard Neeley	Parker	CO	(303) 840-1747	*
Lupo Mancini	Middlebury	CT	(860) 417-2385	
Kenneth Freschi, Peter Webster	Wallingford	CT	(203) 265-0953	*
James Pretty	Ft Myers	FL	(239) 592-0070	*
Pietro Virgona (2 Shops)	West Palm Beach	FL	(561) 687-2000	*
George Contarsy, Ralph Koransky	Longwood	FL	(407) 298-8187	*
Pat Walton, ESOP (2 Shops)	Davenport	IA	(563) 386-0664	
Anthony Baffo, Carla Baffo	Frankfort	IL	(815) 937-5812	*
Mo Guiragossian	Lisle	IL	(630) 963-9577	*
Jatinder Rajput, Chanda Rajput	Lombard	IL	(630) 627-6710	
Pat Gorrepati	Naperville	IL	(630) 718-0575	
Jerry Paris	Rockford	IL	(815) 654-1445	
James Carollo	Wheeling	IL	(847) 459-3000	
Joseph Horvath	Goshen	IN	(574) 532-7191	
Philip Whitney	Bowling Green	KY	(270) 842-6561	*
Ryan Dodge (2 Shops)	Auburn	MA	(508) 832-5774	
Joseph E. Townshend	East Longmeadow	MA	(413) 525-1723	*
Daniel Good	Fairhaven	MA	(508) 992-4034	*
Richard Valarioti	Southborough	MA	(774) 279-5550	

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EXHIBIT A-2

LIST OF FORMER MIDAS FRANCHISEES

Name	City	State	Phone	
Stephen Hoffman (4 Shops)	Baltimore	MD	(410) 296-7166	*
Aret & Arut Koseian	Derwood	MD	(301) 975-9848	*
John M. Sipocz Sr	Gambrills	MD	(410) 721-5302	*
Estate of June Sipocz	Laurel	MD	(301) 498-2400	*
L Djampa , C Djeutcha , A Kadjemse , A Kanga , A Kenjouo , A Kom , S Kuate , J J Lontchi , M Mba , A Pougoum , Jean-Claude Tehatchouang , R Tehougoue , B Tehouke , C Chienku , C Tehatchoua , M Tegantchouang (2 Shops)	Silver Spring	MD	(301) 890-0831	*
Jagdeep Singh	Holland	MI	(616) 392-7070	*
Gerald A. Fillmore	Lake Orion	MI	(248) 693-7979	
Jeffrey Carless	St. Claire	MI	(586) 779-6333	*
Arthur Lewis, William Lamberg, John Lamber	St. Louis	MO	(314) 603-8845	
Dennis Endee, Lesley Endee (2 Shops)	Manteo	NC	(252) 475-9815	
Henry Kuria	Nashua	NH	(603) 474-5253	*
Michael Buschhoff, Patricia Buschhoff	Egg Harbor Twshp	NJ	(609) 384-4717	
Terrence Flaherty	Mt Emhram	NJ	(856) 931-5822	*
George Stork, Richard Frame	Wall Township	NJ	(732) 528-5155	*
Allan James, Frederick Palmerton	West Caldwell	NJ	(973) 228-4304	*
Faith Dalton, Sonjia Ginther, Shelly Guerrero	Farmington	NM	(505) 327-5373	*
Paul Beehler (5 Shops)	Las Vegas	NV	(702) 458-4544	
Rajiv Dhir	Floral Park	NY	(718) 343-3506	*
Kris Koerner	Seaford	NY	(516) 781-1900	*
Randolph Katz	Toldeo	OH	(419) 243-7679	
Estate of Scott and Henry Frailey (2 Shops)	Lancaster	PA	(717) 397-8204	*
Joseph Marcin	Mechanicsburg	PA	(717) 239-2567	
James P. Renaldi (2 Shops)	Stroudsburg	PA	(610) 248-3365	
Ian Campbell, Linda Campbell	Johnston	RI	(401) 521-0760	*
Ellen and Jeffrey Frank	Providence	RI	(401) 272-0300	*
John Hooker (3 Shops)	Charleston	SC	(609) 575-5979	
Mark Rice (2 Shops)	Hixson	TN	(423) 870-2994	
Curtis Passmore	Memphis	TN	(901) 682-6622	*
Ronald Atkisson, Karen Atkisson	Nashville	TN	(615) 255-3685	
Joe Anaya	El Paso	TX	(915) 592-5904	*
Grant Nicholson, Shirley Nicholson	Houston	TX	(280) 497-8913	*
Reji Mathew	Irving	TX	(972) 579-1810	*
Anthony Martin, Margaret Martin	Lewisville	TX	(972) 221-8111	*
Jimmy Hardin	Longview	TX	(903) 759-0880	
Melvin Powell, Gerald Girard	San Antonio	TX	(210) 675-5005	*
Stephen Sweazey	Fredericksburg	VA	(540) 898-6707	*
Charles D. Harlowe	Woodinville	WA	(425) 424-0726	
Frank Grisa Trust, Rosa Grisa Trust, Estate of Michael Surprenant	Cudahy	WI	(414) 847-4700	*

* Denotes that the Shop phone number is the last known contact information for this franchisee.

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EXHIBIT A-2

LIST OF FORMER MIDAS FRANCHISEES

EXHIBIT A-3 CO-BRANDING FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
California						
7377 Brentwood Blvd	Brentwood	CA	94513	J & M Krebs Enterprises Inc	Juan A Krebs , Madelynn M Krebs	(925) 516-0623
363 BRdway	Chula Vista	CA	91910	West Coast Petroleum Services LLC	Khaled Hammad , Christian Hammad , Baker Alloush	(619) 427-2727
2000 F St	Davis	CA	95616	Wanderstadt Inc	Teresa Wanderstadt	(530) 753-1633
6955 Village Pkwy	Dublin	CA	94568	ASR Ventures, LLC	Abdul Popal	(925) 829-8801
8573 Elk Grove Blvd	Elk Grove	CA	95624	Elk Grove Automotive Inc	Juan Duenas	(916) 686-1616
3741 Washington Blvd	Fremont	CA	94538	Just In Time Auto Repair Corp	Richard A Garcia	(510) 659-0111
4045 Thornton Ave	Fremont	CA	94536	Israr Rafai - Sole Proprietor	Israr Refai	(510) 796-4111
1078 La Playa Dr	Hayward	CA	94545	Jai Ganesh Auto, Inc	Vibha B Panchal	(510) 783-0434
1699 Airline Highway	Hollister	CA	95023	NJST Enterprises, Inc	Nader Javid	(831) 638-9999
12470 Jackson Gate Rd	Jackson	CA	95642	T&L Automotive Enterprises, L.L.C.	Troy Maxey	(209) 223-1455
7207 University Ave	La Mesa	CA	91942	SKRM Inc	Kimberly Ann Torres , Richard Avila Torres , Marta Jean Torres , Arthur Scott Torres	(619) 466-1156
1797 Soscol Ave	Napa	CA	94559	Curtis Correll & Cathie Everard, Sole Proprietors	Curtis Correll , Cathie S Everard	(707) 257-0925
3510 Mission Ave	Oceanside	CA	92058	West Coast Petroleum Services, LLC	Khaled Hammad , Christian Hammad , Baker Alloush	(760) 757-5004
12672 Poway Rd	Poway	CA	92064	Victor Bagdasar - Sole Proprietor	Victor Bagdasar	(858) 486-7558
9077 Foothills Blvd	Roseville	CA	95747	Matt Allen - Sole Proprieter	Matt Allen	(916) 797-9434
2260 Arden Way	Sacramento	CA	95825	AMSL, LLC	Matt Allen	(916) 927-2293
1805 Garnet	San Diego	CA	92109	MTech Zeeko, LLC	Michael Kadri , Ghada Kadri	(858) 274-2930
10445 Friars Rd	San Diego	CA	92120	Logan Quatro Inc	Thomas Edwin Logan , Jennifer Michele Logan	(619) 285-1101

EXHIBIT A-3 CO-BRANDING FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
California (cont'd)						
3855 Convoy St	San Diego	CA	92111	Victor Bagdasar - Sole Proprietor	Victor Bagdasar	(858) 565-0853
5880 Miramar Rd	San Diego	CA	92121	West Coast Petroleum Services, LLC	Khaled Hammad , Christian Hammad , Baker Alloush	(858) 452-5840
3846 Camino del Rio	San Diego	CA	92110	West Coast Petroleum Services, LLC	Khaled Hammad , Christian Hammad , Baker Alloush	(619) 296-2166
5564 Monterey Rd	San Jose	CA	95138	S&P Auto Inc	Pravin J Patel , Sharad M Ramani	(408) 224-5500
4224 Monterey Hwy	San Jose	CA	95111	Khan Brothers Inc	Sher Khan , Fayaz Asghar	(408) 281-1558
1825 E Capitol Epwy	San Jose	CA	95121	ASGHAR BROTHERS, INC.	Sher Khan , Fayaz Asghar	(408) 531-0701
13745 East 14th St	San Leandro	CA	94578	GEMP USA Inc	Paul Gamble	(510) 351-0622
1675 Tuolumne St	Vallejo	CA	94590	KEG Enterprises Inc	Kenneth E Giusti	(707) 642-9242
1150 S Santa Fe St	Vista	CA	92084	West Coast Petroleum Services, LLC	Khaled Hammad , Christian Hammad , Baker Alloush	(760) 940-8800
2710 North Main St	Walnut Creek	CA	94597	Carlos DiMarco, Sole Proprietor	Carlos DiMarco	(925) 935-9180
1496 Freedom Blvd	Watsonville	CA	95076	Berg-Weiss Enterprises, Inc	Robert Weissberg	(831) 722-9950
215 North Azusa Ave	West Covina	CA	91791	Stonestream, Inc.	Kevin Stromsborg	(626) 966-3642
216 West Main St	Woodland	CA	95695	SA&K Inc	Saheed Khan , Ainul Khan	(530) 662-5605
Colorado						
16768 East Smoky Hill Rd	Centennial	CO	80015	Leeds West, Inc.	Judd Kyle Shader	(303) 690-6855
4466 & 4480 South Bdwy	Englewood	CO	80113	Automotive Preventive Maintenance, LLC	Nicholas Fennell	(303) 781-4466
375 Lindbergh Dr	Gypsum	CO	81637	The Integra Group LLC, as Sole Owner of Intergra Repair LLC	Jay Taylor , Glenn M Heelan , Michael V Barry	(970) 328-7711
Florida						
6712 Manatee Ave W	Bradenton	FL	34209	Maximus Automotive Inc	Gary Vosselmann	(941) 794-9080
1415 Cortez Rd West	Bradenton	FL	34207	Maximus Automotive Inc	Gary Vosselmann	(941) 756-8421

EXHIBIT A-3 CO-BRANDING FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Florida (cont'd)						
7316 US 98 North	Lakeland	FL	33810	Akin Motorsports LLC	George Lapcik	(863) 859-4433
2390 Northwest 107th Ave	Miami	FL	33172	Alson Of Florida , Inc.	Herbert Sonnenklar , Norma Sonnenklar	(305) 597-5555
4565 Clark Rd	Sarasota	FL	34233	E & O Automotive LLC	Steven Feig	(941) 924-8202
315 N. Dale Mabry	Tampa	FL	33609	New Life Auto, Inc.	Marcus Cooper	(813) 872-8458
8016 W. Hillsborough	Tampa	FL	33615	Maximus Automotive Inc.	Gary Vosselmann	(813) 886-1177
5959 East Fowler Ave	Temple Terrace	FL	33617	Kar Kraft Auto Repair, LLC	Erik Todt	(813) 989-2515
1670 3rd St Southwest	Winter Haven	FL	33880	KJK Automotive Inc	Kristopher Koerner	(863) 293-3701
6534 Gall Blvd (U.S. Highway 301)	Zephyrhills	FL	33542	Kar Kraft Services LLC	Erik Todt	(813) 715-1516
Hawaii						
25 N Kamehameha Highway	Wahiawa	HI	96786	Pereira Of Hawaii, Inc.	Robert D. Pereira , The Estate of Tony Pereira	(808) 622-3991
94-709 Farrington Highway	Waipahu	HI	96797	Pereira Of Hawaii, Inc.	Robert D. Pereira , The Estate of Tony Pereira	(808) 628-6300
Iowa						
4529 Brady	Davenport	IA	52806	Auto Systems Experts, Inc.	Susan Blaser , Alan Mahrt	(563) 388-7866
Illinois						
110 West Northwest Highway	Barrington	IL	60010	Barrington Car Care Inc	Steven Garrett , Ramona Garrett	(847) 381-3377
20 South Western Ave	Carpentersville	IL	60110	J A M K, Inc.	Christopher Mirski , Jonathan Mirski	(847) 426-3330
6301 North Lincoln Ave	Chicago	IL	60659	Leeds West Illinois, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(773) 539-8454

EXHIBIT A-3 CO-BRANDING FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Illinois (cont'd)						
18070 Halsted St	Homewood	IL	60430	Leeds West Illinois, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(708) 957-9295
888 South Rand Rd	Lake Zurich	IL	60047	Leeds West Illinois, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(847) 438-1660
832 E Roosevelt Rd	Lombard	IL	60148	RAJ RAJPUT, INC.	Jatinder Rajput , Chanda Rajput	(630) 627-6710
847 East Dundee	Palatine	IL	60074	Leeds West Illinois, LLC	Judd Kyle Shader , Jeffrey R Genuario , Joshua Weinreich 2012 Trust , Benjamin M Lefkowitz , JGL Legacy Trust	(847) 359-8990
506 West Golf Rd	Schaumburg	IL	60195	Anil Plus Corporation	Anil K. Wadhwa	(847) 882-4500
Indiana						
1541 East Wabash	Frankfort	IN	46041	GIG Biz, Inc	Jason S Linback	(765) 659-4651
3650 North Lafayette	Indianapolis	IN	46222	TERP LLC	Thomas J Bailey	(317) 293-8847
6184 N Keystone Ave	Indianapolis	IN	46220	TERP LLC	Thomas J Bailey	(317) 475-9686
Louisiana						
1256 Business Highway 190	Covington	LA	70433	Tanc Motors, LLC	Burling Scelson Jr., Terry M. McIntyre	(985) 893-5540
1301 N Morrison Blvd	Hammond	LA	70401	E.J. LaBorde LLC	Jay LaBorde	(985) 542-0074
8835 Veterans Blvd	Metairie	LA	70003	T & L Alcoser LLC	Linna Alcoser , Antonio Alcoser	(504) 464-4116
Michigan						
202 Elm St	Kalkaska	MI	49646	Mase, Inc.	Randall P. Lucyk	(231) 258-2889
Mississippi						
5032 US Highway 98	Hattiesburg	MS	39402	G & M Holding Inc	Gerald Kelso	(601) 261-0077

EXHIBIT A-3 CO-BRANDING FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Nebraska						
3208 W 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
New Jersey						
508 North Delsea Dr	Glassboro	NJ	8028	Beecher Fleet Services	Kevin J Beecher	(856) 863-8802
New Mexico						
1129 Juan Tabo Blvd, Northeast	Albuquerque	NM	87112	Hinnen Corporation	James Craig Hinnen , James E. Hinnen , Shirley A. Hinnen	(505) 271-1811
New York						
6338 Thompson Rd	Syracuse	NY	13206	742 Thompson Auto Center, Ltd.	Randolph S. Katz	(315) 437-4391
Ohio						
9595 Galloway Dr	Powell	OH	43065	226 SAWMILL AUTO CENTER LTD.	Randolph S. Katz	(614) 588-0220
Pennsylvania						
8141 Ogontz Ave	Philadelphia	PA	19150	Prenlyn Enterprises, Inc.	Linda Beers , Tracy R. Beers , Herbert F. Hollinger , Judith Hollinger , Brian Beers	(215) 885-8990
South Carolina						
121 Harbison Blvd	Columbia	SC	29212	Palmetto Garage Works, LLC	James Herlong	(803) 407-1911
931 North Lake Dr	Lexington	SC	29072	Palmetto Garage Works, LLC	James Herlong	(803) 520-0134
2374 Cherry Rd	Rock Hill	SC	29732	Palmetto Garage Works	James Herlong	(803) 980-4534
Texas						
4500 South Bell	Amarillo	TX	79109	The Bosworth Company LTD	Keldon Bosworth , Randall Bosworth Family Trust , Boscor Inc , Linda Lou Bosworth	(806) 359-5411
3107 Old Denton Rd	Carrollton	TX	75007	Jayvik Auto Systems Inc	Bipin Patel	(972) 394-9586
3209 South Padre Island Dr	Corpus Christi	TX	78415	Bay View Automotive Management LTD	Jude Crane , Cheryl A. Galyan , Ralph L. Galyan , Bay View Automotive Management LLC	(361) 854-1545

EXHIBIT A-3 CO-BRANDING FRANCHISEES AS OF MARCH 31, 2014

Shop Address	City	State	Zip	Legal Entity Name	Owner Name	Shop Phone
Texas (cont'd)						
1012 West Monte Cristo Rd	Edinburg	TX	78541	Ariel Guzman, Sole Proprietor	Ariel Guzman	(956) 383-5100
19009 North Eastex	Humble	TX	77338	McCarver Enterprise, LTD	Walter P. McCarver	(281) 446-6402
6805 Bandera Rd	Leon Valley	TX	78238	Mufflers-R-Us, Ltd.	Jude Crane , Cheryl A. Galyan , Ralph L. Galyan , Mufflers-R-Us GP, LLC	(210) 681-7251
400 N Central Epwy	Richardson	TX	75080	Pace IV L.L.C.	Michael Pace	(972) 238-9619
11000 I-10	San Antonio	TX	78230	Fix Everything Automotive, LTD	Jude Crane , Cheryl A. Galyan , Ralph L. Galyan , F.E. Automotive Management	(210) 641-9773
9412 Perrin-Beitel	San Antonio	TX	78217	Texas Hill Country, L.P.	Jude Crane	(210) 656-3232
11227 Culebra Rd	San Antonio	TX	78253	Alamo Ranch Automotive LTD	Jude Crane	(210) 688-9542
4177 Main St Suite 100	The Colony	TX	75056	MCOM Enterprises, LLC	Vincent M Tracy	(214) 469-1702
2013 Pat Booker Blvd	Universal City	TX	78148	Texas Hill Country, L.P.	Jude Crane	(210) 659-1941
Virginia						
3820 Electric Rd	Roanoke	VA	24018-4511	TJH Automotive Inc	Tom J Haas	(540) 772-4850
910 Hardy Rd	Vinton	VA	24179-3641	TJH Automotive Inc	Tom J Haas	(540) 857-0002

EXHIBIT A-4: FORMER CO-BRANDED FRANCHISEES

**CO-BRANDED FRANCHISEES WHO HAVE LEFT THE SYSTEM
BETWEEN APRIL 1, 2013 AND MARCH 31, 2014**
**(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>
Wassim Tawfik	Anaheim Hills	CA	(714) 403-1785
Tony Shores, Linda Shores	Garnet	CA	(858) 274-2930 *
Mario Cunanan, Lolita Cunanan, Reggie Cunanan, Richard Cunanan	Pleasanton	CA	(925) 426-9669
Ronald Hastings	Tampa	FL	(813) 569-9919
Robney B. Accardo, Vincent J. Accardo	Covington	LA	(504) 858-8958
Keith Johnson	Slidell	LA	(601) 799-3022

* Denotes that the Shop phone number is the last known contact information for this franchisee.

EXHIBIT B: FINANCIAL STATEMENTS



TBC CORPORATION AND SUBSIDIARIES
(A Majority Owned Subsidiary of Sumitomo Corporation of America)

Consolidated Financial Statements

March 31, 2014 and 2013

(With Independent Auditors' Report Thereon)

TBC CORPORATION AND SUBSIDIARIES
(A Majority Owned Subsidiary of Sumitomo Corporation of America)

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KPMG LLP
Suite 2000
200 South Biscayne Boulevard
Miami, FL 33131

Independent Auditors' Report

The Board of Directors and Stockholders
TBC Corporation:

We have audited the accompanying consolidated financial statements of TBC Corporation and its subsidiaries (the Company), a majority owned subsidiary of Sumitomo Corporation of America, as of March 31, 2014 and 2013, which comprise the consolidated balance sheets as of March 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TBC Corporation and its subsidiaries as of March 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

June 9, 2014
Certified Public Accountants

TBC CORPORATION AND SUBSIDIARIES
(A Majority Owned Subsidiary of Sumitomo Corporation of America)

Consolidated Balance Sheets

March 31, 2014 and 2013

(In thousands, except share data)

Assets	2014	2013
Current assets:		
Cash	\$ 15,654	18,092
Accounts and notes receivable	255,325	273,121
Related-party receivables	1,193	1,205
	256,518	274,326
Less allowance for doubtful accounts	(18,697)	(13,664)
Total accounts and notes receivable, net	237,821	260,662
Inventories	616,960	666,318
Refundable federal and state income taxes	10,327	18,373
Deferred income taxes	50,924	61,441
Other current assets	28,161	25,491
Total current assets	959,847	1,050,377
Property and equipment, net:		
Land	61,789	65,806
Buildings and leasehold improvements	261,640	255,403
Furniture and equipment	448,666	393,762
	772,095	714,971
Less accumulated depreciation and amortization	(328,796)	(273,128)
Total property and equipment, net	443,299	441,843
Trademarks, net	336,159	349,702
Franchise agreements, net	67,877	73,863
Customer lists, net	62,056	68,394
Goodwill	258,055	260,425
Favorable market lease intangibles, net	3,351	5,333
Other assets	24,433	19,303
Total assets	\$ 2,155,077	2,269,240

TBC CORPORATION AND SUBSIDIARIES
(A Majority Owned Subsidiary of Sumitomo Corporation of America)

Consolidated Balance Sheets

March 31, 2014 and 2013

(In thousands, except share data)

Liabilities	2014	2013
Current liabilities:		
Book overdrafts	\$ 7,184	13,041
Accounts payable and accrued expenses	212,116	214,015
Accrued payroll and related costs	49,875	69,964
Due to affiliates	90,890	66,810
Revolving credit facility, parent	224,631	314,242
Current portion of long-term debt, parent	450,000	525,000
Current portion of other long-term debt, capital lease, and financing obligations	38,147	25,163
Deferred revenue	24,560	21,644
Warranty allowance	6,399	8,513
Worker's compensation reserve	20,866	20,305
Other current liabilities	41,062	47,561
Total current liabilities	1,165,730	1,326,258
Long-term debt, parent	325,000	250,000
Other long-term debt, capital lease, and financing obligations, less current portion	50,290	47,139
Other noncurrent liabilities	102,342	115,048
Deferred income taxes	170,849	168,953
Total liabilities	1,814,211	1,907,398
Commitments and contingencies (notes 8 and 17)		
Stockholders' equity:		
TBC Corporation's stockholders' equity:		
Common stock, \$0.01 par value. Authorized, 60,000 shares; issued and outstanding, 50,000 shares	1	1
Additional paid-in capital	421,123	421,123
Accumulated other comprehensive income (loss)	3,837	(2,071)
Accumulated deficit	(102,497)	(76,242)
Total TBC Corporation's common stockholders' equity	322,464	342,811
Noncontrolling interest	18,402	19,031
Total stockholders' equity	340,866	361,842
Total liabilities and stockholders' equity	\$ 2,155,077	2,269,240

See accompanying notes to consolidated financial statements.

TBC CORPORATION AND SUBSIDIARIES
(A Majority Owned Subsidiary of Sumitomo Corporation of America)

Consolidated Statements of Operations

Years ended March 31, 2014 and 2013

(In thousands)

	2014	2013
Net sales	\$ 3,162,288	3,214,669
Cost of sales	2,029,016	2,057,773
Gross profit	1,133,272	1,156,896
Expenses:		
Selling, administrative, and retail store expenses	1,126,913	1,117,798
Goodwill impairment	—	274,191
Total expenses	1,126,913	1,391,989
Income (loss) from operations	6,359	(235,093)
Other expense:		
Interest expense, net	(40,578)	(32,857)
Other (expense) income, net	(1,233)	3,707
Total other expense	(41,811)	(29,150)
Loss before income tax expense	(35,452)	(264,243)
Income tax benefit	(15,853)	(29,964)
Net loss	(19,599)	(234,279)
Less net income attributable to noncontrolling interest	(2,043)	(1,427)
Net loss attributable to TBC Corporation's common stockholders	\$ (21,642)	(235,706)

See accompanying notes to consolidated financial statements.

TBC CORPORATION AND SUBSIDIARIES
(A Majority Owned Subsidiary of Sumitomo Corporation of America)

Consolidated Statements of Comprehensive Income (Loss)

Years ended March 31, 2014 and 2013

(In thousands)

	2014	2013
Net loss	\$ (19,599)	(234,279)
Other comprehensive (loss) income, net of tax:		
Foreign currency translation adjustments	(3,170)	1,536
Pension and other postretirement benefit plans:		
Net actuarial gain	8,462	1,086
Prior service cost	—	(213)
Other comprehensive income, net of tax	5,292	2,409
Comprehensive loss	(14,307)	(231,870)
Less comprehensive income attributable to noncontrolling interest	(1,427)	(2,244)
Net comprehensive loss attributable to TBC Corporation	\$ (15,734)	(234,114)

See accompanying notes to consolidated financial statements.

TBC CORPORATION AND SUBSIDIARIES
(A Majority Owned Subsidiary of Sumitomo Corporation of America)

Consolidated Statements of Stockholders' Equity

Years ended March 31, 2014 and 2013

(In thousands, except share data)

	Common stock		Additional paid-in capital	Accumulated other comprehen- sive (loss) income	Retained earnings (Accumulated deficit)	Stockholders' equity, TBC Corporation	Noncontrolling interest	Total stockholders' equity
	Number of shares	Amount						
Balance, March 31, 2012	50,000	\$ 1	421,123	(3,663)	189,131	606,592	17,045	623,637
Net (loss) income	—	—	—	—	(235,706)	(235,706)	1,427	(234,279)
Other comprehensive income	—	—	—	1,592	—	1,592	817	2,409
Dividends paid	—	—	—	—	(29,667)	(29,667)	(258)	(29,925)
Balance, March 31, 2013	50,000	1	421,123	(2,071)	(76,242)	342,811	19,031	361,842
Net (loss) income	—	—	—	—	(21,642)	(21,642)	2,043	(19,599)
Other comprehensive income (loss)	—	—	—	5,908	—	5,908	(616)	5,292
Dividends paid	—	—	—	—	(4,613)	(4,613)	(2,056)	(6,669)
Balance, March 31, 2014	50,000	\$ 1	421,123	3,837	(102,497)	322,464	18,402	340,866

See accompanying notes to consolidated financial statements.

TBC CORPORATION AND SUBSIDIARIES
(A Majority Owned Subsidiary of Sumitomo Corporation of America)

Consolidated Statements of Cash Flows

Years ended March 31, 2014 and 2013

(In thousands)

	2014	2013
Cash flows from operating activities:		
Net loss	\$ (19,599)	(234,279)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	75,699	67,963
Amortization of intangible assets	27,603	27,091
Valuation of mandatorily redeemable preferred stock	(1,877)	(4,455)
Provision (recovery) for doubtful accounts and notes	3,106	180
Loss on disposal of property and equipment	6,875	479
Pension amortization	(628)	—
Bargain purchase gain on acquisition of two warehouse locations (note 4(c))	—	(351)
Deferred income taxes	5,143	(32,361)
Equity in net income from investees	(291)	(149)
Goodwill impairment	—	274,191
Changes in operating assets and liabilities, net of acquisitions:		
Accounts and notes receivable	19,895	(27,089)
Inventories	49,954	(47,007)
Other current assets	(1,847)	5,206
Other assets	(3,806)	1,086
Accounts payable, accrued expenses, and due to affiliates	22,191	(56,179)
Accrued payroll and related costs	(20,089)	24,438
Deferred revenue and warranty allowance	803	(7,495)
Federal and state income taxes refundable or payable	8,035	(9,913)
Other current liabilities	(3,820)	4,272
Noncurrent liabilities	627	(49,251)
Net cash provided by (used in) operating activities	167,974	(63,623)
Cash flows from investing activities:		
Purchases of property and equipment	(70,068)	(86,362)
Acquisition of wholesale warehouse and five retail stores (note 4)	(2,022)	—
Acquisitions of retail stores, net of cash acquired	—	(4,895)
Acquisition of Midas (note 4(a)), net of cash acquired	—	(172,265)
Proceeds from dispositions of property and equipment	4,413	4,200
Net cash used in investing activities	(67,677)	(259,322)
Cash flows from financing activities:		
(Decrease) increase in book overdrafts	(5,857)	4,672
Net borrowings under TBC de Mexico bank loans	9,449	3,711
Net (repayments) proceeds under revolving facility, parent	(89,611)	82,323
Proceeds from issuance of long-term debt, parent	—	350,000
Payment of acquired Midas debt	—	(75,397)
Payment of dividend to noncontrolling interest	(2,056)	(258)
Net payments of other long-term debt, capital lease, and financing obligations	(7,857)	(3,057)
Issuance of mandatorily redeemable preferred stock	—	27
Payment of dividend to common shareholders	(4,613)	(29,667)
Net cash (used in) provided by financing activities	(100,545)	332,354
Effect of exchange rate on cash	(2,190)	748
Net (decrease) increase in cash	(2,438)	10,157
Cash:		
Balance – beginning of year	18,092	7,935
Balance – end of year	\$ 15,654	18,092
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 45,696	36,977
Cash (received) paid for income taxes, net of payments or refunds	(31,157)	8,141

See accompanying notes to consolidated financial statements.

TBC CORPORATION AND SUBSIDIARIES
(A Majority Owned Subsidiary of Sumitomo Corporation of America)

Notes to Consolidated Financial Statements

March 31, 2014 and 2013

(1) Nature of Business and Basis of Presentation

(a) Operations

TBC Corporation and subsidiaries (TBC or the Company) is one of the United States' largest independent marketers of tires for the automotive replacement market. The Company has determined that its operating activities consist of retail, franchise, and wholesale divisions. The Company operates or acts as a franchisor of retail tire and automotive service centers throughout the United States of America, Canada, Europe, and other countries under the following trade names: Tire Kingdom, Merchant's Tire & Auto Centers, National Tire & Battery, Big O Tires (Big O), Midas, and SpeeDee. The Company operates as a wholesaler of tire and automotive parts primarily in the United States of America, Canada, and Mexico under the following trade names: TBC Brands, Carroll's Tire, and TBC de Mexico. As of March 31, 2014, the Company had a total of 2,586 retail locations consisting of 816 Company-operated and 1,770 franchised stores. As of March 31, 2013, the Company had a total of 2,660 retail locations consisting of 903 Company-operated and 1,757 franchised stores. The Company operated 95 and 90 warehouse locations, for Fiscal 2013 and Fiscal 2012, respectively.

(b) Ownership Structure

On November 17, 2005, 100% of the Company's common stock was acquired and its debt was assumed (the Acquisition) by Sumitomo Corporation of America (SCOA) together with its parent, Sumitomo Corporation, Japan (SC), for a total consideration of \$1.1 billion, including debt. SCOA elected to apply pushdown accounting with respect to its acquisition of the Company. Accordingly, its aggregate \$1.1 billion purchase price, which included costs directly related to the acquisition, was "pushed down" to the consolidated financial statements of the Company. As a result, the assets acquired and liabilities assumed as of November 17, 2005 were adjusted to their respective fair values on that date, pursuant to the purchase method of accounting for business combinations.

Effective March 31, 2009, SCOA sold 40% of its interest in the Company to Summit Global Management of America, Inc. (SGMA), which is owned 100% by SC. Additionally, SGMA owns 100% of SCOA.

SCOA is headquartered in New York City and is an integrated global trading company with diversified investments in businesses involved in manufacturing and marketing of consumer products, providing financing for customers and suppliers, coordination and operation of urban and industrial infrastructure products, providing transportation and logistics services, developing natural resources, distribution of steel and other products, and developing and managing real estate. TBC is a subsidiary within SCOA's living-related business segment. SGMA owns certain of SC's investments in the United States.

(c) Definition of Fiscal Year

As used in these consolidated financial statements and related notes to consolidated financial statements, "Fiscal 2012," "Fiscal 2013," "Fiscal 2014," "Fiscal 2015," "Fiscal 2016," "Fiscal 2017," and "Fiscal 2018" refer to the years ended or ending March 31, 2013, 2014, 2015, 2016, 2017, 2018, and 2019, respectively.

TBC CORPORATION AND SUBSIDIARIES
(A Majority Owned Subsidiary of Sumitomo Corporation of America)

Notes to Consolidated Financial Statements

March 31, 2014 and 2013

(2) Summary of Significant Accounting Policies

(a) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of TBC Corporation and its wholly and majority owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

(b) Use of Estimates

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The preparation of such consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, as well as certain consolidated financial statement disclosures. Actual results could differ from those estimates.

(c) Cash Management

The Company's cash management process generally utilizes zero balance accounts, which provide for the settlement of the related disbursement accounts on a daily basis. This process resulted in book overdrafts of approximately \$7.2 million and \$13.0 million, respectively, as of March 31, 2014 and 2013.

(d) Investments – Noncontrolling Interest and Equity, Cost Method

The Company has invested in certain tire distributors and independent tire dealers. The investments in these 50% or less-owned entities are accounted for using the cost and equity methods and are included in other assets on the accompanying consolidated balance sheets. The Company does have the ability to influence, but not control, certain of its investments. The cost of each equity investment is adjusted for the Company's share of equity in earnings or losses of the respective investment and reduced by any distributions received. The carrying value of such equity investments totaled \$3.1 million and \$2.9 million as of March 31, 2014 and 2013, respectively. For its share of earnings and losses from such equity investments, the Company recorded net gains in other income (expense), net on the accompanying consolidated statements of operations of \$0.3 million and \$0.1 million for Fiscal 2013 and 2012, respectively. As of March 31, 2014, the Company holds a controlling interest of 75.17% of its former equity method investment, TBC de Mexico, which occurred via a step acquisition in September 2010.

(e) Accounts and Notes Receivables and Allowance for Doubtful Accounts

As of March 31, 2014 and 2013, the Company's accounts and notes receivable included approximately 76% and 77% of domestic, respectively, and 24% and 23% of international, customer accounts, respectively. The Company's notes receivable balance was \$10.6 million and \$8.4 million as of March 31, 2014 and 2013, respectively. Notes receivable vary in terms and become due periodically until Fiscal 2019. The long-term portion of notes receivable is included in other assets within the accompanying consolidated balance sheets.

TBC CORPORATION AND SUBSIDIARIES
(A Majority Owned Subsidiary of Sumitomo Corporation of America)

Notes to Consolidated Financial Statements

March 31, 2014 and 2013

The Company maintains an allowance for doubtful accounts and notes for estimated losses resulting from the inability of its customers to make required payments. The allowance is based upon review of the overall condition of receivable balances, both trade accounts and notes receivable, and review of significant past-due accounts. Receivables determined to be uncollectible are charged against the established allowance. The Company evaluated its allowance for doubtful accounts as of March 31, 2014 and 2013, and determined that the amounts were adequate, based on facts and conditions known at that time and evaluation of current economic conditions domestically and internationally. If the financial condition of the Company's customers were to deteriorate in such a way as to impair their ability to make payments, additional allowances may be required.

(f) Inventories

Inventories, consisting of tires and other automotive products held for resale, are valued at the lower of cost or market, primarily under the weighted average cost method. Also, certain vendor allowances that are related to inventory purchases are considered to reduce the product cost. The Company adjusts its inventory for slow-moving and discontinued products and the nature of the Company's inventory is such that the risk of obsolescence is not significant. Any adjustments are evaluated and determined based upon current market conditions, aging of inventories, and product offering changes.

(g) Concentrations of Credit Risk

The Company performs ongoing credit evaluations of its customers, primarily wholesale and retail-franchisees, and typically requires some form of security, including collateral, guarantees, or other documentation. The Company maintains allowances for potential credit losses.

The Company maintains cash balances with financial institutions with high credit ratings. The Company has not experienced any losses with respect to bank balances in excess of government-provided insurance.

(h) Property and Equipment

Property and equipment are recorded at historical cost. Depreciation and amortization are computed using the straight-line method, over the lesser of the useful life or lease term of the asset. The useful life for buildings and leasehold improvements range from 20 to 39 years or coincide with the respective lease terms. Furniture and equipment, which include computer hardware and software, typically have useful lives of 3 to 10 years. Amounts expended for repairs and maintenance are charged to operations, and expenditures for major renewals and betterments are capitalized.

The Company applied Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 350-40, *Internal-Use Software*, to certain software development costs and capitalized approximately \$68.4 million and \$20.9 million as of March 31, 2014 and 2013, respectively, which has been placed in service and included in the accompanying consolidated balance sheets in furniture and equipment. The useful life of capitalized software varies between three and seven years. The Company capitalized certain software not yet placed in service of approximately \$4.1 million and \$41.7 million, respectively, as of March 31, 2014 and 2013, which is

TBC CORPORATION AND SUBSIDIARIES
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Notes to Consolidated Financial Statements

March 31, 2014 and 2013

included in the accompanying consolidated balance sheets in furniture and equipment; however, but is not being depreciated. The Company capitalized approximately \$2.9 million and \$1.2 million of interest related to a certain software project during Fiscal 2013 and 2012, respectively.

In Fiscal 2012, with the acquisition of Midas (note 4), the Company acquired R.O. Writer, an internally developed software for use and for resale, which has continued to be developed. This software is sold to third parties and is utilized by Midas franchisees and Midas operated stores. During Fiscal 2013 and 2012, the Company capitalized approximately \$1.5 million and \$0.5 million, respectively, in costs related to development of future versions and recorded revenue of approximately \$7.2 million and \$6.9 million, respectively, related to its sales. Depreciation related to these capitalized costs is recorded in cost of goods sold in the accompanying consolidated statements of operations.

(i) Goodwill, Trademarks, Customer Lists, Franchise Agreements, and Other Intangible Assets

Goodwill represents the excess of cost over the fair value of identifiable net assets acquired. Under FASB ASC Topic 350, *Intangibles – Goodwill and Other* (ASC 350), goodwill and other indefinite-lived intangible assets are not amortized but are tested for impairment annually or more frequently, if events or circumstances indicate that the asset might be impaired with charges being recorded only if impairment is found to exist. The Company performs its annual impairment assessment as of the second quarter of each fiscal year unless circumstances dictate more frequent assessments. If the carrying value of such assets exceeds its fair value, an impairment loss is required to be evaluated. Fair value is estimated primarily using the discounted cash flow method. When available and as appropriate, the Company uses comparative market multiples to corroborate discounted cash flow results. In applying this methodology, the Company relies on a number of factors, including actual operating results, future business plans, economic prospects, and market data. For Fiscal 2013, under its required annual impairment testing, management determined the fair value of the Company's three reporting units exceeded their respective carrying values. For the Fiscal 2012, management determined there was an impairment to its retail reporting unit after conducting step two calculations in accordance with ASC 350 (note 6).

(j) Long-Lived Assets

The Company periodically reviews the recoverability of intangible and other long-lived assets. If facts or circumstances support the possibility of impairment, the Company will prepare a projection of the undiscounted future cash flows of the specific assets and determine if the assigned value is recoverable or if an adjustment to the carrying value of the assets is necessary. The Company does not believe that there were any facts or circumstances that indicated an impairment of recorded intangible and long-lived assets as of March 31, 2014 and 2013.

(k) Facility Closure Costs

The Company regularly reviews location performance against expectations and closes locations determined not to meet established performance requirements in accordance with ASC Subtopic 420-10, *Exit or Disposal Cost Obligations*. Costs associated with location closures are recognized when the location is no longer used in an operating capacity or when a liability has been

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Notes to Consolidated Financial Statements

March 31, 2014 and 2013

incurred. Location assets are also reviewed for possible impairment, or reduction of estimated useful lives. Accruals for location closure costs are based on the future commitments, primarily operating lease obligations, adjusted for anticipated sublease and termination benefits, and are discounted, depending upon the length of obligation remaining. The accrued balance related to future commitments under operating leases for closed stores was \$6.6 million and \$2.9 million, respectively, as of March 31, 2014 and 2013.

(l) Net Sales

Net sales include revenues from sales of products and services, plus franchise and royalty fees charged to Big O, Midas, and SpeeDee franchisees, less returns, and customer rebates. Sales are either recognized at the time products are shipped, title transfers, or services are rendered. Concurrently, the costs of allowances and rebates are accrued. Monthly royalty fees are recognized when gross sales are recorded by the franchise, and royalties have been earned.

During Fiscal 2013 and 2012, Big O franchise and royalty fees typically ranged between 2% and 5% of franchisees' adjusted gross sales. Concurrently, there are franchisees still participating under a previous program, which have monthly royalty fees of 2.0% of gross sales. Initial franchise fees are deferred and recognized when all material services and/or conditions relating to the sale or transfer of the franchise have been substantially completed.

Midas royalty fees ranged between 2% and 10% of net sales. Product royalties are recognized as earned based on the volume of franchisee purchases of products from certain vendors.

The Company expenses costs related to securing initial franchise agreements and performing the required services under such agreements as incurred.

(m) Sales Taxes

The Company presents sales net of sales taxes, and value-added tax (VAT).

(n) Warranty Allowances

The Company or the vendors supplying its products provide its customers limited warranties on certain products. Warranty costs relating to merchandise sold or services provided not covered by vendors are estimated and recorded as warranty obligations at the time of sale. The Company periodically assesses the adequacy of its recorded warranty liability and adjusts the amount as necessary depending upon the program (note 9).

(o) Deferred Revenue

Certain of the Company's services (alignments, tire balancing and rotating, and road hazard) are sold through annual or multiyear contracts for a onetime upfront payment. Direct costs of these contracts are expensed as incurred. The Company recognizes revenue over the life of these contracts in proportion to the expected incremental costs, such as parts, labor, and other overhead-related expenses. Expected incremental costs are based on historical evidence gathered by the Company through annual studies. The Company had \$39.2 million and \$32.2 million of deferred revenue with

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respect to these contracts as of March 31, 2014 and 2013, respectively, which is included in deferred revenue and other noncurrent liabilities within the accompanying consolidated balance sheets.

(p) Vendor Funds

The Company receives vendor funds in its normal course of operations from volume-based rebate agreements, early payment discounts, and cash incentives to promote vendor products. The Company accounts for these vendor funds in accordance with the FASB ASC Subtopic 605-50, *Customer Payments and Incentives*, which states that cash consideration received from a vendor is presumed to be a reduction of the price of the vendor's products or services and should, therefore, be characterized as a reduction of cost of goods sold and a portion of these amounts be capitalized into ending inventory. Vendor funds are treated as a reduction of inventory costs, unless they represent a reimbursement of specific, incremental, and identifiable costs incurred by the customer to sell the vendor's product. The Company accrues for these vendor funds based upon the vendor agreements in place and the projected amount of vendor purchases. Accrued vendor funds are recorded as a reduction to inventory. During the year, the Company monitors and adjusts the amount accrued by comparing actual purchases to projected purchases. Vendor funds are earned when the Company either sells the vendor's product or completes performance of certain provisions of the vendor agreement. Earned vendor funds are recorded as a reduction in costs of sales.

(q) Self-Insured Reserves

The Company is self-insured for general and automobile liability, workers' compensation, and healthcare claims and maintains stop-loss coverage with third-party insurers to limit its total liability exposure. A reserve for liabilities associated with these losses is established for claims filed and claims incurred but not yet reported (IBNR) based upon the Company's estimate of ultimate cost, which is calculated using analyses of historical data, severity factors, and valuations provided by third-party actuaries. The Company monitors new claims and claim development as well as negative trends related to the IBNR in order to assess the adequacy of its insurance reserves. The Company also reviews its assumptions with its third-party actuaries, which occurs twice a year. While the Company does not expect the amounts ultimately paid to differ significantly from its estimates, the Company's self-insurance reserves and corresponding selling, administrative, and retail store expenses could be affected if future claim experience differs significantly from historical trends and actuarial assumptions. Due to the length of timing of claim payments for the various lines of insurance, the Company discounts certain of its liabilities.

(r) Retirement Plans' Assets and Obligations

The values of certain assets and liabilities associated with the Company's various retirement plans are determined on an actuarial basis and include estimates and assumptions such as timing of retirement, compensation, mortality, and discount rates (note 11).

(s) Operating Leases

The Company has various operating leases that contain predetermined escalations of the minimum rental payments during the term of the lease. For these leases, the Company recognizes the related rental expense on a straight-line basis over the life of the lease, beginning with the point at which the

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Company obtains control and possession of the leased properties, and records the difference between the amounts charged to operations and amounts paid as deferred rent, which is recorded within noncurrent liabilities within the consolidated balance sheets. The Company's policy is to amortize deferred rent as a component of rent expense, which is classified as selling, administrative, and retail store expenses on the accompanying consolidated statements of operations, over the lease term. In addition, the Company has certain contingent leases, which contain a base rate amount as well as contingent payments, which are based upon monthly sales volume.

Midas leases real estate that is subleased to franchisees and owns real estate in the U.S. and Canada that is leased to franchisees.

(t) *Interest Income from Customers*

The Company charges interest for late payments on trade and note receivables that arise in the normal course of business. Interest income is recognized when collected and is recorded in the accompanying consolidated statements of operations within other income, net.

(u) *Comprehensive Income (Loss)*

Comprehensive income (loss) represents the change in stockholders' equity from transactions and other events and circumstances arising from nonstockholder sources. Comprehensive income (loss) consists of net income, retirement plan obligations, and foreign currency translation adjustments all of which are net of applicable taxes.

(v) *Foreign Currency Translation*

Under FASB ASC Topic 830, *Foreign Currency Matters*, the financial statements of foreign subsidiaries are translated into U.S. dollars at current exchange rates, except for revenues, costs, and expenses, which are translated at average current exchange rates during each reporting period. Gains and losses resulting from the translation of financial statements are excluded from the consolidated statements of operations and are credited or charged to a separate component of other comprehensive income (loss) within the accompanying consolidated statements of stockholders' equity.

(w) *Shipping and Handling Costs*

Freight costs incurred to deliver merchandise to retail stores and warehouses are included as a component of inventory and reflected in costs of goods sold as product is sold. Warehouse and distribution costs for items such as payroll, rent, and insurance, as well as freight costs incurred to ship merchandise to customers, are all recorded as a component of selling, administrative, and retail store expenses in the accompanying consolidated statements of operations. Freight costs incurred to ship merchandise to customers totaled \$33.3 million and \$30.9 million for Fiscal 2013 and 2012, respectively.

(x) *Fair Value of Financial Instruments – Short-Term Assets and Liabilities*

The fair values of cash, accounts and notes receivable, accounts and notes payable, due to affiliates, accrued expenses, and other current liabilities approximate their carrying values because of their short-term nature.

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(y) *Income Tax Accounting*

The Company determines its income tax provision using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The Company also recognizes future tax benefits associated with tax loss and credit carryforwards as deferred tax assets. The Company's deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company measures deferred tax assets and liabilities using enacted tax rates in effect for the year in which it expects to recover or settle the temporary differences. The effect of a change in tax rates on deferred taxes is recognized in the period that the change is enacted. For Fiscal 2013 and 2012, under the tax allocation agreement with SGMA, the Company files its federal tax return with SGMA as it is a participating member in the affiliated group as defined under such agreement. The Company will file and has filed independently all nonunitary state returns for Fiscal 2013 and 2012, respectively.

(z) *Advertising*

Advertising costs are charged to expense when incurred. Advertising expense totaled \$79.7 million and \$83.5 million for Fiscal 2013 and 2012, respectively.

(aa) *Pre-Store Opening Expenses*

Pre-store opening expenses, which consist primarily of payroll and occupancy-related costs, are expensed as incurred.

(bb) *Reclassifications*

For Fiscal 2012, the Company presented certain operating expenses under the financial statement caption, distribution expenses, within the consolidated statement of operations. During the current year, management decided to include operating expenses within one financial statement caption, selling, administrative, and retail store expenses. This reclassification does not have any impact on the overall presentation of the statement of operations as all underlying expenses within the previously disclosed distribution expenses and the selling, administrative, and retail store expense financial statement captions are operating in nature.

(3) *Recent Accounting Pronouncements*

In February 2013, the FASB issued an accounting standards update to ASC Topic 220, *Comprehensive Income*; to improve the reporting of reclassifications out of accumulated other comprehensive income. The amendments seek to attain that objective by requiring an entity to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under U.S. generally accepted accounting principles (GAAP) to be reclassified in its entirety to net income. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income in the same reporting period, an entity is required to cross-reference other disclosures required under U.S. GAAP that provide additional detail about those amounts. The amendments are effective prospectively for reporting periods beginning after

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December 15, 2013, with early adoption permitted. The Company adopted the provisions of the update as of April 1, 2013.

(4) Acquisitions

During Fiscal 2013, the Company completed the acquisition of one wholesale warehouse and five retail stores for a combined cash purchase price of \$2.0 million. The consolidation of the related assets, including identifiable intangibles and goodwill, did not have a material impact to the accompanying consolidated balance sheet as of March 31, 2014.

During Fiscal 2012, the Company completed the following acquisitions: a stock purchase of Midas, Inc. (see table a below), a total of eight retail store locations were acquired through asset purchase agreements (see table b below), two wholesale warehouse locations (see table c below), and four retail stores acquired through the Company's Retail Franchisee Workout Program. These acquisitions were accounted for using the acquisition method of accounting in accordance with FASB ASC Topic 805, *Business Combinations*. The purchase price was allocated to the assets acquired and liabilities assumed based on the estimated fair values at the date of inception.

(a) Midas, Inc. – A Stock Purchase

On March 28, 2012, the Company commenced a cash tender offer (the Offer) to acquire all of the outstanding shares of common stock of Midas, Inc. (Midas), par value \$0.001 per share (together with the associated preferred share purchase rights, the Shares), at a price of \$11.50 per share in cash (the Offer Price), without interest and less any required withholding taxes. Following the completion of the Offer and subject to the satisfaction or waiver of certain conditions set forth in the Merger Agreement dated March 12, 2012 (the Merger Agreement), including receipt of approval by the stockholders of Midas, the Company merged with Midas, with Midas surviving as a wholly owned subsidiary of the Company.

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On April 30, 2012, the Company funded the acquisition of Midas for cash consideration of approximately \$172.3 million. To fund this transaction, the Company obtained additional financing from its parent (note 7). The allocation of the purchase price of Midas to the assets acquired and liabilities assumed is presented in the table below (in thousands). Assets acquired and liabilities assumed reflect fair value estimates and analyses, including work performed by third-party valuation specialists for tangible and intangible assets as well as pension and environmental obligations. The fair value of receivables acquired includes management's estimate of the cash flows not expected to be collected. Contingent liabilities recognized as of acquisition date primarily represent potential losses arising from ongoing litigation matters (note 17), and asset retirement and environmental obligations (note 15). The transaction resulted in goodwill of \$79.0 million, which reflects the value of the Company's expectations for continued future growth in the business, and synergies created for the franchise and company-owned operations to most effectively meet the needs of consumers. Of the total goodwill, \$36.9 million is deductible for tax purposes (in thousands).

	Allocation
Assets acquired:	
Accounts receivable	\$ 13,905
Inventories	5,404
Other current assets	2,946
Total current assets	22,255
Property and equipment	156,386
Tradename	174,000
Franchise agreements	19,100
Intangible assets – other	6,159
Goodwill	78,959
Other assets	3,031
Total assets	459,890
Liabilities assumed:	
Notes payable to banks	75,397
Accounts payable	21,756
Change of control liabilities	15,723
Other current liabilities	22,336
Total current liabilities	135,212
Contingent liabilities	26,136
Pension liabilities	53,246
Finance obligation	27,578
Deferred taxes	29,056
Other noncurrent liabilities	16,397
Total liabilities	287,625
Cash purchase price	\$ 172,265

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(b) TBC Retail Group, Inc. – 8 Retail Store Locations

In April 2012, the Company purchased eight retail store locations. The operations were included from the acquisition date to March 31, 2013. The entire amount of goodwill recorded through these acquisitions is expected to be deductible for tax purposes. The following is a summary of the amounts assigned to assets acquired and liabilities assumed by the Company in connection with this acquisition (in thousands):

		<u>Allocation</u>
Assets acquired:		
Inventory	\$	600
Property and equipment		184
Goodwill and other intangible assets		4,216
Total assets		<u>5,000</u>
Liabilities assumed:		
Current liabilities		141
Total liabilities		<u>141</u>
Cash purchase price	\$	<u><u>4,859</u></u>

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(c) Carroll Tires, LLC – 2 Warehouse Locations

In April 2012, the Company purchased two warehouse locations. The operations were included from the acquisition date to March 31, 2013. This transaction resulted in a bargain purchase gain of approximately \$0.4 million, based upon the allocation of purchase price, and was immediately recognized in other income (expense), net within the accompanying consolidated statements of operations. The following is a summary of the amounts assigned to assets acquired and liabilities assumed by the Company in connection with this acquisition (in thousands):

	Allocation
Assets acquired:	
Accounts receivable	\$ 1,078
Inventory	1,765
Property and equipment	22
Intangible asset	618
Total assets	3,483
Liabilities assumed:	
Current liabilities	259
Total liabilities	259
Net assets acquired	3,224
Bargain purchase gain	(351)
Cash purchase price	\$ 2,873

(5) Related Parties and Major Suppliers

Related Parties

The Company's operations are managed through its executive officers, board of directors, and SCOA. Substantially, all of the Company's debt is owed to SCOA, as discussed in note 7.

Sales to entities in which the Company has an ownership interest accounted for approximately \$21.0 million for both Fiscal 2013 and 2012, or 0.7% and 0.6% of the Company's net sales in each respective year. Accounts receivable resulting from transactions with these related parties are presented separately in the accompanying consolidated balance sheets. The terms and conditions negotiated with related parties are based on similar terms of the Company's trade accounts receivable.

During Fiscal 2013 and 2012, the Company purchased approximately \$180.2 million and \$217.2 million, respectively, of its total inventory purchases from SC and approximately \$15.4 million and \$12.9 million, respectively, of customs brokerage services from Sumisho Global Logistics, an affiliated company.

Additionally, during both Fiscal 2013 and 2012, the Company incurred administrative service fees of approximately \$1.0 million and \$1.3 million, respectively, and interest expense of approximately \$37.7 million and \$31.8 million, respectively, from SCOA.

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The Company has payables with related parties, which are included in due to affiliates in the accompanying consolidated balance sheets, as follows (in millions):

	<u>Related party</u>	<u>March 31</u>	
		<u>2014</u>	<u>2013</u>
Inventory purchases	Sumitomo Corporation	\$ 89.0	62.8
Customs brokerage services	Sumisho Global Logistics	1.8	0.3
Income taxes or other taxes payable	SCOA	0.1	3.7
		<u>\$ 90.9</u>	<u>66.8</u>

The Company also had accrued interest due to SCOA as of March 31, 2014 and 2013 of approximately \$3.8 million and \$5.7 million, respectively, which is included in other current liabilities in the accompanying consolidated balance sheets.

Effective April 2010, SC implemented a new dividend payout system for its overseas affiliated companies. Certain subsidiaries within the SC consolidated group are required to pay a dividend at least 50% of the equity income of the respective year during the following fiscal year. During Fiscal 2013 and 2012, the Company was required to pay dividends of approximately \$4.6 million and \$29.7 million, respectively, for Fiscal 2012 and 2011 net income. SC will notify the Company once it has determined if it requires payment for Fiscal 2013 and will provide the amount and payment date accordingly.

Major Suppliers

During Fiscal 2013 and 2012, approximately 51.7% and 58.9%, respectively, of the Company's inventory purchases were from four vendors, as follows:

	<u>March 31</u>	
	<u>2014</u>	<u>2013</u>
Vendor A	20.5%	25.4%
Vendor B	12.3	12.4
Vendor C	10.0	10.6
Vendor D	8.9	10.5

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(6) **Goodwill and Intangible Assets**

Acquired Intangible Assets

March 31, 2014				
(in thousands)				
	Weighted average amortization period	Gross carrying amounts	Accumulated amortization	Net carrying amount
Amortizing intangible assets:				
Trademarks	26 years	\$ 414,037	(77,878)	336,159
Franchise agreements	13 years	113,100	(45,223)	67,877
Customer lists	12 years	103,251	(41,195)	62,056
Software intangible	1 year	2,800	(1,789)	1,011
Favorable market leasehold interest	8 years	44,338	(20,766)	23,571
Unfavorable market leasehold interest	8 years	(36,094)	16,797	(19,297)
Other intangible assets	1 year	1,905	(1,716)	189

March 31, 2013				
(in thousands)				
	Weighted average amortization period	Gross carrying amounts	Accumulated amortization	Net carrying amount
Amortizing intangible assets:				
Trademarks	26 years	\$ 414,022	(64,320)	349,702
Franchise agreements	13 years	113,100	(39,237)	73,863
Customer lists	12 years	103,884	(35,490)	68,394
Software intangible	1 year	2,800	(856)	1,944
Favorable market leasehold interest	9 years	46,419	(18,797)	27,622
Unfavorable market leasehold interest	7 years	(37,080)	14,791	(22,289)
Other intangible assets	1 year	1,981	(1,408)	573

Aggregate amortization expense for amortizing intangible assets was \$32.9 million and \$27.1 million for Fiscal 2013 and 2012, respectively. The estimated future annual amortization expense related to amortizing intangible assets as of March 31, 2014 is approximately \$26.4 million for each of the following five Fiscal years: 2014, 2015, 2016, 2017 and 2018.

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The Company records its favorable leasehold interest, net of unfavorable, in short-term and long-term assets. As of March 31, 2014 and 2013, \$0.9 million and \$2.5 thousand, respectively, of favorable leasehold interest, net of unfavorable, was included as a portion of other current assets and \$3.4 million and \$5.3 million, respectively, of favorable leasehold interest, net of unfavorable, was included as favorable market lease intangibles in the consolidated balance sheets. The Company's other intangible assets, net, are included in other assets in the consolidated balance sheets.

Goodwill

During Fiscal 2013, the Company performed its annual goodwill impairment test and determined that the fair values for the wholesale, retail, and franchise reporting units exceeded their respective carrying values.

During Fiscal 2012, the Company performed its annual goodwill impairment test and determined that there was no impairment of goodwill for the wholesale and franchise reporting units. However, management observed deterioration in demand across the automotive aftermarket retail marketplace, causing a decline in tire unit sales and lower car count in the Company's retail stores. Additionally, the Company experienced lower margins on products and services due to competitive forces. Based on this trend, the Company revised the projected outlook for the remainder of Fiscal 2012 and beyond, which also anticipated increases in certain operating expenses necessary to support the retail reporting unit on a go-forward basis. As a result, management determined that goodwill for the retail reporting unit was impaired.

In measuring the impairment loss under the two-step test the fair values of individual assets and liabilities of the retail reporting unit were estimated, along with the fair value of the retail reporting unit as a whole. These valuations were determined primarily based on discounted cash flow and replacement cost analyses. The impairment loss was then measured by the amount by which the carrying value of goodwill exceeded the implied fair value of goodwill. Based on this assessment, the Company recorded an impairment charge of \$274.2 million, which had an associated tax benefit of \$34.2 million for Fiscal 2012.

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The changes in the carrying amount of goodwill for Fiscal 2013 and 2012 are as follows (in thousands):

	March 31	
	2014	2013
Balance as of April 1:		
Gross goodwill	\$ 534,616	451,639
Accumulated impairment losses	(274,191)	—
Net goodwill as of April 1	<u>260,425</u>	<u>451,639</u>
Activity during the year:		
Goodwill acquired during the year	397	82,926
Effect of foreign currency translation	(284)	51
Other	(2,483)	—
Impairment loss	—	(274,191)
Subtotal	<u>(2,370)</u>	<u>(191,214)</u>
Balance as of March 31:		
Gross goodwill	532,246	534,616
Accumulated impairment losses	(274,191)	(274,191)
Net goodwill as of March 31	<u>\$ 258,055</u>	<u>260,425</u>

(7) Debt

The Company has a revolving credit facility with SCOA with a balance of \$224.6 million and \$314.2 million and term loans with a balance of \$775.0 million and \$775.0 million, as of March 31, 2014 and 2013, respectively.

Revolving Credit Facility

The Company's revolving credit facility matured on March 31, 2014; under this annual renewal, the credit facility will expire on March 31, 2015. The current capacity of the credit facility is \$360.0 million with interest rate for the daily loan Bank of Tokyo Mitsubishi UFJ, Ltd. (BTMU) London Inter Bank Offered Rate (LIBOR) plus 2.4% annum, depending on whether the borrowed amount at the end of any month exceeds certain borrowing levels within the agreement amendment. The rates vary from 2.59% to 2.62% per annum, based on borrowing level. As of March 31, 2014, the effective rate was 2.59%.

As of March 31, 2014 and 2013, the Company had approximately \$135.4 million and \$45.8 million, respectively, available to borrow the credit facility. In addition, the Company had \$53.0 million and \$46.8 million representing outstanding standby letters of credit as of March 31, 2014 and 2013, respectively. These letters of credit relate to performance and payment guarantees with certain vendors. Based upon the Company's experience with these arrangements, the Company does not believe that any obligations that may arise will be significant.

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Term Loans

The Company amended its original term loan with SCOA with the balance of \$425 million previously due at various times through March 17, 2015 and was extended to March 31, 2018. The four principal payments are payable on November 17, 2014, November 17, 2015, March 31, 2017, and March 17, 2018 in the amounts of \$100 million, \$150 million, \$75 million, and \$100 million, respectively. Each of the four principal amounts will include fixed interest rates of 3.40%, 3.70%, 3.35%, and 3.83%, respectively. Interest is paid semiannually in arrears on May 17 and November 17 for the first two principal payments due, and March 31 and September 30 for the last two principal payments.

The Company entered into a separate term loan agreement (Acquisition Loan) with SCOA on the closing date of the Midas acquisition in the amount of \$350 million with quarterly interest payments required and principal repayment due March 29, 2013. The Acquisition Loan carried an interest rate of 3.65% per annum above the LIBOR for a three-month term quoted by BTMU with quarterly interest payments due and matured on March 29, 2013. As of March 31, 2014, the Company renewed the Acquisition Loan with quarterly interest payments due and matured on March 31, 2015. The interest rate is LIBOR plus 4% per annum for a three-month term quoted by BTMU. The interest rate as of March 31, 2014 was 4.26%.

The Company's subsidiary, TBC de Mexico, has several bank loans with various lenders, all of which are included within the current portion of other long-term debt, capital lease, and financing obligations in the accompanying consolidated balance sheets. The following summarizes the terms and the interest rates for these loans (in thousands):

	March 31	
	2014	2013
Working capital revolver with a bank in the amount of approximately \$25 million, maturity date of March 2015 with interest rates varying between 4.99% and 5.55% monthly	\$ 15,779	18,371
Working capital revolver with a bank in the amount of approximately \$10 million, maturity date of September 15, 2014 with a fixed interest rate of 5.04% monthly	9,951	—
Working capital revolver with a bank in the amount of approximately \$2 million, maturity date of April 2014 with the interest rates varying between 4.97% and 5.21% monthly	1,995	—
Mexican governmental finance program; maturity dates vary depending upon payment plans with local farmers; interest rates to TBC de Mexico fixed at 13% annually, monthly at 1.083%	74	170
	\$ 27,799	18,541

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In a prior year, the Company entered into a financing arrangement with a third party to finance certain software licenses. The agreement is for a 48-month term with an interest rate of 3.1% and the balance as of March 31, 2014 and 2013 of approximately \$0.5 million and \$1.3 million, respectively.

Long-term debt, capital lease obligations, and finance lease obligations are summarized as follows (in thousands):

	March 31	
	2014	2013
Term loan facility	\$ 775,000	775,000
Capital lease obligations	33,898	24,158
Finance lease obligations	26,197	28,258
Notes payable	28,342	19,886
Total debt, capital lease, and financing obligations	863,437	847,302
Less current portion	488,147	550,163
Total long-term debt, capital lease, and financing obligations	\$ 375,290	297,139

Maturities of long-term debt, capital lease obligations, and finance lease obligations are as follows (in thousands):

Fiscal year:	
2014	\$ 488,147
2015	158,448
2016	6,084
2017	80,211
2018	103,744
Thereafter	26,803
Total	\$ 863,437

The Company has received a written commitment from SCOA to extend the due dates, as necessary, for loans scheduled to mature during Fiscal 2014.

In order to estimate the fair value of its term loan facility due to SCOA, the Company would evaluate interest rates that are currently available for issuance of debt with similar terms and remaining maturities. It is the Company's position that the term loan facility with SCOA does not represent the manner in which the Company could otherwise finance its operation as a stand-alone entity. Furthermore, given the effect SCOA's acquisition pushdown accounting (note 1) has on the Company's balance sheet structure, management does not believe it is practicable to estimate fair value of the term loan facility.

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(8) Capital and Operating Lease Commitments

Assets acquired under capital leases are included in property and equipment and total \$24.5 million and \$23.5 million as of March 31, 2014 and 2013, respectively. The accumulated depreciation relating to these capital lease assets is \$10.1 million and \$9.2 million as of March 31, 2014 and 2013, respectively. Assets acquired under finance leases are included in property and equipment and total approximately \$35.2 million as of March 31, 2014 and 2013. The accumulated depreciation relating to these finance leases assets is \$6.7 million and \$3.4 million as of March 31, 2014 and 2013, respectively. Other facilities and equipment are leased under arrangements that are accounted for as operating leases. The Company's commitments under operating leases relate primarily to retail store locations, distribution facilities, and vehicles and equipment. In addition to rental payments, the Company is obligated in some instances to pay real estate taxes, insurance, and certain maintenance costs. Rental expense of \$143.4 million and \$145.5 million was charged to operations during Fiscal 2013 and 2012, respectively, after reducing such expense by rental income of \$39.7 million and \$34.9 million, respectively. Minimum base rent is expensed on a straight-line basis over the terms of the operating leases. Sublease income pertains to certain lease agreements ranging from 10 to 15 years and contain renewal options ranging from 5 to 15 years with terms similar to the original lease agreements.

Future minimum operating and capital lease payments and the related present value of finance and capital lease payments as of March 31, 2014 were as follows (in thousands):

Fiscal	Operating leases	Finance leases	Capital leases	Sublease income
2014	\$ 169,412	4,930	9,413	(42,230)
2015	158,699	4,877	7,699	(37,682)
2016	146,423	4,766	5,068	(33,563)
2017	134,146	4,725	3,689	(28,950)
2018	120,505	4,725	2,029	(20,967)
Thereafter	<u>745,055</u>	<u>14,916</u>	<u>29,002</u>	<u>(81,901)</u>
Total minimum lease payments	1,474,240	38,939	56,900	<u>\$ (245,293)</u>
Less – sublease income associated with operating leases	<u>(245,293)</u>			
Net minimum lease payments	<u>\$ 1,228,947</u>			
Less – interest expense associated with finance and capital leases		<u>(12,742)</u>	<u>(23,002)</u>	
Present value of net minimum lease payments		<u>\$ 26,197</u>	<u>33,898</u>	

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Real Estate Sale and Leaseback Transaction

During Fiscal 2002, Midas sold 77 of its owned real estate properties to Realty Income Corporation, a publicly traded real estate investment trust, and realized approximately \$39.6 million in net proceeds. Simultaneous with that sale, Midas leased these properties from Realty Income Corporation and the sites continue to be leased to Midas franchisees under existing leases. Because these properties continued to generate rents to Midas, the Company recorded a \$27.7 million finance lease obligation as part of the Midas acquisition pursuant to ASC Subtopic 840-40, *Sale-Leaseback Transactions*. As of March 31, 2014 and 2013, the properties are recorded on the balance sheet within buildings and leasehold improvements and will continue to be depreciated over the remaining useful lives. Annual lease payments will be made through the expiration of the lease obligation in 2022.

(9) Warranty Allowances

For non-Midas programs, the Company or the vendors supplying its products provide its customers limited warranties on certain products. In most cases, the Company's vendors are primarily responsible for warranty claims. Warranty costs relating to merchandise sold or services provided not covered by vendors are estimated and recorded as warranty obligations at the time of sale. The Company periodically assesses the adequacy of its recorded warranty liability and adjusts the amount as necessary.

The following table is a reconciliation of the changes in the Company's non-Midas warranty liability for Fiscal 2013 and 2012 (in thousands):

	March 31	
	2014	2013
Warranty allowance, beginning of year	\$ 5,219	5,265
Allowances established	3,228	6,558
Allowances utilized	(4,320)	(6,604)
Warranty allowance, end of year	\$ 4,127	5,219

For certain Midas products, customers are provided a written warranty from Midas for 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 future cost of redemption of each future warranty. Management develops these estimates based on actual historical registration and redemption data as well as actual cost information on current redemptions.

As discussed further below, prior to 2008 in the United States and 2009 in Canada, Midas was responsible for fulfillment of all warranty obligations rather than the franchisees. Accordingly, when the Company determines there are to be charges in estimated future warranty redemptions and/or the estimated cost of these redemptions, the warranty charges or benefits are included in the consolidated statements of

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operations as an adjustment to warranty expense (reflected as a component of cost of sales). In addition, there are no new allowances established for this pre-2008/2009 population because there are no new registrations under these programs.

The following table is a reconciliation of the changes in the Company's warranty liability under the legacy Midas program for Fiscal 2013 and 2012 (in thousands):

	March 31	
	2014	2013
Fiscal year:		
Accrued warranty, as of acquisition date (note 4(a))	\$ 3,157	3,611
Warranty credits issued to franchisees and Company-operated shops	(326)	(481)
Change in liability for accruals related to pre-existing warranties	(2,215)	27
Warranty allowance, end of year	\$ 616	3,157

As of January 1, 2008, the Company changed how the Midas warranty obligations are funded in the United States (July 1, 2009 for Canada). Beginning in fiscal 2008, the Midas warranty program in the United States was funded directly by Midas franchisees. The franchisees are charged a fee for each warranted product sold to customers, and are issued credits for all warranties that are redeemed. The fees billed to franchisees are recorded as a receivable to Midas on behalf of the warranty fund, and the redemption credits issued to franchisees are recorded as a liability to the fund. As such, there are no revenues or expenses recorded to Midas and the current warranty program will have no net impact on the results of operations.

The following table is a reconciliation of the changes in the Company's warranty liability under the current Midas program for Fiscal 2013 and 2012 (in thousands):

	March 31	
	2014	2013
Warranty allowance, as of acquisition date (note 4(a))	\$ 7,456	7,217
Warranty fees charged to franchisees and Company-operated shops	2,060	2,146
Warranty credits issued to franchisees and Company-operated shops	(2,100)	(1,980)
Changes in liability for accruals related to pre-existing warranties	97	73
Warranty allowance, end of year	\$ 7,513	7,456

The Company's total obligation under its warranty programs is included in warranty allowance and other noncurrent liabilities in the accompanying consolidated balance sheets.

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(10) Income Taxes

Income tax benefit for Fiscal 2013 and 2012 was as follows (in thousands):

	March 31	
	2014	2013
Current:		
Federal	\$ (29,371)	(789)
State	2,620	(675)
Foreign	5,755	3,861
Current income tax (benefit) expense	(20,996)	2,397
Deferred		
Federal	8,945	(29,519)
State	(2,504)	(2,575)
Foreign	(1,298)	(267)
Deferred income tax expense (benefit)	5,143	(32,361)
Income tax benefit	\$ (15,853)	(29,964)

The provision for income taxes differs from the statutory federal rate of 35% mainly due to state taxes, permanent items, valuation allowance, foreign income inclusion, and foreign tax credits received. The provision for deferred income taxes represents the change in the Company's net deferred tax assets or liabilities during the year, excluding deferred taxes related to other comprehensive income or loss and acquisitions impacting deferred tax assets or liabilities, and includes the effect of any tax rate changes. Deferred tax assets and liabilities arise from temporary differences between the tax basis of the Company's assets and liabilities and their reported amounts in the accompanying consolidated financial statements.

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The major components of deferred tax assets and liabilities in the accompanying consolidated balance sheets are summarized as follows (in thousands):

	March 31	
	2014	2013
Deferred tax assets:		
Allowance for doubtful accounts	\$ 7,644	8,332
Warranty-related reserves	4,417	5,643
Insurance-related accruals	12,260	10,964
Compensation and retirement-related accruals	18,046	34,128
Lease accruals and related arrangements	12,901	12,439
Deferred revenues	5,274	4,907
Inventories	7,681	9,891
Loss carryforwards and tax credits	48,152	42,247
Legal reserves	5,491	6,983
Closed store accrual	2,531	940
Environmental accrual	3,113	3,355
Other	6,308	7,223
	133,818	147,052
Total gross deferred tax assets		
Less valuation allowance	(5,359)	(5,359)
	128,459	141,693
Net deferred tax assets		
Deferred tax liabilities:		
Trademarks and intangible assets	(175,863)	(183,181)
Property and equipment	(63,261)	(58,523)
Foreign partnership investment basis difference	(5,711)	(6,304)
	(244,835)	(248,008)
Total deferred tax liabilities		
Net deferred tax liabilities	\$ (116,376)	(106,315)
Consolidated balance sheet presentation:		
Current deferred tax assets, net	\$ 50,924	61,441
Noncurrent deferred tax assets, net	3,549	1,197
Noncurrent deferred tax liabilities, net	(170,849)	(168,953)
	\$ (116,376)	(106,315)
Net deferred income tax liabilities		

In assessing the realization of the Company's deferred tax assets, the Company considers whether it is more likely than not that the deferred tax assets will be realized. The ultimate realization of the Company's deferred income tax assets depends upon generating future taxable income during the periods in which the temporary differences become deductible and before the net operating loss carryforwards expire. The Company evaluates the recoverability of the deferred tax assets by assessing the need for a valuation allowance. After consideration of all of the evidence, the Company has determined that a valuation

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allowance of approximately \$5.4 million is necessary as of March 31, 2014 and 2013. The net change in the valuation allowance was \$0 and \$5.4 million for Fiscal 2013 and 2012, respectively.

The Company had \$29.1 million and \$31.1 million in federal net operating loss carryforwards as of March 31, 2014 and 2013, respectively. The federal net operating loss carryforwards are due to the acquisition of Midas, Inc. and are subject to IRS Code Section 382, *Limitations*. The remaining losses are expected to be utilized prior to expiration between 2023 and 2033.

The Company had \$10.5 million and \$4.0 million of state net operating loss carryforwards as of March 31, 2014 and 2013, respectively. The \$10.5 million of state net operating loss carryforwards as of March 31, 2014 are subject to a valuation allowance of \$2.1 million. The remaining losses are expected to be utilized prior to expiration in 2018 through 2033.

The Company had \$4.5 million and \$5.3 million of foreign tax credit carryforwards available to utilize against federal income taxes as of March 31, 2014 and 2013, respectively. These credits can be carried forward for 10 years and will expire between 2015 and 2024. As of March 31, 2014, the \$4.5 million of foreign tax credit carryforwards are subject to a valuation allowance of \$3.3 million.

As of March 31, 2014 and 2013, U.S. taxes were not provided on income of the Company's foreign subsidiaries, as the Company has invested or expects to invest the undistributed earnings indefinitely. If in the future this income is repatriated to the United States, or if the Company determines that the earnings will be remitted in the foreseeable future, additional tax provisions may be required. It is not practical to determine the amount of unrecognized deferred tax liabilities on the undistributed earnings.

The Company's domestic and foreign operations are included in the federal income tax returns filed by SCOA. For the purposes of these Consolidated Financial Statements, the Company has determined its U.S. income tax provision in accordance with the tax sharing agreement between the Company and SCOA. The non-U.S. tax provision has been determined on a standalone basis for each non-U.S. affiliate. The Company is open to future examinations by the Internal Revenue Service (IRS) for tax years 2003 through 2013. The Company and its subsidiaries' state income tax returns are open to audit under the statute of limitations for the years 2003 through 2013. The Company and its subsidiaries' foreign income tax returns are open to audit under the statute of limitations for the years 2005 through 2013.

FASB ASC Topic 740-10, *Income Taxes* (ASC 740), provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more-likely than-not recognition threshold at the effective date to be recognized upon the adoption of ASC 740 and in subsequent periods. This interpretation also provides guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Company recognizes interest and penalties accrued related to unrecognized tax benefits as components of the income tax provision and recognized expense of \$0.01 million for Fiscal 2013 and 2012. As of March 31, 2014 and 2013, the liability for uncertain tax positions, including interest and penalties, is recorded in the accompanying consolidated balance sheets within other current liabilities.

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The following table summarizes the activity related to the Company's unrecognized tax benefits (in thousands):

Balance at March 31, 2012	\$	268
Additions based on tax positions related to the current year		464
Additions for tax positions of prior years		57
Additions for acquired tax positions		1,395
Reductions for tax positions of prior years		—
Statute expirations		—
Settlements		(59)
		2,125
Balance at March 31, 2013		2,125
Additions based on tax positions related to the current year		64
Additions for tax positions of prior years		86
Additions for acquired tax positions		—
Reductions for tax positions of prior years		(5)
Statute expirations		—
Settlements		(207)
		2,063
Balance at March 31, 2014	\$	2,063

(11) Retirement Plans

(a) 401(k) Plans

The Company maintains employee savings plans under Section 401(k) of the Internal Revenue Code. Eligible employees are permitted to make tax deferred contributions from 1% to 50% of their eligible pay, subject to certain Internal Revenue Service limitations. Contributions are typically made by the Company to the 401(k) plans based on specified percentages of eligible employee contributions, but may also include discretionary contributions. TBC contributions are fully and immediately vested. Expenses recorded for the Company's contributions totaled \$5.7 million and \$4.3 million during Fiscal 2013 and 2012, respectively.

(b) Supplemental Retirement and Pension Plans

TBC Corporation

The Company also provides supplemental retirement plans for certain of its key executives, to provide benefits in excess of amounts permitted to be paid by its other retirement plans under current tax law. Expense recorded for supplemental retirement benefits totaled \$1.8 million and \$3.4 million for Fiscal 2013 and 2012, respectively. As of March 31, 2014 and 2013, the Company had recorded an unfunded projected benefit obligation of \$10.6 million and \$18.1 million, respectively, based upon a measurement date of March 31, 2014 and March 31, 2013. Plan balances are included within accrued payroll and other noncurrent liabilities.

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Under FASB ASC Topic 715, *Compensation – Retirement Benefits*, the following tables set forth the obligations and balance sheets for the executive supplemental retirement plan along with the income statement and other items as of March 31 (in thousands):

	March 31	
	2014	2013
Benefit obligations:		
Change in projected benefit obligation (PBO):		
PBO, beginning of year	\$ 18,089	17,616
Service cost	945	1,597
Interest cost	94	229
Actuarial loss	(1,744)	(1,353)
Settlements	(6,791)	—
PBO, end of year	\$ 10,593	18,089
Accumulated benefit obligation (ABO), end of year	\$ 10,593	17,253
Funded status as of year-end:		
Funded status	\$ (10,593)	(18,089)
Amount recognized end of year	\$ (10,593)	(18,089)
Assumptions used for year-end obligation:		
Discount rate/lump-sum rate	0.30%/Segment rates	0.57%/Segment rates
Compensation increase rate	—%	3.0%
Measurement date	March 31, 2014	March 31, 2013
Amounts recognized in other comprehensive income:		
Prior service cost	\$ —	(342)
Net loss	361	(1,800)
Total	\$ 361	(2,142)
Amounts recognized in the statement of financial position:		
Current liabilities	\$ (10,593)	(4,955)
Noncurrent liabilities	—	(13,134)
Total	\$ (10,593)	(18,089)

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	March 31	
	2014	2013
Net periodic pension cost:		
Service cost	\$ 945	1,597
Interest cost	94	229
Amortizations:		
Net gain	—	—
Prior service cost	342	572
Settlement charge	416	1,009
	\$ 1,797	3,407
Assumptions used to determine net periodic pension cost:		
Discount rate/lump-sum rate	0.61%/Segment rates	1.30%/Segment rates
Compensation increase rate	3.0%	3.0%
Measurement date	March 31, 2014	March 31, 2013
Estimated amounts to be amortized from accumulated other comprehensive income into net periodic pension cost in next fiscal year:		
Prior service cost	\$ —	342
Total	\$ —	342

	March 31	
	2014	2013
Expected benefit payments during fiscal year(s) ending:		
March 31, 2015	\$ 10,614	4,997
March 31, 2016	—	—
March 31, 2017	—	14,848
	2014	2013
Employer contributions expected to be paid during fiscal years ended March 31, 2014 and 2013	\$ 10,614	—
Information for plans with PBO in excess of assets:		
PBO, end of year	\$ 10,593	18,089
Fair value of assets, end of year	—	—
Information for plans with ABO in excess of assets:		
ABO, end of year	\$ 10,593	17,253
PBO, end of year	10,593	18,089
Fair value of assets, end of year	—	—

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(c) *Defined-Benefit Pension Plans and Other Postretirement Plans*

Midas, Inc.

Certain employees in the U.S. and Canada are covered under various defined-benefit pension plans sponsored and funded by the Company. 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 or curtailment of the plan. Plans covering hourly employees generally provide benefits of stated amounts for each year of service. During the Fiscal 2012, the Company opted to freeze the U.S. pension plan effective August 31, 2012. Therefore, following this date, no additional employees become eligible for benefits and no further benefits accrue based upon service.

Net periodic pension costs for Fiscal 2013 and Fiscal 2012 are presented in the following table (in thousands):

	March 31	
	2014	2013
Service cost	\$ 169	321
Interest cost on projected benefit obligation	3,264	2,795
Amortization of initial net (asset) obligation	(25)	—
Amortization of net (gain) loss	(1)	—
Expected return on assets	(4,526)	(3,619)
Total net periodic cost	\$ (1,119)	(503)

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

	March 31	
	2014	2013
Discount rate	3.60%	3.10%
Expected long-term rate of return on plan assets	7.00	7.00

The Company used the Mercer Discount Yield Curve as the basis for determining the Fiscal 2013 and 2012 discount rate. The index is long term in nature and reflects the future timing of the expected cash flows for the pension plan. The rate of increase in compensation was reduced to 0% due to freezing of the entire plan by the Company during Fiscal 2012, the same applied for Fiscal 2013.

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 and the freezing of the plan in the prior year. The assumed long-term rate is based on portfolio returns and reviewing prudent risk and return between income and growth assets to meet benefit payments needs. Actual allocations to each asset

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class vary from target allocations due to periodic investment strategy changes, market value fluctuations, and the timing of benefit payments and contributions. 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 2013 and Fiscal 2012 were as follows for the U.S. Defined-Benefit Plan:

	March 31, 2014		March 31, 2013	
	Target	Actual	Target	Actual
U.S. Large Cap Equity	19.1%	19.3%	24.8%	24.8%
U.S. Small/Mid Cap Equity	4.8	4.9	6.2	6.4
Non-U.S. Developed Equity	19.8	19.5	25.7	25.6
Emerging Markets Equity	4.1	4.1	5.3	5.2
U.S. Core Fixed Income	5.4	5.4	6.1	6.1
U.S. Long Duration Fixed Income	46.6	46.5	31.9	31.9
Growth Fixed Income	0.2	0.3	—	—
Total	100.0%	100.0%	100.0%	100.0%

The Canadian Hourly Defined-Benefit Plan and the Canadian Salary Defined-Benefit Plan assets were diversified in the current year to a mix more appropriate for the ongoing pension obligations. The fair value of the Canadian plan assets was approximately \$5.6 million and \$4.7 million as of March 31, 2014 and 2013, respectively, essentially all of which were measured using significant other observable inputs.

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The fair value of the U.S. pension plans' assets, only, as of March 31, 2014 and 2013, by asset is as follows (in thousands):

	March 31, 2014	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. Large Cap Equity	\$ 13,271	—	13,271	—
U.S. Small/Mid Cap Equity	3,386	—	3,386	—
Non-U.S. Developed Equity	13,405	—	13,405	—
Emerging Markets Equity	2,796	—	2,796	—
U.S. Core Fixed Income	5,590	—	5,590	—
U.S. Long Duration Fixed Income	30,115	82	30,032	—
Growth Fixed Income	176	—	176	—
Total	<u>\$ 68,739</u>	<u>82</u>	<u>68,656</u>	<u>—</u>

	March 31, 2013	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. Large Cap Equity	\$ 14,354	—	14,354	—
U.S. Small/Mid Cap Equity	3,669	—	3,669	—
Non-U.S. Developed Equity	15,048	—	15,048	—
Emerging Markets Equity	3,070	—	3,070	—
U.S. Core Fixed Income	3,602	—	3,602	—
U.S. Long Duration Fixed Income	19,072	135	18,937	—
Total	<u>\$ 58,815</u>	<u>135</u>	<u>58,680</u>	<u>—</u>

U.S. Large Cap Equity invests primarily in common stock of large cap companies in the U.S. with above average earnings growth and revenue expectations as well as undervalued companies relative to their intrinsic value. Additionally, seeks to match the performance of the S&P 500 Index and invests in common stock of large cap companies in the U.S. It targets broad diversification across economic sectors and seeks to achieve lower overall portfolio volatility by investing in complementary active managers with varying risk characteristics.

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U.S. Small/Mid Cap Equity invests in small to mid-sized companies in the U.S. with above average earnings growth and revenue expectations as well as undervalued companies relative to their intrinsic value. It targets broad diversification across economic sectors and seeks to achieve lower overall portfolio volatility by investing in complementary active managers with varying risk characteristics.

Non-U.S. Core Equity invests in all cap companies operating in developed and emerging markets outside the U.S. The strategy targets broad diversification across economic sectors and seeks to achieve lower overall portfolio volatility by investing in complementary active managers with varying risk characteristics. Total exposure to emerging markets is typically 10%–15%, inclusive of direct investment in emerging markets and exposure through other non-U.S. high equity funds.

Mercer Emerging Markets Equity uses fundamental investment strategies and quantitative applications to provide emerging markets equity exposure and targets broad diversification across economic sectors and seeks to achieve lower portfolio volatility by investing in complementary active managers with varying risk characteristics.

U.S. Core Fixed Income invests primarily in U.S. dollar-denominated investment grade and government securities. It may also invest opportunistically in out-of-benchmark positions including U.S. high yield, non-U.S. bonds, and TIPs.

U.S. Long Duration Fixed Income invests primarily in U.S. dollar-denominated investment grade and government securities with varying year duration, in passively managed U.S. long duration investment grade portfolio at a 90% weight and a passively managed U.S. long treasury portfolio at a 10% weight and certain investments that focus on high quality issues within the U.S. corporate bond market and leverages the skill and proprietary research of the sub-advisor managers to potentially minimize exposure to ratings downgrades and defaults.

Growth Fixed Income employs a multi-manager approach to provide exposure to fixed income asset classes generally associated with higher yield and globalization. Such asset classes include global high yield bonds and emerging markets debt denominated in local currency.

The following table presents estimated future benefits payments for both U.S. and Canada over the next 10 years, including expected future service, as appropriate, as of March 31, 2014 (in thousands):

Fiscal year:	
2014	\$ 4,302
2015	4,305
2016	4,432
2017	4,598
2018	4,751
2019 – 2023	26,284
Total	<u>\$ 48,672</u>

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The changes in the projected benefit obligations for Fiscal 2013 and 2012 for U.S. and Canada obligations were as follows (in thousands):

	March 31	
	2014	2013
Benefit obligations as of the beginning of the year	\$ 106,689	107,507
Service cost	169	325
Interest cost	3,264	2,791
Actuarial (gain) loss	(7,050)	3,796
Plan curtailments	—	(2,313)
Benefits paid and plan expenses	(4,286)	(5,417)
Benefit obligations as of the end of the year	\$ 98,786	106,689

The changes in the fair market value of the U.S. and Canada plan assets for Fiscal 2013 and 2012 were as follows (in thousands):

	March 31	
	2014	2013
Fair value of assets as of the beginning of the period	\$ 63,506	54,504
Actual return on plan assets	7,680	3,882
Company contributions	7,295	8,455
Benefits paid and plan expenses	(3,921)	(3,335)
Fair value of assets as of the end of the year	\$ 74,560	63,506

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 March 31, 2014, the Company has met all regulatory minimum funding requirements. The Company made contributions of \$7.0 million and \$8.5 million to the U.S. Defined-Benefit Plan in Fiscal 2013 and Fiscal 2012, respectively, and expects to contribute approximately \$7.0 million to the U.S. Defined-Benefit Plan during Fiscal 2014.

The following table reconciles the pension plans' funded status to the amounts recognized on the consolidated balance sheet as of March 31, 2014 and 2013 (in thousands):

	March 31	
	2014	2013
Actuarial present value of projected benefit obligation	\$ (98,786)	(106,689)
Plan assets at fair market value	74,560	63,506
Accrued pension cost recognized on consolidated balance sheets	\$ (24,226)	(43,183)

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Amounts recognized in accumulated other comprehensive loss as of Fiscal 2013 and 2012 were as follows (in thousands and after tax):

	March 31	
	2014	2013
Net actuarial gain (loss)	\$ 5,898	(981)

As of March 31, 2014 and 2013, the Company has recorded accrued pension costs as follows (in thousands):

	March 31	
	2014	2013
Accrued Canadian pension liability	\$ 469	(331)
Accrued U.S. pension liability	(24,695)	(42,852)
Pension liability	\$ (24,226)	(43,183)

(12) Other Benefit Plans

(a) Mandatorily Redeemable Preferred Stock

The board of directors of TBC approved the issuance of 10,000 shares of Series A Preferred Stock, par value \$0.01 per share. The shares are nonvoting and are not entitled to dividends. The Company issued 408 shares for which cash received by TBC totaled approximately \$6.8 million, for a per share value of approximately \$17 thousand. The preferred shares are redeemable by the holder at any time after three years from issuance or by TBC upon change of control. Additionally, there is a requirement by the Company to repurchase all shares held by a holder, depending upon the termination circumstances, such as death, retirement, and with or without good cause. During Fiscal 2012 and 2011, zero and three shares, respectively, were redeemed under the provisions of the agreement due to the respective holder's change in employment status. As of March 31, 2014 and 2013, the liability recorded related to the preferred stock equals the amount of cash that would be paid under the conditions specified in the contract if the shares were repurchased or redeemed at that date, subject to certain assumptions regarding redemption conditions. Based upon the Certificate of Designations, Preferences, and Rights of Series A Preferred Stock of TBC Corporation and the knowledge of conditions existing as of March 31, 2014, the holder will be paid the redemption value per share as of the end of the quarter ending or immediately following the date of termination. The redemption value is determined based on a defined formula included in the agreement. As of March 31, 2014 and 2013, the redemption value was determined to be approximately \$1.4 million and \$3.2 million, respectively, for a per share value of approximately \$6 thousand and \$11 thousand, respectively. These amounts are included within other noncurrent liabilities in the accompanying consolidated balance sheets. The liability recorded as of March 31, 2014 and 2013 included a \$1.9 million and \$4.5 million, respectively, decrease in value during Fiscal 2013 and 2012,

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respectively, which was classified within interest expense, net in the accompanying consolidated statements of operations.

(b) Long-Term Incentive Plans

The Company has long-term incentive plans that it offers to its key employees that are considered nonqualified plans. Prior to April 1, 2009, the plans were governed by the Senior Executive Incentive Plan, and administered by the executive committee of the board of directors. The plans allowed for grants of Phantom Stock Awards (PSAs), Annual Performance Awards (APAs), and/or Long-Term Performance awards (LTIPs). The APA and LTIP awards require the achievement of specific performance objectives established at the date of grant. If the objectives are met, the award is payable 30 days after the availability of the audited consolidated financial statements for APAs and the third consecutive fiscal year of the performance period for LTIPs. The Company measures these awards using a defined formula included in the award agreement based upon certain key performance criteria. As of March 31, 2014 and 2013, the Company recorded a liability of \$0 and \$7.4 million, respectively, in the accompanying consolidated financial statements related to these plans. Bonus expense specific to these plans of \$0.8 million was recorded for Fiscal 2012, which was classified within selling, administrative, and retail store expenses in the accompanying consolidated statements of operations. The last payout from these plans occurred in Fiscal 2013 and, accordingly, no further bonus expense or liability exists related to these plans.

As of April 1, 2009, the Company established the Phantom Share Appreciation Plan, which replaced the Senior Executive Incentive Plan prospectively. The plan is administered by the executive committee of the board of directors and allows for grants of Phantom Share Appreciation Awards (Phantom Shares). The Phantom Shares vest 25% on each one-year anniversary from the date of grant. The award is only exercisable at the end of the four-year period following the date of grant provided that the grantee remains employed through the end of the four-year period (certain exceptions are applicable for death, retirement, or disability). The Company measured awards granted in Fiscal 2012 and 2011 using a defined formula included in the award agreement based upon certain key performance criteria, subject to a floor. As of March 31, 2014 and 2013, the Company recorded a liability of \$5.2 million for both fiscal years in the accompanying consolidated financial statements related to this plan. Bonus expense of \$1.5 million and \$3.6 million was recorded for Fiscal 2013 and 2012, respectively, which was classified within selling, administrative, and retail store expenses in the accompanying consolidated statements of operations.

(c) Deferred Compensation Plan

The Company adopted the TBC Corporation Deferred Compensation Plan, which allows certain key employees to defer up to 80% of their base salary and/or 100% of their bonuses on a tax-deferred basis. All deferral elections are required to be made prior to the beginning of the respective plan year. Participants receive returns on amounts they deferred based on investment elections they make which are added to their deferrals. Deferrals into the plan and any related earnings are 100% vested. The Company purchased life insurance contracts that may be used to fund the Company's obligation under this plan. As of March 31, 2014 and 2013, the Company had a liability of \$6.3 million and \$5.5 million, respectively, and an asset of \$6.7 million and \$5.7 million, respectively, recorded in the accompanying consolidated balance sheets related to this plan. The related asset is included in other

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Notes to Consolidated Financial Statements

March 31, 2014 and 2013

assets and the liability is included in other noncurrent liabilities within the accompanying consolidated balance sheets.

(13) Financial Guarantees and Credit Risks

From time to time, certain of the Company's franchise units provide certain financial guarantees associated with real estate leases and financing of its franchisees. Although the guarantees were issued in the normal course of business to meet the financing needs of its franchisees, they may represent credit risk in excess of the amounts reported in the consolidated balance sheets. As of March 31, 2014 and 2013, there were no contractual amounts owed as it related to these guarantees.

(14) Variable Interest Entities

FASB ASC Subtopic 810, *Consolidation*, provides guidance on the consolidation of entities whose equity holders have either not provided sufficient equity at risk to allow the entity to finance its own activities or do not possess certain characteristics of a controlling financial interest.

The Company performs ongoing reassessment(s) of the primary beneficiary of the Variable Interest Entity (VIE) and eliminates the quantitative approach previously required for determining whether an entity is the primary beneficiary. The Company performs ongoing qualitative assessments of its VIEs to determine whether the Company has a controlling financial interest in the VIE and therefore is the primary beneficiary. The Company is deemed to have a controlling financial interest when it has both the ability to direct the activities that most significantly impact the economic performance of the VIE and the obligation to absorb losses or right to receive benefits from the VIE that could potentially be significant to the VIE. Based on the Company's assessment, if it determines it is the primary beneficiary, the Company consolidates the VIE in the Company's consolidated financial statements. As of March 31, 2014 and 2013, the Company has concluded that there are no controlling interests in any VIEs.

(15) Asset Retirement and Environmental Obligations

Asset Retirement Obligations

The Company utilizes the provisions of FASB ASC Topic 410, *Asset Retirement and Environmental Obligations*. FASB ASC 410 requires the capitalization of any retirement obligation costs as part of the carrying amount of the long-lived asset and the subsequent allocation of the total expense to future periods using a systematic and rational method. The Company has determined that certain leases require that the premises be returned to its original condition, reflecting normal wear and tear, upon lease termination. As a result, the Company will incur costs, primarily related to the removal of signage and equipment from its retail stores, at the lease termination and requires that these costs be recorded at their fair value at lease inception.

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As of March 31, 2014 and 2013, the Company had a liability pertaining to the asset retirement obligation, which is included in noncurrent liabilities in the accompanying consolidated balance sheets. Accretion expense associated with the asset retirement obligations is recorded as selling, administrative, and retail store expense in the accompanying consolidated statements of operations. The following is a reconciliation of the beginning and ending carrying amounts of the Company's asset retirement obligation (in thousands):

	2014	2013
Asset retirement obligation, beginning of year	\$ 8,531	3,104
Asset retirement obligation established during acquisition accounting	—	4,841
Asset retirement obligation incurred during the year	(595)	152
Accretion expense	494	434
Asset retirement obligation, end of year	\$ 8,430	8,531

Environmental Obligations

The Company has identified a number of Midas franchise and Company-operated shops that contain soil, groundwater, or other types of contamination from improper usage and maintenance of equipment, or disposal of certain hazardous chemicals used in the operation of automotive retail locations. Due to its association with a substantial portion of Midas franchise properties as primary lessee or guarantor (note 2(t)), the Company believes that it will ultimately be responsible for incurring costs for environmental remediation at many locations. In applying acquisition accounting, the Company prepared an estimate of such remediation costs based upon site studies performed at a sample of locations to identify the frequency and severity of contamination. As of the purchase date of Midas by TBC and with the assistance of internal and external subject matter experts, the Company estimated its undiscounted obligation to be approximately \$12.5 million, anticipated to be incurred over a period of approximately 10 years. Given this extended period, management applied a discount rate of 7.0% and recorded the \$8.8 million present value in the application of purchase accounting, included in other noncurrent liabilities in the accompanying consolidated balance sheets. No significant remediation activities had occurred prior to March 31, 2014, the recorded amount remained essentially unchanged. During Fiscal 2013, the Company applied approximately \$0.7 million of environmental activities to the recorded reserve.

The Company does not believe that similar obligations exist for its non-Midas locations due to the existence and enforcement of policies and procedures surrounding equipment usage and maintenance, as well disposal of hazardous substances.

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Notes to Consolidated Financial Statements

March 31, 2014 and 2013

(16) Accumulated Other Comprehensive Income (Loss)

The accumulated balances for each classification of other comprehensive income are as follows (in thousands):

	Foreign currency items	Pension plan	Supplemental retirement plan	Accumulated other comprehen- sive (loss) income
Ending balance, March 31, 2012	\$ (455)	—	(3,208)	(3,663)
Net current period change	1,872	(1,541)	2,362	2,693
Tax effect of current period change	(336)	560	(869)	(645)
Reclassification adjustments				
for losses reclassified into income	—	—	572	572
Tax effect of reclassification adjustments	—	—	(211)	(211)
Amount attributable to noncontrolling interest	(817)	—	—	(817)
Ending balance, March 31, 2013	264	(981)	(1,354)	(2,071)
Net current period change	(3,261)	10,906	2,166	9,811
Tax effect of current period change	92	(4,027)	(800)	(4,735)
Reclassification adjustments				
for losses reclassified into income	—	—	342	342
Tax effect of reclassification adjustments	—	—	(126)	(126)
Amount attributable to noncontrolling interest	616	—	—	616
Ending balance, March 31, 2014	\$ (2,289)	5,898	228	3,837

(17) Commitments and Contingencies

The Company is involved in various legal proceedings, which are routine to the conduct of its business. The Company does not believe that any such litigation will have a material adverse effect on its consolidated financial position or results of operations.

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Notes to Consolidated Financial Statements

March 31, 2014 and 2013

The following legal proceedings are considered significant in nature by management:

Dishkin/Soper, et al v. TBC Retail Group and *Abdoney v. TBC Retail Group, Inc. et al* are Florida consumer class actions whereby plaintiffs are alleging the company (1) failed to properly calculate shop fees on the invoice and (2) at times, failed to disclose shop fees on certain advertisements. In the *Dishkin* case, the trial court granted plaintiffs' motions for class certification and summary judgment. Although TBC prevailed in its initial appeal, the Florida Supreme Court reversed and remanded the case for further proceedings. Plaintiffs' counsel filed a similar lawsuit, titled *Abdoney v. TBC Retail Group, Inc. et al*. TBC filed three motions to dismiss, which the court granted, without prejudice. The parties have reached a global settlement, which received preliminary approval by the court on May 7, 2014. The final approval hearing has been scheduled for October 7, 2014. As a result of the settlement, the Company recognized \$4.7 million as a component of other current liabilities in the accompanying consolidated balance sheets as of March 31, 2014.

Landsbridge Auto, et al v. Midas International Corporation, two Canadian Midas franchisees filed a class action lawsuit on May 31, 2007. They alleged various violations of the Midas Franchise and Trademark Agreement in connection with Midas's decision to terminate its supply system. Although the Court denied certification of most of the claims, it certified 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. On April 3, 2013, the parties reached a settlement of \$8.5 million, which the court approved on September 12, 2013. Because this was an existing claim at the time of the Midas acquisition, the settlement amount was recorded as an assumed liability in the application of acquisition accounting.

On January 1, 2011, the Company entered into a contract to purchase a minimum of 12,500,000 gallons of oil products over the next three years, with no price escalation during the first contract year. In October 2012, the Company amended the contract, extending the first threshold period to December 31, 2013 to purchase a minimum amount of oil products over the next four years ranging from 4,000,000 gallons to over 6,000,000 gallons. The price of the products purchased will be based on published market indexes. In the event that the Company does not purchase the required amount of gallons in any given year, the Company would be required to pay an amount based upon certain thresholds. As of March 31, 2013, the Company is compliant with the contract purchase levels based on the Fiscal 2012 amendment. During Fiscal 2013, the contract was amended and there were no longer purchase requirements for the Company.

(18) Subsequent Events

The Company has reviewed and evaluated material subsequent events from the balance sheet date of March 31, 2014 through June 9, 2014.

TBC CORPORATION AND SUBSIDIARIES
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Consolidated Financial Statements

March 31, 2013 and 2012

(With Independent Auditors' Report Thereon)

TBC CORPORATION AND SUBSIDIARIES
(A Majority-owned Subsidiary of Sumitomo Corporation of America)

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KPMG LLP
Suite 2000
200 South Biscayne Boulevard
Miami, FL 33131

Independent Auditors' Report

The Board of Directors and Stockholders
TBC Corporation:

We have audited the accompanying consolidated financial statements of TBC Corporation and its subsidiaries (the Company), a majority-owned subsidiary of Sumitomo Corporation of America, as of March 31, 2013 and 2012, which comprise the consolidated balance sheets as of March 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of TBC Corporation and its subsidiaries as of March 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Miami, Florida
July 10, 2013
Certified Public Accountants

TBC CORPORATION AND SUBSIDIARIES
(A Majority-owned Subsidiary of Sumitomo Corporation of America)

Consolidated Balance Sheets

March 31, 2013 and 2012

(In thousands, except share data)

Assets	<u>2013</u>	<u>2012</u>
Current assets:		
Cash	\$ 18,092	7,935
Accounts and notes receivable	273,121	234,870
Related-party receivables	1,205	858
	<u>274,326</u>	<u>235,728</u>
Less allowance for doubtful accounts	(13,664)	(16,056)
Total accounts and notes receivable, net	<u>260,662</u>	<u>219,672</u>
Inventories	666,318	612,644
Refundable federal and state income taxes	18,373	11,175
Deferred income taxes	61,441	39,352
Other current assets	25,491	31,573
Total current assets	<u>1,050,377</u>	<u>922,351</u>
Property and equipment, net:		
Land	65,806	14,804
Buildings and leasehold improvements	255,403	134,760
Furniture and equipment	393,762	313,479
	<u>714,971</u>	<u>463,043</u>
Less accumulated depreciation and amortization	(273,128)	(213,512)
Total property and equipment, net	<u>441,843</u>	<u>249,531</u>
Trademarks, net	349,702	188,997
Franchise agreements, net	73,863	60,686
Customer lists, net	68,394	70,605
Goodwill	260,425	451,639
Favorable market lease intangibles, net	5,333	4,346
Other assets	19,303	14,526
Total assets	<u>\$ 2,269,240</u>	<u>1,962,681</u>

TBC CORPORATION AND SUBSIDIARIES
(A Majority-owned Subsidiary of Sumitomo Corporation of America)

Consolidated Balance Sheets

March 31, 2013 and 2012

(In thousands, except share data)

Liabilities	2013	2012
Current liabilities:		
Book overdrafts	\$ 13,041	8,369
Accounts payable and accrued expenses	214,015	198,970
Accrued payroll and related costs	69,964	41,466
Due to affiliates	66,810	110,030
Revolving credit facility, Parent	314,242	231,919
Current portion of long-term debt, Parent	525,000	—
Current portion of other long-term debt, capital lease, and financing obligations	25,163	16,597
Deferred revenue	21,644	28,490
Warranty allowance	8,513	5,265
Other current liabilities	67,866	40,558
Total current liabilities	1,326,258	681,664
Long-term debt, Parent	250,000	425,000
Other long-term debt, capital lease, and financing obligations, less current portion	47,139	5,675
Other noncurrent liabilities	115,048	73,728
Deferred income taxes	168,953	152,977
Total liabilities	1,907,398	1,339,044
Commitments and contingencies (notes 8 and 17)		
Stockholders' equity:		
TBC Corporation's stockholders' equity:		
Common stock, \$0.01 par value. Authorized, 60,000 shares; issued and outstanding, 50,000 shares	1	1
Additional paid-in capital	421,123	421,123
Accumulated other comprehensive loss	(2,071)	(3,663)
(Accumulated deficit) retained earnings	(76,242)	189,131
Total TBC Corporation's common stockholders' equity	342,811	606,592
Noncontrolling interest	19,031	17,045
Total stockholders' equity	361,842	623,637
Total liabilities and stockholders' equity	\$ 2,269,240	1,962,681

See accompanying notes to consolidated financial statements.

TBC CORPORATION AND SUBSIDIARIES
(A Majority-owned Subsidiary of Sumitomo Corporation of America)

Consolidated Statements of Operations

Years ended March 31, 2013 and 2012

(In thousands)

	2013	2012
Net sales	\$ 3,214,669	3,191,467
Cost of sales	2,057,773	2,038,515
Gross profit	1,156,896	1,152,952
Expenses:		
Distribution expenses	116,343	118,667
Selling, administrative, and retail store expenses	1,001,455	913,980
Goodwill impairment	274,191	—
Total expenses	1,391,989	1,032,647
(Loss) income from operations	(235,093)	120,305
Other income (expense):		
Interest expense, net	(32,857)	(18,053)
Other income (expense), net	3,707	(2,596)
Total other expense	(29,150)	(20,649)
(Loss) income before income tax expense	(264,243)	99,656
Income tax (benefit) expense	(29,964)	38,047
Net (loss) income	(234,279)	61,609
Less net income attributable to noncontrolling interest	(1,427)	(2,275)
Net (loss) income attributable to TBC Corporation's common stockholders	\$ (235,706)	59,334

See accompanying notes to consolidated financial statements.

TBC CORPORATION AND SUBSIDIARIES
(A Majority-owned Subsidiary of Sumitomo Corporation of America)

Consolidated Statements of Comprehensive Income

Years ended March 31, 2013 and 2012

(In thousands)

	2013	2012
Net (loss) income	\$ (234,279)	61,609
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	1,536	(2,335)
Pension and other postretirement benefit plans:		
Net actuarial gain	1,086	662
Prior service cost	(213)	(570)
Pension and other postretirement benefit plans	873	92
Less comprehensive income attributable to noncontrolling interest	(2,244)	(1,776)
Net comprehensive (loss) income attributable to TBC Corporation	\$ (234,114)	57,590

See accompanying notes to consolidated financial statements.

TBC CORPORATION AND SUBSIDIARIES
(A Majority-owned Subsidiary of Sumitomo Corporation of America)
Consolidated Statements of Stockholders' Equity
Years ended March 31, 2013 and 2012
(In thousands, except share data)

	Common stock		Additional paid-in capital	Accumulated other comprehensive (loss) income	Retained earnings (Accumulated deficit)	Stockholders' equity, TBC corporation	Noncontrolling interest	Total stockholders' equity
	Number of shares	Amount						
Balance, March 31, 2011	50,000	\$ 1	421,123	(1,919)	158,637	577,842	15,740	593,582
Comprehensive income								
Net income	—	—	—	—	59,334	59,334	2,275	61,609
Other comprehensive loss	—	—	—	(1,744)	—	(1,744)	(499)	(2,243)
Dividends paid	—	—	—	—	(28,840)	(28,840)	(471)	(29,311)
Balance, March 31, 2012	50,000	1	421,123	(3,663)	189,131	606,592	17,045	623,637
Comprehensive income								
Net (loss) income	—	—	—	—	(235,706)	(235,706)	1,427	(234,279)
Other comprehensive income	—	—	—	1,592	—	1,592	817	2,409
Dividends paid	—	—	—	—	(29,667)	(29,667)	(258)	(29,925)
Balance, March 31, 2013	50,000	\$ 1	421,123	(2,071)	(76,242)	342,811	19,031	361,842

See accompanying notes to consolidated financial statements

TBC CORPORATION AND SUBSIDIARIES
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Consolidated Statements of Cash Flows

Years ended March 31, 2013 and 2012

(In thousands)

	2013	2012
Cash flows from operating activities:		
Net (loss) income	\$ (234,279)	61,609
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Depreciation and amortization	67,963	52,995
Amortization of intangible assets	27,091	20,868
Valuation of mandatorily redeemable preferred stock	(4,455)	204
Provision for doubtful accounts and notes	180	688
Loss on disposal of property and equipment	479	8
Bargain purchase gain on acquisition of 2 warehouse locations (see note 4(c))	(351)	—
Deferred income taxes	(32,361)	2,829
Equity in net income from investees	(149)	(181)
Impairment loss from joint venture	—	5,000
Goodwill impairment	274,191	—
Changes in operating assets and liabilities, net of acquisitions:		
Accounts and notes receivable	(27,089)	5,046
Inventories	(47,007)	(13,338)
Other current assets	5,206	1,262
Other assets	1,086	(2,482)
Accounts payable, accrued expenses, and due to affiliates	(56,179)	(3,311)
Accrued payroll and related costs	24,438	(10,754)
Deferred revenue and warranty allowance	(7,495)	4,119
Federal and state income taxes refundable or payable	(9,913)	405
Other current liabilities	4,272	(1,216)
Noncurrent liabilities	(49,251)	6,935
Net cash (used in) provided by operating activities	(63,623)	130,686
Cash flows from investing activities:		
Purchases of property and equipment	(86,362)	(86,388)
Proceeds from sale of equity investment	—	750
Acquisitions of retail stores, net of cash acquired	(4,895)	(6,689)
Acquisition of Midas (see note 4(a)), net of cash acquired	(172,265)	—
Proceeds from dispositions of property and equipment	4,200	525
Net cash used in investing activities	(259,322)	(91,802)
Cash flows from financing activities:		
Increase in book overdrafts	4,672	662
Net borrowings under TBC de Mexico bank loans	3,711	(3,148)
Net proceeds (repayments) under revolving facility, Parent	82,323	(2,774)
Proceeds from issuance of long-term debt, Parent	350,000	—
Payment of acquired Midas debt	(75,397)	—
Payment of dividend to noncontrolling interest	(258)	(471)
Net payments of other long-term debt, capital lease, and financing obligations	(3,057)	(1,312)
(Redemption) issuance of mandatorily redeemable preferred stock	27	130
Payment of dividend to common shareholders	(29,667)	(28,840)
Net cash provided by (used in) financing activities	332,354	(35,753)
Effect of exchange rate on cash	748	(1,766)
Net increase in cash	10,157	1,365
Cash:		
Balance – beginning of year	7,935	6,570
Balance – end of year	\$ 18,092	7,935
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 36,977	18,765
Cash paid for income taxes, net of refunds	8,141	34,399

See accompanying notes to consolidated financial statements.

TBC CORPORATION AND SUBSIDIARIES
(A Majority-owned Subsidiary of Sumitomo Corporation of America)

Notes to Consolidated Financial Statements

March 31, 2013 and 2012

(1) Nature of Business and Basis of Presentation

(a) Operations

TBC Corporation and subsidiaries (TBC or the Company) is one of the United States' largest independent marketers of tires for the automotive replacement market. The Company has determined that its operating activities consist of Retail, Franchise, and Wholesale divisions. The Company operates or acts as a franchisor of retail tire and automotive service centers throughout the United States of America, Canada, Europe, and other countries under the following trade names: Tire Kingdom, Merchant's Tire & Auto Centers, National Tire & Battery, Big O Tires (Big O) and, recently acquired, Midas and Speedee. The Company operates as a wholesaler of tire and automotive parts primarily in the United States of America, Canada, and Mexico under the following trade names: TBC Brands, Carroll's Tire, Treadways Corporation, and TBC de Mexico. As of March 31, 2013, the Company had a total of 2,660 retail locations consisting of 903 Company-operated and 1,757 franchised stores. As of March 31, 2012, the Company had a total of 1,204 retail locations consisting of 832 Company-operated and 372 franchised stores. The Company operated 90 and 82 warehouse locations, for Fiscal 2012 and Fiscal 2011 (see note 1(c)), respectively.

(b) Ownership Structure

On November 17, 2005, 100% of the Company's common stock was acquired and its debt was assumed (the Acquisition) by Sumitomo Corporation of America (SCOA) together with its parent, Sumitomo Corporation, Japan (SC), for a total consideration of \$1.1 billion, including debt. SCOA elected to apply push-down accounting with respect to its acquisition of the Company. Accordingly, its aggregate \$1.1 billion purchase price, which included costs directly related to the acquisition, was "pushed down" to the consolidated financial statements of the Company. As a result, the assets acquired and liabilities assumed as of November 17, 2005 were adjusted to their respective fair values on that date, pursuant to the purchase method of accounting for business combinations.

Effective March 31, 2009, SCOA sold 40% of its interest in the Company to Summit Global Management of America, Inc. (SGMA), which is owned 100% by SC. Additionally, SGMA owns 100% of SCOA.

SCOA is headquartered in New York City and is an integrated global trading company with diversified investments in businesses involved in manufacturing and marketing of consumer products, providing financing for customers and suppliers, coordination and operation of urban and industrial infrastructure products, providing transportation and logistics services, developing natural resources, distribution of steel and other products, and developing and managing real estate. TBC is a subsidiary within SCOA's living-related business segment. SGMA owns certain of SC's investments in the United States.

(c) Definition of Fiscal Year

As used in these consolidated financial statements and related notes to consolidated financial statements, "Fiscal 2011," "Fiscal 2012," "Fiscal 2013," "Fiscal 2014," "Fiscal 2015," "Fiscal

TBC CORPORATION AND SUBSIDIARIES
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Notes to Consolidated Financial Statements

March 31, 2013 and 2012

2016,” and “Fiscal 2017” refer to the years ending March 31, 2012, 2013, 2014, 2015, 2016, 2017, and 2018, respectively.

(2) Summary of Significant Accounting Policies

(a) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of TBC Corporation and its wholly and majority owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

(b) Use of Estimates

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The preparation of such consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, as well as certain consolidated financial statement disclosures. Actual results could differ from those estimates.

(c) Cash Management

The Company’s cash management process generally utilizes zero balance accounts, which provide for the settlement of the related disbursement accounts on a daily basis. This process resulted in book overdrafts of approximately \$13.0 million and \$8.4 million, respectively, as of March 31, 2013 and 2012.

(d) Investments – Noncontrolling Interest and Equity, Cost Method

The Company has invested in certain tire distributors and independent tire dealers. The investments in these 50% or less-owned entities are accounted for using the cost and equity methods and are included in other assets on the accompanying consolidated balance sheets. The Company does have the ability to influence, but not control, certain of its investments. The cost of each equity investment is adjusted for the Company’s share of equity in earnings or losses of the respective investment and reduced by any distributions received. The carrying value of such equity investments totaled \$2.9 million and \$2.7 million as of March 31, 2013 and 2012, respectively. For its share of earnings and losses from such equity investments, the Company recorded net gains in other income (expense), net on the accompanying consolidated statements of operations of \$0.1 million and \$0.2 million for the years ended March 31, 2013 and 2012, respectively. During Fiscal 2011, the Company determined based on certain facts and indicators to impair one of its cost method investments in the amount of \$5.0 million, which was the total amount of the held investment. The impairment charge was recorded in the accompanying consolidated financial statements within other income (expense), net for the year ended March 31, 2012.

As of March 31, 2013, the Company holds 75.17% of its former joint venture, TBC de Mexico, which occurred via a step acquisition in September 2010.

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(e) *Accounts and Notes Receivables and Allowance for Doubtful Accounts*

As of March 31, 2013 and 2012, the Company's accounts and notes receivable included approximately 77% and 78% of domestic, respectively, and 23% and 22% of international, respectively, customer accounts and notes receivable balances. The Company's notes receivable balance was \$8.4 million and \$4.9 million as of March 31, 2013 and 2012, respectively. Notes receivable vary in terms and become due periodically until Fiscal 2017. The long-term portion of notes receivable is included in other assets within the accompanying consolidated balance sheets.

The Company maintains an allowance for doubtful accounts and notes for estimated losses resulting from the inability of its customers to make required payments. The allowance is based upon review of the overall condition of receivable balances, both trade accounts and notes receivable, and review of significant past-due accounts. Receivables determined to be uncollectible are charged against the established allowance. The Company evaluated its allowance for doubtful accounts as of March 31, 2013 and 2012 and determined that the amounts were adequate, based on facts and conditions known at that time and evaluation of current economic conditions domestically and internationally. If the financial condition of the Company's customers were to deteriorate in such a way as to impair their ability to make payments, additional allowances may be required.

(f) *Inventories*

Inventories, consisting of tires and other automotive products held for resale, are valued at the lower of cost or market, primarily under the weighted average cost method. Also, certain vendor allowances that are related to inventory purchases are considered to reduce the product cost. The Company adjusts its inventory for slow-moving and discontinued products and the nature of the Company's inventory is such that the risk of obsolescence is not significant. Any adjustments are evaluated and determined based upon current market conditions, aging of inventories, and product offering changes.

(g) *Concentrations of Credit Risk*

The Company performs ongoing credit evaluations of its customers, primarily wholesale and retail-franchisees, and typically requires some form of security, including collateral, guarantees, or other documentation. The Company maintains allowances for potential credit losses.

The Company maintains cash balances with financial institutions with high credit ratings. The Company has not experienced any losses with respect to bank balances in excess of government-provided insurance.

(h) *Property and Equipment*

Property and equipment are recorded at historical cost. Depreciation and amortization are computed principally using the straight-line method, over the lesser of the useful life or lease term of the asset. The useful life for buildings and leasehold improvements range from 20 to 39 years or coincide with the respective lease terms. Furniture and equipment, which include computer hardware and software, typically have useful lives of 3 to 10 years. Amounts expended for repairs and maintenance are charged to operations, and expenditures for major renewals and betterments are capitalized.

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The Company applied Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 350-40, *Internal-Use Software*, to certain software development costs and capitalized approximately \$20.9 million and \$12.9 million in Fiscal 2012 and 2011, respectively, which has been placed in service and included in the accompanying consolidated balance sheets in furniture and equipment. The useful life of capitalized software varies between three and seven years. The Company capitalized certain software not yet placed in service of approximately \$41.7 million and \$25.2 million, respectively, as of March 31, 2013 and 2012, which is included in the accompanying consolidated balance sheets in furniture and equipment; however, not being depreciated. The Company capitalized approximately \$1.2 million and \$0.5 million of interest related to a certain software project as of March 31, 2013 and 2012, respectively.

With the acquisition of Midas (see note 4), the Company acquired R.O. Writer, an internally developed software for use and for resale, which has continued to be developed. This software is sold to third parties and is utilized by Midas franchisees and Midas operated stores. During the year, the Company capitalized approximately \$0.5 million in costs related to development of future versions and recorded revenue of approximately \$6.9 million related to its sales. Depreciation related to these capitalized costs is recorded in cost of goods sold in the accompanying consolidated statements of operations.

(i) Goodwill, Trademarks, Customer Lists, Franchise Agreements, and Other Intangible Assets

Goodwill represents the excess of cost over the fair value of identifiable net assets acquired. Under FASB ASC Topic 350, *Intangibles – Goodwill and Other* (ASC 350), goodwill and other indefinite-lived intangible assets are not amortized but are tested for impairment annually or more frequently, if events or circumstances indicate that the asset might be impaired with charges being recorded only if impairment is found to exist. The Company performs its annual impairment assessment as of the second quarter of each Fiscal year unless circumstances dictate more frequent assessments. If the carrying value of such assets exceeds its fair value, an impairment loss is required to be evaluated. Fair value is estimated primarily using the discounted cash flow method. When available and as appropriate, the Company uses comparative market multiples to corroborate discounted cash flow results. In applying this methodology, the Company relies on a number of factors, including actual operating results, future business plans, economic prospects, and market data. No impairment to the recorded value of Company's goodwill was found to exist as a result of the required testing for the year ended March 31, 2012. However, for the year ended March 31, 2013, management determined there was an impairment to its retail reporting unit after conducting step two calculations in accordance with ASC 350 (see note 6).

(j) Long-Lived Assets

The Company periodically reviews the recoverability of intangible and other long-lived assets. If facts or circumstances support the possibility of impairment, the Company will prepare a projection of the undiscounted future cash flows of the specific assets and determine if the assigned value is recoverable or if an adjustment to the carrying value of the assets is necessary. The Company does not believe that there were any facts or circumstances that indicated an impairment of recorded intangible and long-lived assets as of March 31, 2013 and 2012.

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(k) Facility Closure Costs

The Company regularly reviews location performance against expectations and closes locations determined not to meet established performance requirements. Costs associated with location closures are recognized when the location is no longer used in an operating capacity or when a liability has been incurred. Location assets are also reviewed for possible impairment, or reduction of estimated useful lives. Accruals for location closure costs are based on the future commitments, primarily operating lease obligations, adjusted for anticipated sublease and termination benefits, and are discounted, depending upon the length of obligation remaining. The accrued balance related to future commitments under operating leases for closed stores was \$2.9 million and \$1.4 million, respectively, as of March 31, 2013 and 2012 and is included in other noncurrent liabilities within the accompanying consolidated balance sheets.

(l) Phantom Stock Compensation

The Company maintains an incentive compensation plan that provides for the grant of phantom stock options to officers, directors, and key employees. Phantom stock options granted under the plan have a four-year vesting schedule. For the years ended March 31, 2013 and 2012, there were \$4.4 million and \$4.6 million, respectively, of phantom stock based compensation costs related to the stock options granted under the Company's phantom stock option plan (see note 12). Such costs are included in selling, administrative, and retail store expenses within the accompanying consolidated statements of operations.

In addition, certain personnel within management hold mandatorily redeemable preferred stock (see note 12).

(m) Net Sales

Net sales include revenues from sales of products and services, plus franchise and royalty fees charged to Big O, Midas, and Speedee franchisees, less returns, and customer rebates. Sales are either recognized at the time products are shipped, title transfers, or services are rendered. Concurrently, the costs of allowances and rebates are accrued. Monthly royalty fees are recognized when gross sales are recorded by the franchise, and royalties have been earned.

During Fiscal 2012 and 2011, Big O franchise and royalty fees typically ranged between 2% and 5% of franchisees' adjusted gross sales. Concurrently, there are franchisees still participating under a previous program, which have monthly royalty fees of 2.0% of gross sales. Initial franchise fees are deferred and recognized when all material services and/or conditions relating to the sale or transfer of the franchise have been substantially completed.

Midas royalty fees ranged between 1% and 6% of gross sales. 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

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products are shipped. 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 (see note 9).

The Company expenses costs related to securing initial franchise agreements and performing the required services under such agreements as incurred.

(n) Sales Taxes

The Company presents sales net of sales taxes, and value-added tax (VAT).

(o) Warranty Allowances

The Company or the vendors supplying its products provide its customers limited warranties on certain products. Warranty costs relating to merchandise sold or services provided not covered by vendors are estimated and recorded as warranty obligations at the time of sale. The Company periodically assesses the adequacy of its recorded warranty liability and adjusts the amount as necessary depending upon the program (see note 9).

(p) Deferred Revenue

Certain of the Company's services (alignments, tire balancing and rotating, and road hazard) are sold through annual or multiyear contracts for a one-time upfront payment. Direct costs of these contracts are expensed as incurred. The Company recognizes revenue over the life of these contracts in proportion to the expected incremental costs, such as parts, labor, and other overhead-related expenses. Expected incremental costs are based on historical evidence gathered by the Company through annual studies. The Company had \$32.2 million and \$38.4 million of deferred revenue with respect to these contracts as of March 31, 2013 and 2012, respectively, which is included in deferred revenue and other noncurrent liabilities within the accompanying consolidated balance sheets.

(q) Vendor Funds

The Company receives vendor funds in its normal course of operations from volume-based rebate agreements, early payment discounts, and cash incentives to promote vendor products. The Company accounts for these vendor funds in accordance with the FASB ASC Subtopic 605-50, *Customer Payments and Incentives*, which states that cash consideration received from a vendor is presumed to be a reduction of the price of the vendor's products or services and should, therefore, be characterized as a reduction of cost of goods sold and a portion of these amounts be capitalized into ending inventory. Vendor funds are treated as a reduction of inventory costs, unless they represent a reimbursement of specific, incremental, and identifiable costs incurred by the customer to sell the vendor's product. The Company accrues for these vendor funds based upon the vendor agreements in place and the projected amount of vendor purchases. Accrued vendor funds are recorded as a reduction to inventory. During the year, the Company monitors and adjusts the amount accrued by comparing actual purchases to projected purchases. Vendor funds are earned when the Company either sells the vendor's product or completes performance of certain provisions of the vendor agreement. Earned vendor funds are recorded as a reduction in costs of sales.

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(r) Self-Insured Reserves

The Company is self-insured for general and automobile liability, workers' compensation, and healthcare claims and maintains stop-loss coverage with third-party insurers to limit its total liability exposure. A reserve for liabilities associated with these losses is established for claims filed and claims incurred but not yet reported (IBNR) based upon the Company's estimate of ultimate cost, which is calculated using analyses of historical data, severity factors, and valuations provided by third-party actuaries. The Company monitors new claims and claim development as well as negative trends related to the IBNR in order to assess the adequacy of its insurance reserves. The Company also reviews its assumptions with its third-party actuaries, which occurs once a year. While the Company does not expect the amounts ultimately paid to differ significantly from its estimates, the Company's self-insurance reserves and corresponding selling, administrative, and retail store expenses could be affected if future claim experience differs significantly from historical trends and actuarial assumptions. Due to the length of timing of claim payments for the various lines of insurance, the Company discounts certain of its liabilities.

(s) Retirement Plans' Assets and Obligations

The values of certain assets and liabilities associated with the Company's various retirement plans are determined on an actuarial basis and include estimates and assumptions such as timing of retirement, compensation, mortality, and discount rates (see note 11).

(t) Operating Leases

The Company has various operating leases that contain predetermined fixed escalations of the minimum rentals during the term of the lease. For these leases, the Company recognizes the related rental expense on a straight-line basis over the life of the lease, beginning with the point at which the Company obtains control and possession of the leased properties, and records the difference between the amounts charged to operations and amounts paid as deferred rent, which is recorded within noncurrent liabilities within the consolidated balance sheets. The Company's policy is to amortize deferred rent as a component of rent expense, which is classified as distribution expenses and selling, administrative, and retail store expenses on the accompanying consolidated statements of operations, over the lease term. In addition, the Company has certain contingent leases, which contain a base rate amount as well as contingent payments, which are based upon monthly sales volume.

Midas leases real estate that is subleased to franchisees and owns real estate in the U.S. and Canada that is leased to franchisees. Midas has also entered into contingent operating lease agreements (see note 8).

(u) Interest Income from Customers

The Company charges interest for late payments on trade and note receivables that arise in the normal course of business. Interest income is recognized when collected and is recorded in the consolidated statements of operations within other income, net. During the years ended March 31, 2013 and 2012, the Company recognized interest income relating to these charges of \$0.6 million and \$0.7 million, respectively.

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(v) ***Comprehensive Income (Loss)***

Comprehensive income (loss) represents the change in stockholders' equity from transactions and other events and circumstances arising from nonstockholder sources. Comprehensive income (loss) consists of net income, retirement plan obligations, and foreign currency translation adjustments all of which are net of applicable taxes.

(w) ***Foreign Currency Translation***

Under FASB ASC Topic 830, *Foreign Currency Matters*, the financial statements of foreign subsidiaries are translated into U.S. dollars at current exchange rates, except for revenues, costs, and expenses, which are translated at average current exchange rates during each reporting period. Gains and losses resulting from the translation of financial statements are excluded from the consolidated statements of operations and are credited or charged to a separate component of other comprehensive income (loss) within the consolidated statements of stockholders' equity.

For the years ended March 31, 2013 and 2012, the amount of foreign currency transactional gain was \$2.4 million and \$0.2 million, respectively, which was recorded in other income, net in the consolidated statements of operations.

(x) ***Shipping and Handling Costs***

Freight costs incurred to deliver merchandise to retail stores and warehouses are included as a component of inventory and reflected in costs of goods sold as product is sold. Warehouse and distribution expenses for items such as payroll, rent, and insurance expenses are classified as distribution expenses. Freight costs incurred to ship merchandise to customers are recorded as a component of distribution expenses. Freight costs incurred to ship merchandise to customers totaled \$30.9 million and \$31.9 million for the years ended March 31, 2013 and 2012, respectively.

(y) ***Fair Value of Financial Instruments – Short-Term Assets and Liabilities***

The fair values of cash, accounts and notes receivable, accounts and notes payable, due to affiliates, accrued expenses, and other current liabilities approximate their carrying values because of their short-term nature.

(z) ***Income Tax Accounting***

The Company determines its income tax provision using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The Company also recognizes future tax benefits associated with tax loss and credit carryforwards as deferred tax assets. The Company's deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company measures deferred tax assets and liabilities using enacted tax rates in effect for the year in which it expects to recover or settle the temporary differences. The effect of a change in tax rates on deferred taxes is recognized in the period that the change is enacted. For the years ended March 31, 2013 and 2012, under the tax

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allocation agreement with SGMA, the Company files its federal tax return with SGMA as it is a participating member in the affiliated group as defined under such agreement. The Company will file and has filed independently all nonunitary state returns for the years ended March 31, 2013 and 2012, respectively.

(aa) Advertising

Advertising costs are charged to expense when incurred. Advertising expense totaled \$83.5 million and \$74.0 million for the years ended March 31, 2013 and 2012, respectively.

(bb) Pre-Store Opening Expenses

Pre-store opening expenses, which consist primarily of payroll and occupancy-related costs, are expensed as incurred.

(cc) Reclassifications

The accompanying consolidated balance sheet as of March 31, 2012 reflects the reclassification of certain balances from accounts payable and accrued expenses to other current liabilities for comparability purposes. The aforementioned line items are both included within total current liabilities, and thus have no impact on current versus noncurrent classification.

(3) Recent Accounting Pronouncements

In February 2013, the FASB issued an accounting standards update to ASC Topic 220, *Comprehensive Income*, to improve the reporting of reclassifications out of accumulated other comprehensive income. The amendments seek to attain that objective by requiring an entity to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under U.S. generally accepted accounting principles (GAAP) to be reclassified in its entirety to net income. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income in the same reporting period, an entity is required to cross-reference other disclosures required under U.S. GAAP that provide additional detail about those amounts. The amendments are effective prospectively for reporting periods beginning after December 15, 2013, with early adoption permitted. The Company will implement the provisions of the update as of April 1, 2013.

In December 2011, the FASB issued an accounting standards update to ASC Topic 210, *Balance Sheet: Disclosures about Offsetting Assets and Liabilities*. The update requires an entity to disclose information about offsetting and related arrangements to enable users of financial statements to understand the effect of those arrangements on its financial position, and to allow investors to better compare financial statements prepared under U.S. GAAP with financial statements prepared under International Financial Reporting Standards (IFRS). The new standards are effective for annual periods beginning January 1, 2013, and interim periods within those annual periods. Retrospective application is required. The Company will implement the provisions of the update as of April 1, 2013.

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(4) Acquisitions

During Fiscal 2012, the Company completed the following acquisitions: a stock purchase of Midas, Inc. (see table *a* below), a total of eight retail store locations were acquired through asset purchase agreements (see table *b* below), two wholesale warehouse locations (see table *c* below) and four retail stores acquired through the Company's Retail Franchisee Workout Program. During Fiscal 2011, the Company completed the following acquisitions: a total of four retail store locations were acquired through two separate asset purchase agreements (see table *d* below), and one wholesale warehouse location (see table *e* below). These acquisitions were accounted for using the acquisition method of accounting in accordance with FASB ASC Topic 805, *Business Combinations*. The purchase price was allocated to the assets acquired and liabilities assumed based on the estimated fair values at the date of inception.

(a) Midas, Inc. – A Stock Purchase

On March 28, 2012, the Company commenced a cash tender offer (the Offer) to acquire all of the outstanding shares of common stock of Midas, Inc. (Midas), par value \$0.001 per share (together with the associated preferred share purchase rights, the Shares), at a price of \$11.50 per share in cash (the Offer Price), without interest and less any required withholding taxes. Following the completion of the Offer and subject to the satisfaction or waiver of certain conditions set forth in the Merger Agreement dated March 12, 2012 (the Merger Agreement), including receipt of approval by the stockholders of Midas, the Company merged with Midas, with Midas surviving as a wholly owned subsidiary of the Company.

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On April 30, 2012, the Company funded the acquisition of Midas for cash consideration of approximately \$172.3 million. To fund this transaction, the Company obtained additional financing from its parent (see note 7). The allocation of the purchase price of Midas to the assets acquired and liabilities assumed is presented in the table below (in thousands). Assets acquired and liabilities assumed reflect fair value estimates and analyses, including work performed by third-party valuation specialists for tangible and intangible assets as well as pension and environmental obligations. The fair value of receivables acquired includes management's estimate of the cash flows not expected to be collected. Contingent liabilities recognized as of acquisition date primarily represent potential losses arising from ongoing litigation matters (see note 17), and asset retirement and environmental obligations (see note 15). The transaction resulted in goodwill of \$79.0 million, which reflects the value of the Company's expectations for continued future growth in the business, and synergies created for the franchise and company-owned operations to most effectively meet the needs of consumers. Of the total goodwill, \$36.9 million is deductible for tax purposes.

	Allocation
Assets acquired:	
Accounts receivable	\$ 13,905
Inventories	5,404
Other current assets	2,946
Total current assets	22,255
Property and equipment	156,386
Tradename	174,000
Franchise agreements	19,100
Intangible assets – other	6,159
Goodwill	78,959
Other assets	3,031
Total assets	459,890
Liabilities assumed:	
Notes payable to banks	75,397
Accounts payable	21,756
Change of control liabilities	15,723
Other current liabilities	22,336
Total current liabilities	135,212
Contingent liabilities	26,136
Pension liabilities	53,246
Finance obligation	27,578
Deferred taxes	29,056
Other noncurrent liabilities	16,397
Total liabilities	287,625
Cash purchase price	\$ 172,265

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(b) TBC Retail Group, Inc. – 8 Retail Store Locations

In April 2012, the Company purchased eight retail store locations. The operations were included from the acquisition date to March 31, 2013. The entire amount of goodwill recorded through these acquisitions is expected to be deductible for tax purposes. The following is a summary of the amounts assigned to assets acquired and liabilities assumed by the Company in connection with this acquisition (in thousands):

		<u>Allocation</u>
Assets acquired:		
Inventory	\$	600
Property and equipment		184
Goodwill and other intangible assets		4,216
Total assets		<u>5,000</u>
Liabilities assumed:		
Current liabilities		<u>141</u>
Total liabilities		<u>141</u>
Cash purchase price	\$	<u><u>4,859</u></u>

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(c) *Carroll Tires, LLC – 2 Warehouse Locations*

In April 2012, the Company purchased two warehouse locations. The operations were included from the acquisition date to March 31, 2013. This transaction resulted in a bargain purchase gain of approximately \$0.4 million, based upon the allocation of purchase price, and was immediately recognized in other income (expense), net within the accompanying consolidated statements of operations. The following is a summary of the amounts assigned to assets acquired and liabilities assumed by the Company in connection with this acquisition (in thousands):

		<u>Allocation</u>
Assets acquired:		
Accounts receivable	\$	1,078
Inventory		1,765
Property and equipment		22
Intangible asset		618
Total assets		<u>3,483</u>
Liabilities assumed:		
Current liabilities		<u>259</u>
Total liabilities		<u>259</u>
Net assets acquired		3,224
Bargain purchase gain		<u>(351)</u>
Cash purchase price	\$	<u><u>2,873</u></u>

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During fiscal year 2011, the Company completed the following acquisitions:

(d) TBC Retail Group, Inc. – 4 Retail Store Locations

On October 1, 2011, the Company purchased four retail store locations. The operations were included from the acquisition date to March 31, 2012. The entire amount of goodwill recorded through these acquisitions is expected to be deductible for tax purposes. The following is a summary of the amounts assigned to assets acquired and liabilities assumed by the Company in connection with this acquisition (in thousands):

	Allocation
Assets acquired:	
Accounts receivable	\$ 47
Inventory	258
Property and equipment	212
Goodwill and other intangible assets	2,403
Total assets	2,920
Liabilities assumed:	
Current liabilities	210
Total liabilities	210
Cash purchase price	\$ 2,710

(e) Carroll Tires, LLC – 1 Warehouse Location

On April 1, 2011, the Company purchased one warehouse location. The operations were included from the acquisition date to March 31, 2012. The entire amount of goodwill recorded through these acquisitions is expected to be deductible for tax purposes. The following is a summary of the amounts assigned to assets acquired and liabilities assumed by the Company in connection with this acquisition (in thousands):

	Allocation
Assets acquired:	
Accounts receivable	\$ 351
Inventory	486
Property and equipment	76
Goodwill and other intangible assets	3
Total assets	916
Cash purchase price	\$ 916

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(5) Related Parties and Major Suppliers

Related Parties

The Company's operations are managed through its executive officers, Board of Directors, and SCOA. Substantially all of the Company's debt is owed to SCOA, as discussed in note 7.

Sales to entities in which the Company has an ownership interest accounted for approximately \$21.0 million for each of the years ended March 31, 2013 and 2012, or 0.6% and 0.7% of the Company's net sales in each respective year. Accounts receivable resulting from transactions with these related parties are presented separately in the accompanying consolidated balance sheets. The terms and conditions negotiated with related parties are based on similar terms of the Company's trade accounts receivable.

During the years ended March 31, 2013 and 2012, the Company purchased approximately \$217.2 million and \$253.7 million, respectively, of its total inventory purchases from SC and approximately \$12.9 million and \$14.7 million, respectively, of customs brokerage services from Sumisho Global Logistics, an affiliated company.

Additionally, during each of the years ended March 31, 2013 and 2012, the Company incurred administrative service fees of approximately \$1.3 million and interest expense of approximately \$31.8 million and \$16.9 million, respectively, from SCOA.

The Company has payables with related parties, which are included in due to affiliates in the consolidated balance sheets, as follows (in millions):

	<u>Related party</u>	<u>Fiscal year</u>	
		<u>2013</u>	<u>2012</u>
Inventory purchases	Sumitomo Corporation	\$ 62.8	109.2
Customs brokerage services	Sumisho Global Logistics	0.3	0.7
Income taxes or other taxes payable	SCOA	3.7	0.1
		<u>\$ 66.8</u>	<u>110.0</u>

The Company also had accrued interest due to SCOA as of March 31, 2013 and 2012 of approximately \$5.7 million and \$5.4 million, respectively, which is included in other current liabilities in the accompanying consolidated balance sheets.

Effective April 2010, SC implemented a new dividend payout system for its overseas affiliated companies. Certain subsidiaries within the SC consolidated group are required to pay a dividend at least 50% of the equity income of the respective year during the following fiscal year. During Fiscal 2012 and 2011, the Company was required to pay dividends of approximately \$29.7 million and \$28.8 million, respectively, for Fiscal 2011 and 2010 net income. SC will notify the Company once it has determined if it plans to require the payment for Fiscal 2012 and will provide the amount and payment date accordingly.

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Major Suppliers

During the years ended March 31, 2013 and 2012, approximately 58.9% and 59.6%, respectively, of the Company's inventory purchases were from four vendors, as follows:

	<u>2013</u>	<u>2012</u>
Vendor A	25.4%	24.8%
Vendor B	12.4	11.7
Vendor C	10.6	12.4
Vendor D	10.5	10.7

(6) Goodwill and Intangible Assets

Acquired Intangible Assets

	<u>March 31, 2013</u>			
	<u>Weighted average amortization period</u>	<u>Gross carrying amounts</u>	<u>Accumulated amortization</u>	<u>Net carrying amount</u>
Amortizing intangible assets:				
Trademarks	26-years	\$ 414,022	(64,320)	349,702
Franchise agreements	13-years	113,100	(39,237)	73,863
Customer lists	12-years	103,884	(35,490)	68,394
Software intangible	1-year	2,800	(856)	1,944
Favorable market leasehold interest	9-years	46,419	(18,797)	27,622
Unfavorable market leasehold interest	7-years	(37,080)	14,791	(22,289)
Other intangible assets	1-year	1,981	(1,408)	573
Total		<u>\$ 645,126</u>	<u>(145,317)</u>	<u>499,809</u>

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	March 31, 2012			
	Weighted average amortization period	Gross carrying amounts	Accumulated amortization	Net carrying amount
Amortizing intangible assets:				
Trademarks	24-years	\$ 240,000	(51,003)	188,997
Franchise agreements	12-years	94,000	(33,314)	60,686
Customer lists	13-years	100,283	(29,678)	70,605
Favorable market leasehold interest	11-years	38,732	(16,084)	22,648
Unfavorable market leasehold interest	11-years	(30,735)	12,907	(17,828)
Other intangible assets	2-year	2,390	(1,405)	985
Total		\$ 444,670	(118,577)	326,093

Aggregate amortization expense for amortizing intangible assets was \$27.1 million and \$20.9 million for the years ended March 31, 2013 and 2012, respectively. The estimated future annual amortization expense related to amortizing intangible assets as of March 31, 2013 is approximately \$27.8 million for each of the following five Fiscal years: 2013, 2014, 2015, 2016, and 2017.

The Company records its favorable leasehold interest, net of unfavorable, in short-term and long-term assets. As of March 31, 2013 and 2012, \$2.5 thousand and \$0.5 million, respectively, of favorable leasehold interest, net of unfavorable, was included as a portion of other current assets and \$5.3 million and \$4.3 million, respectively, of favorable leasehold interest, net of unfavorable, was included as favorable market lease intangibles in the consolidated balance sheets. The Company's other intangible assets, net, are included in other assets in the consolidated balance sheets.

Goodwill

The Company performed its annual goodwill impairment test and determined that there was no impairment of goodwill for the wholesale and franchise reporting units. However, management observed deterioration in demand across the automotive aftermarket retail marketplace, causing a decline in tire unit sales and lower car count in the Company's retail stores. Additionally, the Company experienced lower margins on products and services due to competitive forces. Based on this trend, the Company revised the projected outlook for the remainder of Fiscal 2012 and beyond, which also anticipated increases in certain operating expenses necessary to support the retail reporting unit on a go-forward basis. As a result, management determined that goodwill for the retail reporting unit was impaired.

In measuring the impairment loss under the two-step test the fair values of individual assets and liabilities of the retail reporting unit were estimated, along with the fair value of the retail reporting unit as a whole. These valuations were determined primarily based on discounted cash flow and replacement cost analyses. The impairment loss was then measured by the amount by which the carrying value of goodwill exceeded

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the implied fair value of goodwill. Based on this assessment, the Company recorded an impairment charge of \$247.2 million, which had an associated tax benefit of \$34.2 million for the year ended March 31, 2013.

The changes in the carrying amount of goodwill for the year ended March 31, 2013 and 2012 are as follows:

	2013	2012
Balance as of April 1:		
Gross goodwill	\$ 451,639	449,746
Accumulated impairment losses	—	—
Net goodwill as of April 1	451,639	449,746
Activity during the year:		
Goodwill acquired during the year	82,926	2,605
Effect of foreign currency translation	51	(712)
Impairment loss	(274,191)	—
Subtotal	(191,214)	1,893
Balance as of March 31:		
Gross goodwill	534,616	451,639
Accumulated impairment losses	(274,191)	—
Net goodwill as of March 31	\$ 260,425	451,639

(7) **Debt**

The Company has a revolving credit facility with SCOA with a balance of \$314.2 million and \$231.9 million, and term loans with a balance of \$775.0 million and \$425 million, as of March 31, 2013 and 2012, respectively.

Revolving Credit Facility

The Company's revolving credit facility matured on May 31, 2013, and was renewed effective starting April 1, 2013; under this renewal, the credit facility will expire on March 31, 2014. The current capacity of the credit facility is \$360.0 million with varying interest rates applied, depending on whether the borrowed amount at the end of any month exceeds certain borrowing levels within the agreement amendment. The rates vary from 1.61% to 1.67% per annum, based on borrowing level. As of March 31, 2013, the effective rate was 1.62%.

As of March 31, 2013 and 2012, the Company had approximately \$45.8 million and \$128.1 million, respectively, available to borrow the credit facility. In addition, the Company had \$46.8 million and \$41.5 million representing outstanding standby letters of credit as of March 31, 2013 and 2012, respectively. These letters of credit relate to performance and payment guarantees with certain vendors. Based upon the Company's experience with these arrangements, the Company does not believe that any obligations that may arise will be significant.

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Term Loans

The Company has a term loan with SCOA with repayment terms for the remaining \$425.0 million to be paid in three principal payments on November 18, 2013, November 17, 2014, and November 17, 2015 in the amounts of \$175.0 million, \$100.0 million, and \$150.0 million, respectively. Each of the three principal amounts will include fixed interest rates of 2.95%, 3.40%, and 3.70%, respectively. Interest is paid semiannually in arrears on May 17 and November 17 of each year commencing on May 17, 2011.

The Company entered into a term loan agreement (Acquisition Loan) with SCOA on the closing date of the Midas acquisition in the amount of \$350 million with quarterly interest payments required and principal repayment due March 29, 2013. The Acquisition Loan carried an interest rate of 3.65% per annum above the London Inter Bank Offered Rate (LIBOR) for a three month term quoted by The Bank of Tokyo Mitsubishi UFJ, Ltd. with quarterly interest payments due and matured on March 29, 2013. As of March 31, 2013, the Company renewed the Acquisition Loan with quarterly interest payments required and Acquisition Loan due date of March 31, 2014. The interest rate is LIBOR plus 4% per annum for a three month term quoted by The Bank of Tokyo Mitsubishi UFJ Ltd. The interest rate as of March 31, 2013 was 4.28%.

The Company's subsidiary, TBC Mexico, has several bank loans with various lenders, all of which are included within the current portion of other long-term debt, capital lease, and financing obligations in the accompanying consolidated balance sheets. The following summarizes the terms and the interest rates for these loans:

	March 31, 2013
Working capital revolver with a bank in the amount of approximately \$25 million, maturity date of March, 2014 with interest rates varying between 5.54% and 6.27% monthly	\$ 18,371
Mexican governmental finance program; maturity dates vary depending upon payment plans with local farmers; interest rates to TBC de Mexico fixed at 13% annually, monthly at 1.083%	170
	\$ 18,541

In a prior year, the Company entered into a financing arrangement with a third party to finance certain software licenses. The agreement is for a 48-month term with an interest rate of 3.1% and the balance as of March 31, 2013 and 2012 of approximately \$1.3 million and \$2.1 million, respectively.

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Long-term debt, capital lease obligations, and finance lease obligations are summarized as follows (in thousands):

	2013	2012
Term loan facility	\$ 775,000	425,000
Capital lease obligations	24,158	5,318
Finance lease obligations	28,258	—
Notes payable	19,886	16,954
Total debt, capital lease, and financing obligations	847,302	447,272
Less current portion	550,163	16,597
Total long-term debt, capital lease, and financing obligations	\$ 297,139	430,675

Maturities of long-term debt, capital lease obligations, and finance lease obligations are as follows (in thousands):

Fiscal year:		
2013	\$	550,163
2014		106,549
2015		154,996
2016		3,173
2017		3,336
Thereafter		29,085
Total	\$	847,302

The Company has received a written commitment from SCOA to extend the due dates, as necessary, for loans scheduled to mature during Fiscal 2013.

In order to estimate the fair value of its term loan facility due to SCOA, the Company would evaluate interest rates that are currently available for issuance of debt with similar terms and remaining maturities. It is the Company's position that the term loan facility with SCOA does not represent the manner in which the Company could otherwise finance its operation as a stand-alone entity. Furthermore, given the effect SCOA's acquisition push-down accounting (see note 1) has on the Company's balance sheet structure, management does not believe it is practicable to estimate fair value of the term loan facility.

(8) Capital and Operating Lease Commitments

Assets acquired under capital leases are included in property and equipment and total \$23.5 million and \$9.9 million as of March 31, 2013 and 2012, respectively. The accumulated depreciation relating to these capital lease assets is \$9.2 million and \$7.4 million as of March 31, 2013 and 2012, respectively. Assets acquired under finance leases are included in property and equipment and total approximately \$36.7 million as of March 31, 2013. The accumulated depreciation relating to these finance leases assets is

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\$3.4 million as of March 31, 2013. Other facilities and equipment are leased under arrangements that are accounted for as operating leases. The Company's commitments under operating leases relate primarily to retail store locations, distribution facilities, and vehicles and equipment. In addition to rental payments, the Company is obligated in some instances to pay real estate taxes, insurance, and certain maintenance costs. Rental expense of \$145.5 million and \$146.7 million was charged to operations during the years ended March 31, 2013 and 2012, respectively, after reducing such expense by rental income of \$34.9 million and \$4.0 million, respectively. Minimum base rent is expensed on a straight-line basis over the terms of the operating leases. Sublease income pertains to certain lease agreements ranging from 10 to 15 years and contain renewal options ranging from 5 to 15 years with terms similar to the original lease agreements.

The Company had a number of leases as of March 31, 2013 and 2012, respectively, for which the additional lease payment is contingent upon certain conditions. The majority of these conditions are based upon a percentage of monthly sales compared to a predetermined threshold amount. The Company incurred additional rental expense of \$0.9 million and \$0.2 million for contingent rentals for the years ended March 31, 2013 and 2012, respectively.

Future minimum operating and capital lease payments and the related present value of finance and capital lease payments as of March 31, 2013 were as follows (in thousands):

Fiscal year	Operating leases	Finance leases	Capital leases	Sublease income
2013	\$ 170,730	4,928	5,480	(23,197)
2014	158,149	4,930	5,311	(18,762)
2015	146,406	4,877	3,993	(15,396)
2016	131,263	4,766	1,958	(12,615)
2017	119,222	4,725	1,832	(9,967)
Thereafter	834,613	19,294	27,455	(25,495)
Total minimum lease payments	1,560,383	43,520	46,029	\$ (105,432)
Less – sublease income associated with operating leases	(105,432)			
Net minimum lease payments	\$ 1,454,951			
Less – interest expense associated with finance and capital leases		(15,262)	(21,871)	
Present value of net minimum lease payments		\$ 28,258	24,158	

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Real Estate Sale and Leaseback Transaction

During fiscal 2002, Midas sold 77 of its owned real estate properties to Realty Income Corporation, a publicly traded real estate investment trust, and realized approximately \$39.6 million in net proceeds. Simultaneous with that sale, Midas leased these properties from Realty Income Corporation and the sites continue to be leased to Midas franchisees under existing leases. Because these properties continued to generate rents to Midas, the Company recorded a \$27.7 million finance lease obligation as part of the Midas acquisition pursuant to ASC Subtopic 840-40, *Sale-Leaseback Transactions*. As of March 31, 2013, the properties are recorded on the balance sheet within buildings and leasehold improvements and will continue to be depreciated over the remaining useful lives. Annual lease payments will be made through the expiration of the lease in 2022.

(9) Warranty Allowances

For non-Midas programs, the Company or the vendors supplying its products provide its customers limited warranties on certain products. In most cases, the Company's vendors are primarily responsible for warranty claims. Warranty costs relating to merchandise sold or services provided not covered by vendors are estimated and recorded as warranty obligations at the time of sale. The Company periodically assesses the adequacy of its recorded warranty liability and adjusts the amount as necessary.

The following table is a reconciliation of the changes in the Company's non-Midas warranty liability for the years ended March 31, 2013 and 2012 (in thousands):

	2013	2012
Warranty allowance, beginning of year	\$ 5,265	4,682
Allowances established	6,558	6,526
Allowances utilized	(6,604)	(5,943)
Warranty allowance, end of year	\$ 5,219	5,265

For certain Midas products, customers are provided a written warranty from Midas for 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 future cost of redemption of each future warranty. Management develops these estimates based on actual historical registration and redemption data as well as actual cost information on current redemptions.

As discussed further below, prior to 2008 in the United States and 2009 in Canada, Midas was responsible for fulfillment of all warranty obligations rather than the franchisees. Accordingly, when the Company determines there are to be charges in estimated future warranty redemptions and/or the estimated cost of these redemptions, the warranty charges or benefits are included in the consolidated statements of operations as an adjustment to warranty expense (reflected as a component of cost of sales). In addition,

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there are no new allowances established for this pre 2008/2009 population because there are no new registrations under these programs.

The following table is a reconciliation of the changes in the Company's warranty liability under this Midas program for the year ended March 31, 2013 (in thousands):

	2013
Fiscal year:	
Accrued warranty, as of acquisition date (see note 4(a))	\$ 3,611
Warranty credits issued to franchisees and company operated shops	(481)
Change in liability for accruals related to pre-existing warranties	27
Warranty allowance, end of year	\$ 3,157

As of January 1, 2008, the Company changed how the Midas warranty obligations are funded in the United States (July 1, 2009 for Canada). Beginning in fiscal 2008, the Midas warranty program in the United States was funded directly by Midas franchisees. The franchisees are charged a fee for each warranted product sold to customers. 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 this new warranty program will have no net impact on the results of operations.

The following table is a reconciliation of the changes in the Company's warranty liability under this Midas program for the year ended March 31, 2013 (in thousands):

Deferred warranty obligation, as of acquisition date (see note 4(a))	\$ 7,217
Warranty fees charged to franchisees and company-operated shops	2,146
Warranty credits issued to franchisees and company-operated shops	(1,980)
Changes in liability for accruals related to pre-existing warranties	73
Deferred warranty obligation, end of year	\$ 7,456

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(10) Income Taxes

Income tax expense (benefit) for the years ended March 31, 2013 and 2012 was as follows (in thousands):

	2013	2012
Current:		
Federal	\$ (789)	28,174
State	(675)	3,106
Foreign	3,861	3,938
Total current income taxes	2,397	35,218
Deferred	(32,361)	2,829
Income tax (benefit) expense	\$ (29,964)	38,047

The provision for income taxes differs from the statutory federal rate of 35% mainly due to state taxes, permanent items, valuation allowance, foreign income inclusion, and foreign tax credits received. The provision for deferred income taxes represents the change in the Company's net deferred income tax asset or liability during the year, excluding deferred taxes related to other comprehensive income or loss and acquisitions impacting deferred tax assets or liabilities, and includes the effect of any tax rate changes. Deferred income taxes arise from temporary differences between the tax basis of the Company's assets and liabilities and their reported amounts in the accompanying consolidated financial statements.

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The major components of deferred income tax assets and liabilities in the accompanying consolidated balance sheets are summarized as follows (in thousands):

	2013	2012
Deferred income tax assets:		
Allowance for doubtful accounts	\$ 8,332	5,017
Warranty-related reserves	5,643	1,966
Insurance-related accruals	10,964	8,874
Compensation and retirement-related accruals	34,128	14,548
Lease accruals and related arrangements	12,439	11,200
Deferred revenues	4,907	5,450
Inventories	9,891	8,680
Loss carryforwards and tax credits	42,247	1,431
Legal reserves	6,983	1,002
Closed store accrual	940	464
Environmental accrual	3,355	8
Other	7,223	1,239
	147,052	59,879
Gross deferred income tax assets		
Less valuation allowance	(5,359)	—
Net deferred income tax assets	141,693	59,879
Deferred income tax liabilities:		
Trademarks and intangible assets	(183,181)	(140,231)
Property and equipment	(58,523)	(29,174)
Foreign partnership investment basis difference	(6,304)	(4,099)
	(248,008)	(173,504)
Total deferred income tax liabilities		
Net deferred income tax liabilities	\$ (106,315)	(113,625)
Consolidated balance sheet presentation:		
Current deferred income tax asset, net	\$ 61,441	39,352
Noncurrent deferred income tax asset, net	1,197	—
Noncurrent deferred income tax liabilities, net	(168,953)	(152,977)
Net deferred income tax liabilities	\$ (106,315)	(113,625)

The changes in the valuation allowance account for the current year relates predominately to purchase accounting. A valuation allowance of \$5.4 million was established to offset those portions of the Midas state net operating losses and foreign tax credits expected to expire unutilized. There was no change in valuation allowance during Fiscal 2011.

In assessing the realization of the Company's deferred income tax assets, the Company considers whether it is more likely than not that the deferred income tax assets will be realized. The ultimate realization of the Company's deferred income tax assets depends upon generating future taxable income during the periods in which the temporary differences become deductible and before the net operating loss carryforwards

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expire. The Company evaluates the recoverability of the deferred income tax assets by assessing the need for a valuation allowance. After consideration of all of the evidence, the Company has determined that a valuation allowance of \$5.4 million is necessary as of March 31, 2013.

The Company had various state net operating loss carryforwards giving rise to deferred tax assets with carrying values of \$4.0 million and \$1.4 million as of March 31, 2013 and 2012, respectively. The \$4.0 million of state net operating loss carryforwards as of March 31, 2013 are subject to a valuation allowance of \$2.1 million. The remaining losses are expected to be utilized prior to expiration in 2018 through 2031. Tax years 2007 to 2011 remain subject to future examination by major tax jurisdictions in which the Company is subject to tax.

The Company also had \$31.1 million in federal net operating loss carryforwards as of March 31, 2013 due to the acquisition of Midas, Inc. The net operating loss carryforwards are subject to Section 382 limitations. The remaining losses are expected to be utilized prior to expiration in 2023.

The Company also had \$0.8 million as a Florida research and development credit as of March 31, 2013. Any unutilized credits expire in 2018.

As of March 31, 2013, U.S. taxes were not provided on income of the Company's foreign subsidiaries, as the Company has invested or expects to invest the undistributed earnings indefinitely. If in the future this income is repatriated to the United States, or if the Company determines that the earnings will be remitted in the foreseeable future, additional tax provisions may be required. It is not practical to determine the amount of unrecognized deferred income tax liabilities on the undistributed earnings.

FASB ASC Topic 740-10, *Income Taxes* (ASC 740), provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more likely than not recognition threshold at the effective date to be recognized upon the adoption of ASC 740 and in subsequent periods. This interpretation also provides guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Company recognizes interest and penalties accrued related to unrecognized tax benefits as components of the income tax provision and recognized expense of \$0.01 million and \$0.02 million for the years ended March 31, 2013 and 2012. As of March 31, 2013 and 2012, the liability for uncertain tax positions, including interest and penalties, is recorded in the accompanying consolidated balance sheets within other current liabilities.

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The following table summarizes the activity related to the Company's unrecognized tax benefits:

Balance at March 31, 2011	\$	539
Additions based on tax positions related to the current year		118
Additions for tax positions of prior years		150
Reductions for tax positions of prior years		(534)
Statute expirations		(5)
Settlements		—
		268
Balance at March 31, 2012		268
Additions based on tax positions related to the current year		464
Additions for tax positions of prior years		57
Additions for acquired tax positions		1,395
Reductions for tax positions of prior years		—
Statute expirations		—
Settlements		(59)
		2,125
Balance at March 31, 2013	\$	2,125

(11) Retirement Plans

(a) 401(k) Plans

The Company maintains employee savings plans under Section 401(k) of the Internal Revenue Code. Eligible employees are permitted to make tax deferred contributions from 1% to 50% of their eligible pay, subject to certain Internal Revenue Service limitations. Contributions are typically made by the Company to the 401(k) plans based on specified percentages of eligible employee contributions, but may also include discretionary contributions. TBC contributions are fully and immediately vested. Expenses recorded for the Company's contributions totaled \$4.3 million and \$3.8 million during the years ended March 31, 2013 and 2012, respectively.

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(b) **Supplemental Retirement and Pension Plans**

TBC Corporation

The Company also provides supplemental retirement plans for certain of its key executives, to provide benefits in excess of amounts permitted to be paid by its other retirement plans under current tax law. Expense recorded for supplemental retirement benefits totaled \$3.4 million and \$3.2 million for the years ended March 31, 2013 and 2012, respectively. As of March 31, 2013 and 2012, the Company had recorded an unfunded projected benefit obligation of \$18.1 million and \$17.6 million, respectively, based upon a measurement date of March 31, 2013 and March 31, 2012, respectively, computed using a 0.57% and 1.3% discount rate, respectively, depending upon the plan, and 3.0% expected increase in future compensation for both years. Plan balances are included within accrued payroll and other noncurrent liabilities.

Under FASB ASC Topic 715, *Compensation – Retirement Benefits*, the following tables set forth the obligations and balance sheets for the executive supplemental retirement plan along with the income statement and other items as of March 31 (in thousands):

	2013	2012
Benefit obligations:		
Change in projected benefit obligation (PBO):		
PBO, beginning of year	\$ 17,616	14,562
Service cost	1,597	1,418
Interest cost	229	299
Actuarial loss	(1,353)	1,337
PBO, end of year	\$ 18,089	17,616
Accumulated benefit obligation (ABO), end of year	\$ 17,253	14,625
Funded status as of year-end:		
Funded status	\$ (18,089)	(17,616)
Amount recognized end of year	\$ (18,089)	(17,616)
Assumptions used for year-end obligation:		
Discount rate/lump-sum rate	0.57%/Segment rates	1.30%/Segment rates
Compensation increase rate	3.0%	3.0%
Measurement date	March 31, 2013	March 31, 2012

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	2013	2012
Amounts recognized in other comprehensive income:		
Transition obligation (assets)	\$ —	—
Prior service cost	(342)	(914)
Net loss	(1,800)	(4,162)
Total	\$ (2,142)	(5,076)
Amounts recognized in the statement of financial position:		
Noncurrent assets	\$ —	—
Current liabilities	(4,955)	—
Noncurrent liabilities	(13,134)	(17,616)
Prepaid benefit cost	—	—
Accrued benefit cost	—	—
Intangible asset	—	—
Accumulated other comprehensive income (pretax)	—	—
Total	\$ (18,089)	(17,616)

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	2013	2012
Net periodic pension cost:		
Service cost	\$ 1,597	1,418
Interest cost	229	299
Amortizations:		
Net gain	—	—
Prior service cost	572	572
Settlement charge	1,009	912
Net periodic pension cost	\$ 3,407	3,201
Assumptions used to determine net periodic pension cost:		
Discount rate/lump-sum rate	1.30%/Segment rates	2.05%/5.50%
Compensation increase rate	3.0%	5.0%
Measurement date	March 31, 2013	March 31, 2012
Estimated amounts to be amortized from accumulated other comprehensive income into net periodic pension cost in next fiscal year:		
Prior service cost	\$ 342	572
Net loss	—	1,009
Total	\$ 342	1,581
Expected benefit payments during fiscal year(s) ending:		
March 31, 2014	\$ 4,997	—
March 31, 2015	—	—
March 31, 2016	14,848	6,256
March 31, 2017	—	15,983
March 31, 2018 through March 31, 2023	—	—
	2013	2012
Employer contributions expected to be paid during fiscal years ending March 31, 2014 and 2013	\$ —	—
Information for plans with PBO in excess of assets:		
PBO, end of year	\$ 18,089	17,616
Fair value of assets, end of year	—	—
Information for plans with ABO in excess of assets:		
ABO, end of year	\$ 17,253	14,625
PBO, end of year	18,089	17,616
Fair value of assets, end of year	—	—

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(c) **Defined Benefit Pension Plans and Other Postretirement Plans**

Midas, Inc.

Certain employees in the U.S. and Canada are covered under various defined benefit pension plans sponsored and funded by the Company. 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 or curtailment of the plan. Plans covering hourly employees generally provide benefits of stated amounts for each year of service. During the year, the Company opted to freeze the U.S. pension plan effective August 31, 2012. Therefore, following this date no additional employees become eligible for benefits and no further benefits accrue based upon service.

Net periodic pension cost for Fiscal 2012 is presented in the following table (in thousands):

	Year ended March 31, 2013
Service cost	\$ 321
Interest cost on projected benefit obligation	2,795
Expected return on assets	(3,619)
Total net periodic cost	\$ (503)

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

	Year ended March 31, 2013
Discount rate	3.00%
Expected long-term rate of return on plan assets	7.00
Rate of increase in compensation levels	—

The Company used the Mercer Discount Yield Curve as the basis for determining the 2012 discount rate. The index is long term in nature and reflects the future timing of the expected cash flows for the pension plan. The rate of increase in compensation was reduced to 0% due to freezing of the entire plan by the Company.

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

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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 2012 were as follows for the U.S. Defined Benefit Plan:

	<u>Target</u>	<u>2012</u>
US Large Cap Equity	24.8%	24.8%
US Small/Mid Cap Equity	6.2	6.4
Non-US Developed Equity	25.7	25.6
Emerging Markets Equity	5.3	5.2
US Core Fixed Income	6.1	6.1
US Long Duration Fixed Income	31.9	31.9
Total	<u>100.0%</u>	<u>100.0%</u>

The Canadian Hourly Defined Benefit Plan and the Canadian Salary Defined Benefit Plan assets were diversified in the current year to a mix more appropriate for the on going pension obligations. The fair value of the Canadian plan assets was approximately \$4.7 million as of March 31, 2013, essentially all of which were measured using significant other observable inputs.

The fair value of the U.S. pension plans' assets, only, as of March 31, 2013 by asset is as follows (in thousands):

	<u>March 31, 2013</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>
US Small/Mid Cap Growth				
Equity	\$ 1,834	—	1,834	—
US Small/Mid Cap Value Equity	1,835	—	1,835	—
Non-US Core Equity	15,048	—	15,048	—
US Core Fixed Income	2,361	—	2,361	—
US Long Duration Fixed Income	2,845	—	2,845	—
US Long Duration Investment				
Grade Fixed Income	2,535	—	2,535	—
Passive US Large Cap Equity	14,354	—	14,354	—
Passive US Core Fixed Income	1,240	—	1,240	—
Passive US Long Duration	4,109	—	4,109	—
US Long Corporate Fixed Income	9,448	—	9,448	—
Mercer Emerging Markets Equity	3,070	—	3,070	—
Cash reserves	135	135	—	—
Total	<u>\$ 58,814</u>	<u>135</u>	<u>58,679</u>	<u>—</u>

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US Large Cap Growth Equity invests primarily in common stock of large cap companies in the U.S. with above average earnings growth and revenue expectations. It targets broad diversification across economic sectors and seeks to achieve lower overall portfolio volatility by investing in complementary active managers with varying risk characteristics.

US Large Cap Value Equity invests primarily in large cap companies in the U.S. that appear to be undervalued relative to their intrinsic value. It targets broad diversification across economic sectors and seeks to achieve lower overall portfolio volatility by investing in complementary active managers with varying risk characteristics.

US Small/Mid Cap Growth Equity invests in small to mid-sized companies in the U.S. with above average earnings growth and revenue expectations. It targets broad diversification across economic sectors and seeks to achieve lower overall portfolio volatility by investing in complementary active managers with varying risk characteristics.

US Small/Mid Cap Value Equity invests in small to mid-sized companies in the U.S. that appear to be undervalued relative to their intrinsic value. It targets broad diversification across economic sectors and seeks to achieve lower overall portfolio volatility by investing in complementary active managers with varying risk characteristics.

Non-US Core Equity invests in all cap companies operating in developed and emerging markets outside the U.S. The strategy targets broad diversification across economic sectors and seeks to achieve lower overall portfolio volatility by investing in complementary active managers with varying risk characteristics. Total exposure to emerging markets is typically 10%-15%, inclusive of direct investment in emerging markets and exposure through other non-U.S. equity funds.

US Core Fixed Income invests primarily in U.S. dollar-denominated investment grade and government securities. It may also invest opportunistically in out-of-benchmark positions including U.S. high yield, non-U.S. bonds, and TIPs.

US Long Duration Fixed Income invests primarily in U.S. dollar-denominated investment grade bonds and government securities with 9-11 year durations. It may also invest opportunistically in out-of-benchmark positions including U.S. high yield, non-U.S. bonds, municipal bonds, and TIPs.

US Long Duration Investment Grade Fixed Income invests in a passively managed U.S. long duration investment grade portfolio at a 90% weight and a passively managed U.S. long treasury portfolio at a 10% weight.

Passive US Large Cap Equity seeks to match the performance of the S&P 500 Index and invests in common stock of large cap companies in the U.S.

Passive US Core Fixed Income invests primarily in U.S. dollar-denominated investment grade bonds and government securities.

Passive US Long Duration invests primarily in U.S. dollar-denominated investment grade bonds and government securities with 9-11 year durations.

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US Long Corporate Fixed Income focuses on high quality issues within the U.S. corporate bond market and leverages the skill and proprietary research of the sub-advisor managers to potentially minimize exposure to ratings downgrades and defaults.

Mercer Emerging Markets Equity uses fundamental investment strategies and quantitative applications to provide emerging markets equity exposure and targets broad diversification across economic sectors and seeks to achieve lower portfolio volatility by investing in complementary active managers with varying risk characteristics.

The following table presents estimated future benefits payments for both U.S. and Canada over the next 10 years, including expected future service, as appropriate, as of March 31, 2013 (in thousands):

Fiscal year:		
2013	\$	4,497
2014		4,071
2015		4,149
2016		4,268
2017		4,536
2018 – 2022		25,481
Total	\$	<u>47,002</u>

The changes in the projected benefit obligations for fiscal 2012 for U.S. and Canada obligations were as follows (in thousands):

	March 31, 2013
Benefit obligations as of the beginning of the year	\$ 107,507
Service cost	325
Interest cost	2,791
Actuarial loss	3,796
Plan curtailments	(2,313)
Benefits paid and plan expenses	(5,417)
Benefit obligations as of the end of the year	\$ 106,689

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The changes in the fair market value of the U.S. and Canada plan assets for Fiscal 2012 were as follows (in thousands):

	March 31, 2013
Fair value of assets as of the beginning of the period	\$ 54,504
Actual return on plan assets	3,882
Company contributions	8,455
Benefits paid and plan expenses	(3,335)
Fair value of assets as of the end of the year	\$ 63,506

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 March 31, 2013, the Company has met all regulatory minimum funding requirements. The Company made contributions of \$8.5 million to the U.S. Defined Benefit Plan in fiscal 2012 and expects to contribute approximately \$7.0 million to the U.S. Defined Benefit Plan during fiscal 2013.

The following table reconciles the pension plans' funded status to the amounts recognized on the consolidated balance sheet as of March 31, 2013 (in thousands):

	March 31, 2013
Actuarial present value of projected benefit obligation	\$ (106,689)
Plan assets at fair market value	63,506
Accrued pension cost recognized on consolidated balance sheets	\$ (43,183)

Amounts recognized in accumulated other comprehensive loss as of fiscal 2012 were as follows (in thousands and before tax):

	March 31, 2013
Net actuarial loss	\$ (981)

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As of March 31, 2013, the Company has recorded accrued pension costs as follows (in thousands):

		<u>March 31, 2013</u>
Accrued Canadian pension liability	\$	(331)
Accrued U.S. pension liability		<u>(42,852)</u>
Pension liability	\$	<u><u>(43,183)</u></u>

(12) Other Benefit Plans

(a) Mandatorily Redeemable Preferred Stock

The Board of Directors of TBC approved the issuance of 10,000 shares of Series A Preferred Stock, par value \$0.01 per share. The shares are nonvoting and are not entitled to dividends. The Company issued 408 shares for which cash received by TBC totaled approximately \$6.8 million, for a per share value of approximately \$17 thousand. The preferred shares are redeemable by the holder at any time after three years from issuance or by TBC upon change of control. Additionally, there is a requirement by the Company to repurchase all shares held by a holder, depending upon the termination circumstances, such as death, retirement, and with or without good cause. During Fiscal 2012 and 2011, zero and three shares, respectively, were redeemed under the provisions of the agreement due to the respective holder's change in employment status. As of March 31, 2013 and 2012, the liability recorded related to the preferred stock equals the amount of cash that would be paid under the conditions specified in the contract if the shares were repurchased or redeemed at that date, subject to certain assumptions regarding redemption conditions. Based upon the Certificate of Designations, Preferences, and Rights of Series A Preferred Stock of TBC Corporation and the knowledge of conditions existing as of March 31, 2013, the holder will be paid the redemption value per share as of the end of the quarter ending or immediately following the date of termination. The redemption value is determined based on a defined formula included in the agreement. As of March 31, 2013 and 2012, the redemption value was determined to be approximately \$3.2 million and \$7.7 million, respectively, for a per share value of approximately \$11 thousand and \$24 thousand, respectively. These amounts are included within other noncurrent liabilities in the accompanying consolidated balance sheets. The liability recorded as of March 31, 2013 and 2012 included a \$4.5 million decrease and \$0.2 million increase in value during Fiscal 2012 and 2011, respectively, which was classified within interest expense, net in the accompanying consolidated statements of operations.

(b) Long-Term Incentive Plans

The Company has long-term incentive plans that it offers to its key employees that are considered nonqualified plans. Prior to April 1, 2009, the plans were governed by the Senior Executive Incentive Plan, and administered by the Executive Committee of the Board of Directors. The plans allowed for grants of Phantom Stock Awards (PSAs), Annual Performance Awards (APAs), and/or Long-Term Performance awards (LTIPs). The APA and LTIP awards require the achievement of specific performance objectives established at the date of grant. If the objectives are met, the award

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is payable 30 days after the availability of the audited consolidated financial statements for APAs and the third consecutive fiscal year of the performance period for LTIPs. The Company measures these awards using a defined formula included in the award agreement based upon certain key performance criteria. As of March 31, 2013 and 2012, the Company recorded a liability of \$7.4 million and \$1.1 million, respectively, in the accompanying consolidated financial statements related to these plans. Bonus expense specific to these plans of \$0.8 million and \$0.7 million was recorded for Fiscal 2012 and 2011, respectively, which was classified within selling, administrative, and retail store expenses in the accompanying consolidated statements of operations.

As of April 1, 2009, the Company established the Phantom Share Appreciation Plan, which replaced the Senior Executive Incentive Plan prospectively. The plan is administered by the Executive Committee of the Board of Directors and allows for grants of Phantom Share Appreciation Awards (Phantom Shares). The Phantom Shares vest 25% on each one-year anniversary from the date of grant. The award is only exercisable at the end of the four-year period following the date of grant provided that the grantee remains employed through the end of the four-year period (certain exceptions are applicable for death, retirement, or disability). The Company measured awards granted in Fiscal 2012 and 2011 using a defined formula included in the award agreement based upon certain key performance criteria, subject to a floor. As of March 31, 2013 and 2012, the Company recorded a liability of \$5.2 million and \$8.5 million, respectively, in the accompanying consolidated financial statements related to this plan. Bonus expense of \$3.6 million and \$3.9 million was recorded for Fiscal 2012 and 2011, respectively, which was classified within selling, administrative, and retail store expenses in the accompanying consolidated statements of operations.

(c) *Deferred Compensation Plan*

The Company adopted the TBC Corporation Deferred Compensation Plan, which allows certain key employees to defer up to 80% of their base salary and/or 100% of their bonuses on a tax deferred basis. All deferral elections are required to be made prior to the beginning of the respective plan year. Participants receive returns on amounts they deferred based on investment elections they make which are added to their deferrals. Deferrals into the plan and any related earnings are 100% vested. The Company purchased life insurance contracts that may be used to fund the Company's obligation under this plan. As of March 31, 2013 and 2012, the Company had a liability of \$5.5 million and \$3.9 million, respectively, and an asset of \$5.7 million and \$3.9 million, respectively, recorded in the accompanying consolidated balance sheets related to this plan. The related asset is included in other assets and the liability is included in other noncurrent liabilities within the accompanying consolidated balance sheets.

(13) Financial Guarantees and Credit Risks

From time to time, certain of the Company's franchise units provide certain financial guarantees associated with real estate leases and financing of its franchisees. Although the guarantees were issued in the normal course of business to meet the financing needs of its franchisees, they may represent credit risk in excess of the amounts reported in the consolidated balance sheets. As of March 31, 2013 and 2012, there were no contractual amounts owed as it related to these guarantees.

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(14) Variable Interest Entities

FASB ASC Subtopic 810, *Consolidation*, provides guidance on the consolidation of entities whose equity holders have either not provided sufficient equity at risk to allow the entity to finance its own activities or do not possess certain characteristics of a controlling financial interest.

Effective April 1, 2010, the Company adopted a new standard pertaining to the consolidation of variable interest entities that required it to determine whether a variable interest gives the Company a controlling financial interest in a Variable Interest Entity (VIE). The Company performs ongoing reassessment(s) of the primary beneficiary of the VIE and eliminates the quantitative approach previously required for determining whether an entity is the primary beneficiary. The Company performs ongoing qualitative assessments of its VIEs to determine whether the Company has a controlling financial interest in the VIE and therefore is the primary beneficiary. The Company is deemed to have a controlling financial interest when it has both the ability to direct the activities that most significantly impact the economic performance of the VIE and the obligation to absorb losses or right to receive benefits from the VIE that could potentially be significant to the VIE. Based on the Company's assessment, if it determines it is the primary beneficiary, the Company consolidates the VIE in the Company's consolidated financial statements. As of March 31, 2013 and 2012, the Company has concluded that there are no controlling interests in any VIEs.

(15) Asset Retirement and Environmental Obligations

Asset Retirement Obligations

The Company utilizes the provisions of FASB ASC Topic 410, *Asset Retirement and Environmental Obligations*. FASB ASC 410 requires the capitalization of any retirement obligation costs as part of the carrying amount of the long-lived asset and the subsequent allocation of the total expense to future periods using a systematic and rational method. The Company has determined that certain leases require that the premises be returned to its original condition, reflecting normal wear and tear, upon lease termination. As a result, the Company will incur costs, primarily related to the removal of signage and equipment from its retail stores, at the lease termination and requires that these costs be recorded at their fair value at lease inception.

As of March 31, 2013 and 2012, the Company had a liability pertaining to the asset retirement obligation which is included in noncurrent liabilities in the accompanying consolidated balance sheets. Accretion expense associated with the asset retirement obligations is recorded as selling, administrative, and retail store expense in the consolidated statements of operations. The following is a reconciliation of the beginning and ending carrying amounts of the Company's asset retirement obligation (in thousands):

	2013	2012
Asset retirement obligation, beginning of year	\$ 3,104	2,608
Asset retirement obligation established during acquisition accounting	4,841	—
Asset retirement obligation incurred during the year	152	360
Accretion expense	434	136
Asset retirement obligation, end of year	\$ 8,531	3,104

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Environmental Obligations

The Company has identified a number of Midas franchise and company-operated shops that contain soil, groundwater, or other types of contamination from improper usage and maintenance of equipment, or disposal of certain hazardous chemicals used in the operation of automotive retail locations. Due to its association with a substantial portion of Midas franchise properties as primary lessee or guarantor (see note 2(t)), the Company believes that it will ultimately be responsible for incurring costs for environmental remediation at many locations. In applying acquisition accounting, the Company prepared an estimate of such remediation costs based upon site studies performed at a sample of locations to identify the frequency and severity of contamination. With the assistance of internal and external subject matter experts, the Company estimated its undiscounted obligation to be approximately \$12.5 million, anticipated to be incurred over a period of approximately 10 years. Given this extended period, management applied a discount rate of 7.0% and recorded the \$8.8 million present value in the application of purchase accounting, included in other noncurrent liabilities in the accompany consolidated balance sheets. As no significant remediation activities had occurred prior to March 31, 2013, the recorded amount remained essentially unchanged.

The Company does not believe that similar obligations exist for its non-Midas locations due to the existence and enforcement of policies and procedures surrounding equipment usage and maintenance, as well disposal of hazardous substances.

(16) Other Comprehensive Income

The accumulated balances for each classification of other comprehensive income are as follows:

	<u>Foreign currency items</u>	<u>Pension plan</u>	<u>Supplemental retirement plan</u>	<u>Accumulated other comprehensive (loss) income</u>
Beginning balance, April 1, 2011	\$ 1,381	—	(3,300)	(1,919)
Net current period change	(2,728)	—	(425)	(3,153)
Tax effect of current period change	393	—	160	553
Reclassification adjustments				
for losses reclassified into income	—	—	572	572
Tax effect of reclassification adjustments	—	—	(215)	(215)
Amount attributable to noncontrolling interest	499	—	—	499
Ending balance, March 31, 2012	(455)	—	(3,208)	(3,663)

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	Foreign currency items	Pension plan	Supplemental retirement plan	Accumulated other comprehensive income (loss)
Net current period change	\$ 1,872	(1,541)	2,362	2,693
Tax effect of current period change	(336)	560	(869)	(645)
Reclassification adjustments				
for losses reclassified into income	—	—	572	572
Tax effect of reclassification adjustments	—	—	(211)	(211)
Amount attributable to noncontrolling interest	(817)	—	—	(817)
Ending balance, March 31, 2013	<u>\$ 264</u>	<u>(981)</u>	<u>(1,354)</u>	<u>(2,071)</u>

(17) Commitments and Contingencies

The Company is involved in various legal proceedings, which are routine to the conduct of its business. The Company does not believe that any such litigation will have a material adverse effect on its consolidated financial position or results of operations.

The following legal proceedings are considered significant in nature by management:

Bryan Goegan (Goegan) v. TBC Retail Group, et al is a purported class action lawsuit consisting of all hourly, nonexempt associates nationwide from September 28, 2008 to the present. The Company recently filed an Answer to the Complaint, and the parties have begun discovery. The matter, along with the Paul Quintana matter, has been assigned to a coordination judge. Management believes any outcomes of this litigation are not anticipated to be material to the financial statements of TBC.

Paul Quintana, et al v Big O Tires, LLC is a purported class action lawsuit consisting of all hourly, nonexempt associates in California from December 15, 2006 to the present. Big O recently filed an Answer to the Complaint, and the parties have begun discovery. The matter, along with the Goegan matter, has been assigned to a coordination judge. Management believes any outcomes of this litigation are not anticipated to be material to the financial statements of TBC.

Hutchins, et al v. Midas International Corporation, et al is a purported class action lawsuit filed on behalf of store managers in California since October 2008. The crux of the claim is for alleged unpaid overtime and waiting time penalties. The parties have just begun the written discovery process. Midas continues to believe that this lawsuit is without merit and that plaintiffs have a limited chance of certifying it as a class action. As such, Midas is pursuing a vigorous defense, and management believes any outcomes of this litigation are not anticipated to be material to the financial statements of TBC.

DishkinM/Soper, et al v. TBC Retail Group involves a Florida consumer class action whereby plaintiffs are alleging the company (1) failed to properly calculate shop fees on the invoice and (2) at times, failed to list fees on certain the advertisement. The trial court granted plaintiffs' motions for class certification and

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summary judgment, TBC prevailed on appeal. The Florida Supreme Court reversed and sided with the trial court. Although the parties agree that some of the advertisements do not mention shop fees, the parties disagree on the calculation of damages. The parties are currently discussing the possibility of setting up a second mediation to see whether the case can be resolved amicably.

Landsbridge Auto, et al v. Midas International Corporation, two Canadian Midas franchisees filed a class action lawsuit on May 31, 2007. They alleged various violations of the Midas Franchise and Trademark Agreement in connection with Midas's decision to terminate its supply system. Although the Court denied certification of most of the claims, it certified 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. On April 3, 2013 the parties reached a settlement of \$8.5 million. The Court must still approve the settlement, and this hearing is set for September 12, 2013. Because this was an existing claim at the time of the Midas acquisition, the settlement amount was recorded as an assumed liability in the application of purchase accounting.

MESA S.p.A. v. Midas International Corporation, et al., an Italian company that operates the Midas system in Europe and South America filed suit in Italy claiming Midas breached the License Agreement and the separate Agreement for Strategic Alliance (ASA). Specifically, the complaint claims that Midas "failed to cooperate" with MESA to improve the Midas System in Europe. Accordingly, MESA is seeking a portion of the license fees they paid to the Company from June 2009 through October 2011. MESA also seeks a declaratory judgment suspending MESA's obligation to pay 80% of its future license fees owed to Midas under the License Agreement. Since January 2012, MESA has been unilaterally withholding 80% of its license fees. As a result, Midas had filed a complaint in the Circuit Court of Cook County (Chicago), Illinois, against MESA, but the Court dismissed the case without prejudice under the belief that remedy could be obtained remedy in the Italian case. The court of appeals agreed. The Company continues to believe that this lawsuit by MESA is without merit and is pursuing a vigorous defense, as well as payment of the unpaid portion of the license fees.

On January 1, 2011, the Company entered into a contract to purchase a minimum of 12,500,000 gallons of oil products over the next three years, with no price escalation during the first contract year. In October 2012, the Company amended the contract, extending the first threshold period to December 31, 2013 to purchase a minimum amount of oil products over the next four years ranging from 4,000,000 gallons to over 6,000,000 gallons. The price of the products purchased will be based on published market indexes. In the event that the Company does not purchase the required amount of gallons in any given year, the Company would be required to pay an amount based upon certain thresholds. As of March 31, 2013, the Company is compliant with the contract purchase levels based on the Fiscal 2012 amendment.

(18) Subsequent Events

The Company has reviewed and evaluated material subsequent events from the balance sheet date of March 31, 2013 through the financial statement issue date.

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On April 1, 2013, the Company legally dissolved its Treadways Corporation operating unit into TBC Corporation for operational and tax purposes.

On April 4, 2013, the Company entered in to a term loan agreement to borrow an additional \$50 million, which is due July 31, 2013 and carries an effective interest rate of 5.34% per annum, which is the four month LIBOR rate (as quoted by The Bank of Tokyo Mitsubishi UFJ Ltd.) plus 5%.

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) a specific site, subject to the approval of Midas, in the following area: _____ (the “Market Area”); or

(b) the following specific site: _____;

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

Section 2. Deposit, Franchise Fee: Applicant hereby deposits \$5,000 (“Deposit”) with Midas. The Deposit must be paid regardless of whether Applicant is an existing franchisee or not. Except as otherwise provided herein, the Deposit is fully earned upon payment to Midas and is non-refundable. Upon executing the Franchise Agreement, Applicant shall pay Midas the then-current initial franchise fee required under the Franchise Agreement and described in Midas’s current Franchise Disclosure Document (“FDD”) (“Franchise Fee”). The Deposit shall be credited against the Franchise Fee if Applicant enters into the Franchise Agreement. If the Franchise Fee is waived due to Applicant’s participation in an applicable incentive program, Midas will apply a one-time credit that equals the Deposit towards Applicant’s trade account upon signing the Franchise Agreement. The FDD and its attachments contain the programs and details concerning the various incentive programs that may impact the actual Franchise Fee paid to Midas.

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. Required Documents: Applicant agrees to execute (or cause to be executed), within 30 days after submittal by Midas (but not sooner than seven (7) calendar 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 5. 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 6. 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 7. Amendment: This Application can be altered or amended only via a written instrument signed by Applicant and an authorized officer of Midas. This Application is the entire agreement between the parties hereto as to the subject matter hereof.

Section 8. Notices: All notices required to be delivered by this Application must be in writing and will be deemed to be delivered, unless specified otherwise herein: (i) at the time delivered by hand; (ii) one (1) business day after transmission by facsimile or other electronic system (e.g. E-mail) if the sender has confirmation of successful transmission; (iii) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or (iv) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. All notices to Midas must be sent to the 4300 TBC Way, Palm Beach Gardens, Florida 33410, although Midas may change this address for notice by giving Applicant notice of the new address. Any notice that Midas sends to Applicant may be sent only to the address stated in this Application or any other contact information that Applicant has provided to Midas in writing.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

Applicant:

Date: _____, 20__

Applicant:

Date: _____, 20__

Midas International Corporation

By: _____

Applicant's address:

Applicant's address:

Acceptance date: _____, 20__

C-1-3

EXHIBIT C-1

APPLICATION FOR MIDAS SHOP FRANCHISE

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 Agreement for the operation of a Midas Shop (“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 Franchise 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 _____

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EXHIBIT C-2

FRANCHISE APPLICANT QUESTIONNAIRE

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.

SHOP ADDRESS:

FRANCHISE APPLICANT:

Signed

Printed Name

_____, 20____
Date

EXHIBIT D-1

**MIDAS INTERNATIONAL CORPORATION
FRANCHISE AGREEMENT**



Shop #
Street Address
City, State

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FRANCHISE AGREEMENT

This FRANCHISE AGREEMENT (“Agreement”) is entered into by and between Midas International Corporation, a Delaware corporation with its principal office at 4300 TBC Way, Palm Beach Gardens, Florida 33410 (“Midas”), and _____, a(n) _____ with its principal office at _____ (“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 total car care automotive shops known as “Midas Shop(s)” which engage in the sale and installation of those products and perform those services listed in Schedule A. Certain approved products installed at Midas Shops carry a unique and valuable Midas Guarantee to the consumer public.

All of said Midas Shops are operated in connection with and through the use of various trademarks, trade names, 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 business format franchise system for the establishment and operation of said Midas Shops (hereinafter referred to as the “Midas System”), which includes site selection, construction and layout, equipment selection and installation, purchasing, approved suppliers, and inventory, control methods, methods, processes, merchandising, advertising, sales, and promotional techniques, installation techniques, personnel training, and other matters relating to the operation of a Midas Shop 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 Midas approved 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, and to issue and honor the Midas guarantees, and to derive the benefits of Midas’ information, experience, advice, guidance, know-how, and customer goodwill.

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EXHIBIT D-1

MIDAS FRANCHISE AGREEMENT

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 adheres 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:

(i) _____;

or

(ii) if no location is specified (or "To be determined" or equivalent language appears; for example, in the instance of a future Transfer; defined below) in (i) above, then at the Approved Location (as hereinafter defined) to be located in the following Market Area (as provided in the Application entered into by Franchisee): _____.

Upon determination of the Approved Location, Franchisee and Midas shall execute the Site Selection Addendum attached hereto as Schedule B. The Shop at the specific location identified above or at the Approved Location is hereinafter referred to as the "Shop";

(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 approved Midas products listed in Schedule A attached hereto, and to sell and install said approved Midas products in or from Franchisee's Shop;

(d) To perform in Franchisee's Shop those 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 Midas 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 ("Term").

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

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MIDAS FRANCHISE AGREEMENT

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.

1.5 Incorporation of Riders. To the extent that any rider to the Agreement for a specific state is applicable, such rider is incorporated herein and this Agreement is modified accordingly. The provisions in any applicable rider are included as a condition to registration or use in certain jurisdictions, and Midas is not precluded from contesting the validity, enforceability, or applicability of such provisions in any action relating to this Agreement or its rescission or termination.

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 Proprietary Marks 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 approved Midas products and the rendition of authorized Midas services, in the manner and for the purposes specified in this Agreement. Franchisee shall not, either during or after the Term, 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 approved 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 the 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, 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

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MIDAS FRANCHISE AGREEMENT

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, (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 Midas System is unique and distinctive and has 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, 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 as found in Schedule A: (i) within 15 miles of the 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 Midas, 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 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 the Shop 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 Franchisee's 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. Midas agrees that it will perform the following initial (prior to opening the Shop) and continuing services for the benefit of Franchisee:

(a) Midas, an affiliate of Midas or Midas' designee shall provide general site selection guidelines and consultation.

(b) Midas, an affiliate of Midas or Midas' designee shall make available to Franchisee standard building plans and signage specifications for a prototype Midas Shop and shall consult with Franchisee with respect to the site layout, exterior design, signage, floor plan and equipment for the Shop.

(c) Midas or its designee shall furnish such general advertising materials, ideas and suggestions for the Shop's grand opening campaign as Midas deems appropriate.

(d) 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 must be attended by Franchisee and such of Franchisee's management and supervisory personnel as Midas designates. 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 Franchisee's employees as Midas designates, and Franchisee must attend and 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.

(e) Midas shall provide or make available to Franchisee, via the Internet, one copy of the Midas Policy Manual, subject to the provisions of Section 2.4(a) above.

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MIDAS FRANCHISE AGREEMENT

(f) 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.

(g) 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.

(h) Midas agrees that it will purchase and place from time to time advertising promoting the products and services sold by Midas franchisees. Subject to the provisions hereafter set forth, all decisions 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 Midas 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 their Shop, 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.

(i) On or before May 1st of each year, Midas shall provide Franchisee with a document 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 to Franchisee. During the Term and for so long as Franchisee is in good-standing with Midas and each affiliate, subsidiary, or parent of Midas and meets the then-current credit criteria, Midas will make reasonable best efforts to make available to Franchisee any products that Midas offers to similarly situated franchisees. Franchisee hereby acknowledges that Midas does not have any obligation to offer the sale of automotive repair products to Franchisee.

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, 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.

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MIDAS FRANCHISE AGREEMENT

(b) During the Term, 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 (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, 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. 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

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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 electronically 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) as Midas requires, containing all information called for by Midas and certified to by Franchisee. Franchisee must submit any and all reports, records, or statements for its Shop electronically using computerized record-keeping and/or electronic accounting systems as Midas requires from time-to-time. If Midas is requested or must manually calculate and create the monthly statement of Net Revenue, then Franchisee will pay to Midas its then-current fee for performing this service.

(b) If the Term 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, termination or expiration of the Term, 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 its computerized record keeping, electronic accounting systems and records in such manner as to clearly and accurately reflect Net Revenue as defined in Section 4.1. All such 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 and Franchisee's Guarantor's computerized record keeping, electronic accounting systems and records (including Federal, State and local tax returns, bank statements and such other business documents relating to the Shop as determined by Midas) examined or audited at Midas' sole expense. 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 (“Interest 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 Interest Rate shall apply as the post-judgment interest rate, regardless of the applicable statutory rate, in the event of any legal actions related to this Agreement. The payment of such interest shall not be deemed to authorize any delay in payment of any amounts owed hereunder. In addition, the payment of such interest shall be without prejudice to any rights Midas maintains to terminate this Agreement on account of such defaults by Franchisee, in accordance with the terms of Article Eight below. Franchisee acknowledges and agrees that Midas may modify the periods in which fees are due and/or calculated and the acceptable payment methods thereof and agrees to comply with any modifications or directives related to the fees payable under this Agreement as may be given by Midas from time to time.

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 Franchisee’s 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. Certain approved Midas products purchased by Franchisee, including those covered by specific guarantees as set forth in Section 5.3, are warranted by Midas to the ultimate consumer from the date of such consumer’s purchase against defects in materials and workmanship. Midas shall provide the period of days of the warranty required to be provided to the consumer to Franchisee, which Midas reserves the right to change from time-to-time. 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 approved 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 approved Midas products purchased by Franchisee are and may from time to time be guaranteed by Midas to the ultimate consumer in accordance with the terms of a “Guarantee”, furnished by Midas. With respect to those products as to which Midas from time to time furnishes such a Guarantee, it is agreed by Midas and Franchisee as follows:

(a) Franchisee will issue 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 Midas Guarantee applicable thereto, and will not issue, deliver, or otherwise furnish any other warranty or guarantee whatsoever in connection therewith.

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

(c) Franchisee will honor each 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 approved 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 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 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 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 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 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 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, in default of this Agreement, 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 Midas Shop making such replacement or doing such corrective work the total cost to the Midas Shop of all parts and the total labor cost involved, or if Franchisee is the Midas 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 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 the Shop open to the public during all normal business days and hours throughout the year during the Term, and will at all times operate the Shop diligently so as to maximize the revenues and profits.

6.2. Promotion and Purchase of Approved Products and Services. (a) Franchisee will at all times actively promote the sale of Midas approved products and services and will use its best efforts to cultivate, develop, and expand the market presence of Midas. 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.

(b) Franchisee agrees to purchase from Midas, Midas's affiliates, subsidiaries, parents, or Midas' approved suppliers (collectively, the "Suppliers"), during the Term and subject to the terms hereafter set forth, such quantities of those approved products as necessary to fulfill the public demands of the Shop. Midas may at any time and from time to time, in its sole discretion, remove its approval for a Supplier to sell a certain approved product(s) to all Midas franchisees, in the sole discretion of Midas.

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

(d) 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 the Suppliers shall not be obligated to fill or ship any orders for merchandise at any time after the termination.

(e) In no event shall Midas be liable to Franchisee for any unavailability, or any delay in shipment or receipt, of products or merchandise due to temporary product shortages or unavailability, order backlogs, production difficulties, delays in or unavailability of transportation, fire, strikes, work stoppages, acts of God including, without limitation, natural disasters such as hurricanes, tornadoes and earthquakes, acts of terrorism, declared acts of war, or any other causes beyond the reasonable control of Midas, or any other causes that effect any orders or shipments placed by Franchisee. Midas shall have the right to receive and accept rebates and/or other forms of compensation or benefits from the Suppliers and other parties from the sale of products to Franchisee and Midas shall have no duty to disclose or account to Franchisee or any other party with respect to any such rebates, other compensation or benefits.

6.3 Maintenance of Inventory. During the Term, Franchisee will only purchase inventory for the Shop directly from Midas, Midas' affiliates, or from Midas' approved suppliers. Accordingly, Franchisee agrees during the Term to maintain inventory or have daily delivery access to inventory from Midas' approved suppliers 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 products and to promptly satisfy customers seeking such the approved Midas products at the Shop, including customers' requests for replacement under the terms of the Midas Guarantees. Franchisee must purchase and only use the approved brands of bulk oil and lubricants that Midas specifies from time-to-time and Franchisee may purchase the approved brands of bulk oil and lubricants from any Midas approved supplier.

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, _____: (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 the 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 Midas Shops premises of Midas franchisees. Accordingly, Franchisee agrees to:

(a) 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) Maintain, at Franchisee's sole expense, the interior and exterior painting and decor in such manner and form as is prescribed from time to time by Midas.

(c) Follow the instructions of Midas with respect to floor layout and character of interior furnishings.

(d) 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 the Shop premises in a clean, wholesome, attractive, and safe condition, and will keep the Shop in good maintenance and repair.

6.7 Standards of Operation. Franchisee will at all times: (i) give prompt, courteous, and efficient service to the public; (ii) perform all services competently and in a workmanlike manner; and (iii) in all dealings with the public act with the highest standards of honesty, integrity, fair dealing, and ethical conduct. Franchisee will not do anything that could discredit, dishonor, reflect adversely upon, or in any manner injure the reputation of Midas, Franchisee, or any other Midas franchisee.

6.8 Advertising Materials and Website. Franchisee will not use, display, publish, broadcast, or in any manner disseminate any advertising or promotional material unless it has been preapproved in writing by Midas. In the event that Midas 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. Franchisee agrees that Midas may display advertising within the Shop to promote the selling of Midas franchises. Midas will maintain a website on the Internet or any comparable electronic network of computers to advertise and promote Midas' franchise system, and services and products marketed by Midas and Midas' franchisees. Midas will permit Franchisee to maintain a standard webpage on Midas' website at Franchisee's sole cost, and Midas may provide Franchisee an enhanced webpage specifically for the Shop. Franchisee agrees not to register any domain name or place an advertisement using domain names that contain the Proprietary Marks without Midas' prior written approval. Any representations and warranties of any kind what so ever, express or implied, regarding Midas' website(s), including representations and warranties as to the operation, functionality, lack of interruption or resources of Midas' website(s), are expressly excluded. Without limiting the foregoing, Midas hereby disclaims any implied warranties of merchantability and fitness for a particular purpose as to Midas' website(s). As to any malfunctioning of Midas' website(s), Midas will not be liable to Franchisee for any consequential, incidental, indirect, economic, special, exemplary or punitive damages, such as, but not limited to, loss of revenue or anticipated profits at the Shop, even if Franchisee advised Midas that such damages are possible as a result of any breach of warranty or malfunction.

6.9 Indemnification and Insurance. Franchisee and Franchisee Guarantor shall be responsible for all loss or damage arising out of or relating to the operation of the Shop or arising out of the acts or omissions of Franchisee or any of Franchisee's agents, servants, or contractors in connection with the sale of products or rendering of services by Franchisee or Franchisee's employees and agents, 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 and Midas' affiliates, parent, successors and assigns, shareholders, officers, directors, employees and agents harmless against and from any and all such claims, damages, and expenses. As used in this Section 6.9, the word "expenses" includes all losses, compensatory, exemplary or punitive damages, fines, charges, costs, lost profits, attorneys' fees, accountants' fees, expert witness fees, expenses, court costs, settlement amounts, judgments, compensation for damages to reputation or goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and costs of recall, refunds, credits, compensation and public notices. Franchisee shall obtain and at all times during the Term maintain in force and pay the premiums for general liability/garage liability insurance, garage keepers liability, workers compensation, auto liability insurance, and property insurance for the Midas Shop, with insurance companies acceptable to Midas, with coverage and limits of liability as

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described in Midas' manuals, from time to time. Franchisee acknowledges and agrees that Midas may increase, modify, or require additional types of insurance coverage or limits of liability during the Term and Franchisee will obtain such insurance when Midas reasonably requests, at Franchisee's sole cost. 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 and Franchisee's Guarantor 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 the Shop. 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 and Midas' affiliates, 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. Franchisee agrees to sign and deliver to Midas the forms required from time-to-time to authorize Midas and its affiliates to debit your Shop's checking account automatically for fees and other amounts due under this Agreement from Midas and/or Midas' affiliates (the "Electronic Depository Transfer Account" or "EDTA"). Midas will debit the EDTA for these amounts on their due dates. Franchisee agrees to ensure that funds are available in the EDTA to cover all withdrawals. If there are insufficient funds in the EDTA to cover any such amount owed, Midas will charge Franchisee the then-current processing fee to compensate Midas for the additional administrative expense. Any amounts not paid when due, shall bear interest at the rate per annum of three percentage points above the prime lending rate ("Interest 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. The Interest Rate shall apply as the post-judgment interest rate, regardless of the applicable statutory rate, in the event of any legal actions related to this Agreement. The payment of such interest shall not be

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deemed to authorize any delay in payment of any amounts owed hereunder. In addition, the payment of such interest shall be without prejudice to any rights Midas maintains to terminate this Agreement on account of such defaults by Franchisee, in accordance with the terms of Article Eight below. Franchisee acknowledges and agrees that Midas may modify the periods in which fees are due and/or calculated and the acceptable payment methods thereof and agrees to comply with any modifications or directives related to the fees payable under this Agreement as may be given by Midas from time-to-time.

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 Shop. 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, and for a period of 12 months after termination or expiration of this Agreement, 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 their employment with Franchisee or Midas.

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 and implement all policies, regulations, and procedures promulgated or prescribed and changed from time to time by Midas in connection with the operation of the Shop, including but not limited to standards, techniques, and procedures in the installation or servicing of products or the rendering of other services, products sold, selection, supervision, and training of personnel, sales, advertising, and promotional techniques, programs, and procedures, maintenance and appearance of the Shop and the Shop's 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 outside Shop premises.

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

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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 a Transfer in accordance with Article Seven), unless otherwise agreed to in writing by Midas.

(ii) Midas shall be permitted to use the Data as Midas deems appropriate without obtaining any further written consent of Franchisee. Midas will not identify Franchisee as the source of the Data, unless Franchisee's Shop is being sold and in which case Midas may disclose the Data to a prospective purchaser of the Shop with Franchisee's identification disclosed or if required to enforce any provision of this Agreement. In addition, Franchisee expressly understands and permit Midas to disclose any such information to potential purchasers (and their employees, agents and representatives) of Midas or Midas' parents, subsidiaries, affiliates in connection with the sale or transfer of any of Midas' or Midas' parents, subsidiaries, or affiliates' equity interests or assets or any merger, reorganization or similar restructuring of the Midas business. Midas shall be entitled to share Data Compilations (as defined below) containing Shop-specific Data with any third party without Franchisee's consent. 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 or expiration 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.

(c) Nothing in this Agreement shall operate as an authorization by either party in favor of the other party to breach any applicable privacy laws or regulations or act as an agreement to do so.

6.18 Initial Construction and Opening Schedule.

(a) **Site Selection.** If a location for the Shop has not been agreed to at the time of the parties' execution of this Agreement, Franchisee shall conduct a diligent and continuous search for a location for the Shop upon execution of this Agreement. Within twelve (12) months after the execution of this Agreement (the "Site Selection Period"), Franchisee must select and present a site and all information and materials relating thereto for Midas's approval. This information may include, without limitation, a completed site evaluation questionnaire, a description of the proposed site, such other information as Midas may require, and a letter of intent or other evidence satisfactory to Midas which confirms Franchisee's ability to obtain the proposed site. Midas shall have thirty (30) days after receipt of such information and materials from Franchisee to approve or disapprove, in Midas's sole and absolute discretion, the site as a location for the Shop (if approved by Midas, the "Approved Location"). The proposed site shall be deemed disapproved by Midas if not approved by written notice sent to Franchisee within such thirty (30) day period. Upon Midas' approval of the site of the Shop, Franchisee shall pay Midas a "Site Selection Fee" to compensate Midas for a portion of its administrative costs of reviewing and approving the Approved Location. The Site Selection Fee is: (a) \$1,000, if the Approved Location is first proposed by Franchisee; or (b) \$2,500, if the Approved Location is first proposed by Midas or one of its affiliates. However, if Franchisee is purchasing a Midas franchise for an operating Shop from an existing Midas franchisee, Franchisee will not be required to remit a Site Selection Fee. Also, if Franchisee is reopening a previously operated Midas Shop or purchasing a company-owned Midas Shop, Franchisee will not be required to remit a Site Selection Fee. Concurrently with Midas's approval of the

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Approved Location or Midas approval of a Transfer of a currently open and operating Approved Location, Franchisee shall execute the Site Selection Addendum attached hereto as Schedule B. If the parties fail to execute Schedule B and begin operating a Shop pursuant to this Agreement, then the parties hereby agree that the missing address on Section 1.1(a) of this Agreement shall automatically be that address upon which the parties are operating under for this Agreement and failure to fill in Section 1.1(a) shall not be a waiver of any of Midas' rights hereto. Concurrently with Franchisee's execution of a lease for, or acquiring ownership of, the Approved Location, Franchisee and Midas shall execute the appropriate Real Estate Documents, as described in Section 6.20. APPROVAL OF ANY LOCATION BY MIDAS SHALL IN NO WAY BE DEEMED A REPRESENTATION, WARRANTY, PROMISE, COMMITMENT OR GUARANTY BY MIDAS REGARDING THE LIKELIHOOD OF FINANCIAL SUCCESS OF THE SHOP AT SUCH LOCATION.

(b) **Contractor.** Franchisee shall, at its own expense, employ a qualified licensed general contractor acceptable to Midas to construct the Shop and to complete all improvements in accordance with approved plans. Franchisee shall, at its own expense, employ a qualified architect, engineer or other licensed and professionally qualified individual to modify such plans to conform to local legal requirements and specifications. Written approval shall be obtained from Midas for any modifications or deviations from the approved plans.

(c) **Completion of Construction.** Franchisee shall complete construction (including all exterior and interior carpentry, electrical, painting and finishing work, and installation of all furniture, fixtures, equipment, and signs) in accordance with the approved final plans, at Franchisee's expense, within twelve (12) months after final site approval by Midas, or sooner if required by Franchisee's lease (the "Construction Period"). This shall not include time lost due to "Force Majeure," which shall mean delays in or unavailability of transportation, fire, strikes, work stoppages, acts of God including, without limitation, natural disasters such as hurricanes, tornadoes and earthquakes, acts of terrorism, declared acts of war, or any other causes beyond the reasonable control of and not reasonably anticipated by Franchisee.

(d) **Authorization to Open.** Franchisee shall not open the Shop for business to the general public until Midas has granted authorization to open. Franchisee must open the Shop within 30 days after Midas has granted authorization to open. If Franchisee is delayed from opening, Franchisee must immediately provide Midas with a written request to delay the opening. The request must state: (1) that a delay is anticipated; (2) the reasons which caused the delay; (3) the efforts that Franchisee is making to proceed with the opening; and (4) an anticipated opening date. In considering the request, Midas will not unreasonably withhold its consent to a delay if Franchisee has been diligently pursuing the opening.

(e) **Failure to Meet Deadlines.** If Franchisee has not presented a proposed site for the Shop within the Site Selection Period, Franchisee does not obtain Midas' approval of a proposed site for the Shop within thirty (30) days of the end of the Site Selection Period, Franchisee fails to complete construction of the Shop within the Construction Period, or Franchisee fails to open the Shop within 30 days after Midas has granted its authorization to open the Shop, Midas shall have the right to terminate this Agreement pursuant to Section 8.2 below.

6.19 Grand Opening Campaign. If applicable, Franchisee shall conduct a grand opening advertising campaign in conjunction with, and in order to promote, the opening of the Shop, re-opening of the Shop (if the Shop was closed a minimum of 120 days) or conversion of the Shop from a non-Midas business to a Midas Shop ("Grand Opening Campaign"). In connection therewith, Franchisee shall sign the then-current form of Matching Marketing Funds Agreement (which is hereby incorporated by reference) upon signing this Agreement and must spend a designated amount on advertising, marketing, promotions and/or publicity as required by Midas therein.

6.20 Real Estate Documents. Franchisee shall execute Midas's then current Real Estate Documents (as hereinafter defined). "Real Estate Documents" shall be defined as, and consist of, the following: (a) if Midas or an affiliate or subsidiary of Midas (the "Midas Related Company") owns, or holds the head lease on, the Shop's premises, Franchisee shall lease or sublease, as applicable, the Shop's premises from Midas or such Midas Related Company pursuant to the then current form of such document used by Midas or the Midas Related Company; (b) if Franchisee (directly or indirectly, in whole or in part) owns the Shop's premises, Franchisee (the owner of the real estate) shall enter into an Option and Shop Lease with a Midas Related Company, pursuant to the then current form of such document used by Midas or the Midas Related Company, which would give the Midas Related Company the right to lease the Shop's premises in the event that this Agreement is terminated or expires (if the Midas Related Company chooses to exercise such option); (c) if Franchisee leases the Shop's premises from a third party, Franchisee shall enter into a Conditional Assignment of Lease with a Midas Related Company, pursuant to the then current form of such document used by Midas or the Midas Related Company, which would take effect upon any termination or expiration of this Agreement, any default by Franchisee under the lease, or any failure by Franchisee to exercise a renewal option under the lease and would give the Midas Related Company the right to accept an assignment of Franchisee's lease (if the Midas Related Company so chooses); and (d) any additional documentation required by the Midas Related Company to put the other Real Estate Documents of record and to make such Real Estate Documents binding on any mortgagee or other lien holder. If Franchisee fails to execute the applicable Real Estate Documents upon the earlier of: (i) signing the Site Selection Addendum found in Schedule B; (ii) signing all agreements for a Transfer; (iii) the day prior to the opening or re-opening the Shop for business or (iv) the sixteenth (16th) day after written demand from Midas or the Midas Related Company (which shall not be demanded prior to the Shop location being approved by Midas), then Midas shall have the right to terminate this Agreement pursuant to Section 8.2 below.

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 transfer 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 a "Transfer" 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.

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(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 Transfer, other than in accordance with and subject to all the terms and provisions of Sections 7.2 through 7.11 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, Franchisee 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 Franchisee may cause stock possessing not more than forty-nine percent (49%) of the total voting power in said corporation to be issued to an immediate family member. An immediate family member is defined as a spouse, child, sibling, or parent, or a trust or similar entity created for the benefit of any of the foregoing persons.

(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. Any individual who becomes an owner in Franchisee must (if they have not already) sign a personal guaranty.

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

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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 a Transfer 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 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 the 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 consent to transfer agreement (“Consent to Transfer”), in form satisfactory to Midas. The transferee (including any person with a beneficial interest in the transferee if it is a legal entity) executes Midas’ then-current standard franchise agreement for a Term equal to the remaining portion of the Term on the transferor’s franchise agreement and signs all related agreements (including any guaranty agreements). The then-current franchise agreement may contain terms substantially different from those in this Agreement, including different fees, Term and termination rights (all then-current fees, except as stated herein must be paid by transferee). 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. If Franchisee executes this Agreement to purchase a currently existing Midas Shop prior to the actual closing, then upon closing or no later than sixteen (16) calendar days after requested by Midas, Franchisee will sign the Schedule B provided herein, the Consent to Transfer, the Real Estate Documents as provided in Section 6.20 and any other related agreements required to be signed for the Transfer.

(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

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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 corporations, and their respective officers, agents, and employees.

(g) The transferee and its general manager, if any, have agreed to successfully complete (at the transferee's expense and to Midas' satisfaction) any then-current initial training programs.

(h) 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. If upon a Transfer, the transferee or transferee's bank requests a longer Term than the remaining portion of the Term on the transferor's franchise agreement, Midas will provide to transferee a Term equal to the full then-current Term under the then-current franchise agreement (currently, 20 years); so long as transferee pays to Midas upon signing the consent to transfer agreement a prorated portion of the 9.6 Renewal Fee (defined in Section 9.6) corresponding to the remaining portion of the Term on the transferor's franchise agreement (e.g. if the 9.6 Renewal Fee is \$15,000 and 10 years remain on Term of transferor's franchise agreement, then transferee shall pay to Midas \$7,500 representing adding 10 years for a full 20 year Term). The payment of this prorated portion of the 9.6 Renewal Fee is in addition to the payment of the transfer fee.

7.5 Consent of Midas To Pledge. (a) 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 a Transfer 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:

(b) 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.

(c) 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 a Transfer within the meaning of Section 7.1, and shall be subject to the provisions of Section 7.6.

(d) 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

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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 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 they have acquired and have 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 a Transfer within the meaning of Section 7.1, Midas shall consent to a Transfer 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 Transfer:

(a) It shall be demonstrated to the 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 a Transfer to the executor, administrator, or personal representative of the deceased shall not constitute a consent to any subsequent Transfer thereof from such executor, administrator, or personal representative of the estate. Any consent by Midas to such subsequent Transfer shall be subject to fulfillment, with respect to said subsequent 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 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 (v) and (vi), 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 (ii) 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 or 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 or a company affiliated with 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 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, 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 Transfer (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 Transfer 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 and/or such conduct in Midas' sole and absolute judgment, that has an adverse effect on the Midas System, the Proprietary Marks, the goodwill associated with the Midas System, or Midas' interest in the Midas System or the Proprietary Marks.

(vi) Franchisee or the individual listed in Section 6.4 hereof does not successfully complete the New Franchisee Orientation Training, Operations Training and/or any other training to the reasonable satisfaction of Midas prior to the opening of the Shop or at any time during the Term.

(vii) Franchisee fails to comply with an audit of the Midas Shop pursuant to Section 4.2(d) hereof following the written request of Midas.

(viii) Franchisee ceases to do business at the Shop or otherwise abandons the business franchised hereunder. Without limiting the generality of the foregoing, the Shop will be deemed abandoned by Franchisee if it is not open and operating for business for any seven (7) consecutive days or for fourteen (14) consecutive or non-consecutive days during any thirty (30) consecutive day period (other than pursuant to Force Majeure).

(ix) Franchisee does not present a proposed site for the Shop within the Site Selection Period, Franchisee does not obtain Midas' approval of a proposed site for the Shop within thirty (30) days of the end of the Site Selection Period, Franchisee does not complete construction of the Shop within the Construction Period, or Franchisee does not open the Shop within 30 days after Midas has granted authorization to open.

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(x) Franchise fails to execute the applicable Real Estate Documents as required by Section 6.20.

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 a 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. Arbitration pursuant to this Section 8.2(e) shall be conducted in accordance with the Emergency Measures of Protection of the American Arbitration Association commercial arbitration rules, if permitted by the American Arbitration Association, or otherwise in accordance with the expedited procedures of the American Arbitration Association commercial arbitration rules. The terms and conditions for arbitration set forth in Section 10.12 below shall apply to arbitration under this Section 8.2(e) except to the extent different terms are expressly set forth in this Section 8.2(e).

(ii) 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 the Uniform Arbitration Act as in force in the State of Delaware. 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.

(iii) The costs of arbitration (not including attorneys fees) shall be taxed and borne as provided in said Uniform Arbitration Act.

(iv) 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. The arbitrator's right to establish an award described in Section 10.12(b) shall not apply to any arbitration conducted pursuant to this Section 8.2(e).

(v) 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.

(vi) 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

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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) 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 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, Franchisee shall have the right to relocate the Midas Shop to a new location subject to the approval of Midas. If Franchisee does not locate a new location (subject to Midas's approval) within 6 months of the Shop closing, the right to relocate provided herein shall become null and void and this Agreement shall automatically terminate.

(b) The location 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 may approve in its sole discretion 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,

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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 approval 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 specified in Section 1.3.

(d) If Franchisee gives to Midas written notice of acceptance of such proposal (within the time periods stated above), 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.

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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, social media website, or social media account which Midas, as the subscriber therefor, has allowed Franchisee to use during the Term 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) and any social media website(s) or account(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 and social media website and account. 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 and social media website or account. Franchisee agrees to promptly pay all outstanding phone bills (including any interest and penalties) and any other bills or debts owed for each such telephone number, listing, or social media website or account 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

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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.

(j) Immediately cease issuing and honoring warranties or Guarantees on approved Midas products and provide the Midas Link Warranty Registration information to Midas. Franchisee shall not be entitled to any warranty or Guarantee credit with respect to any such further warranties or Guarantees on approved Midas products after the date of termination. Franchisee must 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.

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, including but not limited to those set forth in Subsections 2.4(a) and (c), shall survive such termination.

(c) In the event this Agreement is Transferred by Franchisee within the meaning of Section 7.1, and such Transfer 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. Prior to the expiration of the Term 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

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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. 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.

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 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 its option if Franchisee is not in default under this Agreement sell the 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 that must be paid to Midas shall be one-half of the then-current initial franchise fee charged to a new franchisee by Midas (without reduction for owning multiple locations or any incentives being offered) at the time of the sale ("9.6 Renewal Fee"). 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. The terms and conditions for arbitration set forth in Section 10.12 below shall apply to arbitration under this Section 9.7 except to the extent different terms are expressly set forth in this Section 9.7.

(b) 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 the Uniform Arbitration Act as in force in the State of Delaware. 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.

(c) The cost of arbitration (not including attorney's fees) shall be taxed and borne as provided in said Uniform Arbitration Act.

(d) 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. The arbitrator's right to establish an award described in Section 10.12(b) shall not apply to any arbitration conducted pursuant to this Section 9.7.

(e) 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 its 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 Transfer 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, including in arbitration pursuant to Section 10.12 below, 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, 8.2(e), or 9.7.

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.

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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 must be given in writing and will be deemed to be delivered, unless specified otherwise herein: (i) at the time delivered by hand; (ii) one (1) business day after transmission by facsimile or other electronic system (e.g. E-mail) if the sender has confirmation of successful transmission; (iii) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or (iv) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. All notices to Midas must be sent to the 4300 TBC Way, Palm Beach Gardens, Florida 33410, although Midas may change this address for notice by giving Franchisee notice of the new address. Any notice that Midas sends to Franchisee may be sent only to the address on this Agreement, the Shop address as stated in this Agreement or any other contact information that Franchisee has provided to Midas in writing. 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 one (1) business day after expiration of the period for making or giving such demand or notice.

10.9 Entire Agreement. This Agreement (including all exhibits hereto), 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 Application for Midas Shop Franchise (or similar document), 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

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MIDAS FRANCHISE AGREEMENT

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 Dispute Resolution and Controlling Law. (a) **Arbitration.** Except for actions related to or based on the Proprietary Marks or the copyrights of Midas or to enforce the provisions of Section 2.4 or 8.7 of this Agreement, which Midas may bring in a court of competent jurisdiction, all controversies, disputes claims, causes of action and/or alleged breaches or failures to perform between Midas, its subsidiaries and affiliated companies or their shareholders, officers, directors, agents, employees and attorneys, in their representative capacity, and Franchisee, and its employees, officers, directors, owners, guarantors or agents, arising out of or related to: (1) this Agreement; (2) the relationship of the parties; (3) the validity of this Agreement; or (4) any aspect of the Midas Shop licensed herein (collectively, "Claims") shall be submitted for arbitration on demand of either party to the American Arbitration Association. Notwithstanding the language above, if the action is based on a separate agreement or instrument between Franchisee or any party affiliated with Franchisee and Midas or any party affiliated with Midas, such as a promissory note or lease, the dispute resolution procedure in that agreement or instrument will control rather than this Section 10.12(a); provided, that, at Midas' sole option, any claim of Midas or its affiliate against Franchisee or its affiliate based on such separate agreement or instrument may be brought in arbitration in conjunction with a dispute between the parties that is subject to arbitration under this Section, regardless of any provisions to the contrary contained in the separate agreement or instrument. Arbitration proceedings will be conducted in Palm Beach Gardens, Florida and will be heard by one arbitrator in accordance with the then current rules of the American Arbitration Association that apply to commercial arbitration. All jurisdictional issues will be decided by the arbitrator. Any party to an arbitration proceeding may apply to the arbitrator for reasonable discovery from the other. In this Agreement "reasonable discovery" means a party may submit no more than 10 interrogatories, including subparts, 25 requests for admission, 25 document requests, and three depositions per side of the dispute. The foregoing discovery rights and limitations shall control over any contradictory discovery rules of the American Arbitration Association, unless the parties agree otherwise. The parties further agree that, in connection with any such arbitration proceeding, each will file any compulsory counterclaim, as defined by Rule 13 of the Federal Rules of Civil Procedure, within 30 days after the date of the filing of the claim to which it relates. Any arbitration conducted pursuant to Section 7.11, 8.2(e), or 9.7 of this Agreement shall be conducted separately from the arbitration of any other disputes hereunder. For purposes of arbitration pursuant to Section 7.11, 8.2(e), or 9.7 of this Agreement, the terms set forth in those sections shall control over any conflicting terms in this Section 10.12. This provision will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

(b) **Arbitration Award.** Subject to Section 10.12(e) below, the arbitrator will have the right to award or include in the award any relief that he/she deems proper in the circumstances, including, without limitation, money damages, with interest on unpaid amounts from the date due, specific performance, and attorneys' fees and costs in accordance with Section 10.4 of this Agreement. Any award shall be based on established law and shall not be made on broad principles of justice and equity. The award and

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EXHIBIT D-1

MIDAS FRANCHISE AGREEMENT

decision of the arbitrator will be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction. Each party waives any right to contest the validity or enforceability of such award except where specifically permitted by the Federal Arbitration Act (e.g., manifest disregard for the law) and in accordance with the most stringent time limitation provided for under the Federal Arbitration Act and/or applicable state arbitration statute. The parties agree to be bound by the provisions of any applicable limitation on the period of time by which claims must be brought under applicable law or this Agreement, whichever is less.

(c) Limitations on Proceedings.

(i) Midas and Franchisee agree that arbitration will be conducted on an individual basis only. Neither party shall commence any arbitration with a third party against the other, or join with any third party in any arbitration involving Midas and Franchisee. Further, neither Midas nor Franchisee shall attempt to consolidate or otherwise combine in any manner an arbitration proceeding involving Midas and Franchisee with another arbitration of any kind, nor shall Midas or Franchisee attempt to certify a class or participate as a party in a class action against the other.

(ii) The foregoing notwithstanding, in the event Franchisee controls, is controlled by or is in active concert with another franchisee or distributor of Midas, or there is a guarantor of some or all of the Franchisee's obligations to Midas, then the joinder of those parties to any arbitration between Midas and Franchisee shall be permitted, and in all events, the joinder of an owner, director, officer, manager, partner or other representative or agent of Franchisee shall be permitted.

(d) Governing Law/Consent to Jurisdiction/Waiver of Jury Trial. The United States Federal Arbitration Act shall govern all questions about the enforceability and scope of Sections 10.12(a) and 10.12(b), and no arbitration issues are to be resolved pursuant to any other statutes, regulations or common law. Otherwise, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*) or other United States federal law, this Agreement shall be interpreted under the laws of the State of Delaware and any dispute between the parties shall be governed by and determined in accordance with the internal substantive laws, and not the laws of conflict, of the State of Delaware, which laws shall prevail in the event of any conflict of law. Notwithstanding the foregoing, the parties agree that the Delaware Deceptive Trade Practices Act (DEL. CODE ANN. tit. 6, § 2531 *et seq.*) and Delaware Consumer Fraud Act (DEL. CODE ANN. tit. 6, § 2511 *et seq.*) shall not apply to this Agreement or any disputes between the parties. Franchisee and Midas have agreed upon a forum in which to resolve any disputes that arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding not subject to mandatory arbitration, as specified in Section 10.12(a), involving Franchisee, its employees, officers or directors (collectively, "Franchisee Affiliates") and Midas, its employees, officers or directors (collectively, "Midas Affiliates"), both parties agree that the exclusive venue for disputes between them shall be in the state courts for Palm Beach County, Florida or federal courts located in or nearest to West Palm Beach, Florida and each waive any objection either may have to the personal jurisdiction of or venue in the state and federal courts of Florida. Notwithstanding the foregoing, the decision as to whether a claim is subject to mandatory arbitration shall be made by an arbitrator, not a court. **IF A CLAIM MAY BE BROUGHT IN COURT, THEN MIDAS, THE MIDAS AFFILIATES, FRANCHISEE AND THE FRANCHISEE AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY.**

(e) No Punitive or Consequential Damages. Except as specifically permitted elsewhere in this Agreement, neither Midas or any of the Midas Affiliates, on the one side, nor Franchisee or any of the Franchisee Affiliates, on the other side, shall be liable to the other for punitive or other damages not measured by the other party's actual damages in any action between the parties, whether of the type

subject to mandatory arbitration under Section 10.12(a) or otherwise, and whether such action is brought in arbitration, litigation, or any other legal proceeding.

(f) **No Recourse Against Others.** Franchisee agrees that its sole recourse for claims (whether in contract or in tort, in law or in equity, or granted by statute) arising between the parties shall be against Midas, TBC Corporation, or their successors and assigns. Franchisee agrees that the officers, employees, managers, members, attorneys, and agents of Midas and its affiliates (the “Nonparty Affiliates”) shall not be personally liable nor named as a party in any action between Midas and Franchisee. To the maximum extent permitted by law, Franchisee waives any such claims against such Nonparty Affiliates.

10.13 Varying Standards. Midas has the right, at its sole determination, to vary the Franchise Agreement and/or standards for any franchisee based upon the peculiarities of a particular site or circumstance, density of population, business potential, population or trade area, existing business practices, the franchisee’s positive contributive attitude, or any other condition that Midas deems to be of importance or otherwise desirable. Franchisee shall not have any right to complain about a variation in the Franchise Agreement, or from standard specifications and practices, granted to any other franchisee; and Franchisee shall not be entitled to require Midas to grant to Franchisee a like or similar variation.

10.14 Counterparts. This Agreement may be executed in any number of identical counterparts and via electronic signature, 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 Effective Date (defined below).

MIDAS:

FRANCHISEE:

Midas International Corporation

[INSERT ENTITY NAME]

By: _____
Michael Gould, EVP & COO

By: _____
, President

Date Signed: _____
(the “Effective Date”)

Date Received: _____

Date Signed: _____

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.

, Individually

, Individually

SCHEDULE A

APPROVED SERVICES

Full automotive services

Engine replacement services

Transmission services

Brake system services

Exhaust system services

Steering and suspension services

Starting and charging services

Heating and cooling services

Air conditioning services

Fuel system services

Fluid exchange services

Scheduled and general maintenance services

Drive train services

Tire mounting, balancing, installation and repair and other tire-related services

Wheel alignment services

Other starting and charging services

Engine diagnostic and tune-up services (ignition)

Trailer hitch installation services

Third party vehicle towing, third party rental car services, and State inspection services and stickers

****All products and parts used at the Shop must be supplied from approved Midas suppliers. Midas reserves the right to change this Schedule A from time to time.**

APPROVED PRODUCTS AND PARTS

General automotive products, parts and accessories

Engines, engine products, parts and accessories

Transmissions, transmission products, parts and accessories

Brake pads, shoes and other braking system parts

Mufflers and other exhaust system parts

Shock absorbers, struts and other suspension and chassis parts

Batteries, battery parts and accessories

Heating, cooling and heat transfer parts

Refrigerant

Fuel filters and fuel system cleaners

Oil and filters, transmission fluid, differential fluid, brake fluid, power steering fluid, coolant, engine flush

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

CV boots, halfshafts and other drive train parts

Motor vehicle tires, valve stems and wheel weights

Shims

Other starting and charging products including alternators, starters and solenoids

Engine tune-up parts

Trailer hitches, towing products and other towing parts

SCHEDULE B

SITE SELECTION ADDENDUM

This is the Site Selection Addendum to the Franchise Agreement, dated _____, 20____, by and between Midas International Corporation, as Midas, and _____, as Franchisee (“Agreement”).

Midas and Franchisee hereby agree that the Shop (as defined in the Agreement) shall be located at the following specific location only: _____.

FRANCHISEE:

By: _____

Printed Name: _____

Title (as applicable): _____

Date: _____, 20__

FRANCHISOR:

MIDAS INTERNATIONAL CORPORATION

By: _____

Michael Gould, EVP & COO

Date: _____, 20__

EXHIBIT D-2: PERSONAL GUARANTY

With reference to the Franchisee(s) holding a Franchise 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, chooses 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, arbitration expenses 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

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EXHIBIT D-2
PERSONAL GUARANTY

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. Guarantor agrees to be bound by the audit provisions contained in the Franchise Agreement and any other agreements with Midas.

This guaranty shall inure to the benefit of Midas and its successors and assigns. The arbitration, litigation, injunctive relief, governing law and jurisdiction provisions contained in the Franchise Agreement any other applicable agreement with Midas shall govern this Guaranty, and such provisions are incorporated into this Guaranty by this reference.

Franchisee/Debtor:

Shops covered by guaranty:

GUARANTOR:

By: _____

Printed Name: _____

GUARANTOR'S PERSONAL ADDRESS:

Notarial Acknowledgement:

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 Franchise 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 account, rent, taxes, promissory note or other monetary obligation 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: _____

Owners/officers:

Date: _____

Date: _____

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 Exhibit A 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 Franchise 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: _____ Date: _____

MIDAS SHOP ADDRESS:

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") is entering into a Franchise 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 electronically, 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 electronically 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 FRANCHISE AGREEMENT

This Fleet Program Participation Amendment to Franchise 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 Franchise 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, 2020.

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

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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 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(h). Section 3.1(h) 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

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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 period commencing on the effective date of the Fleet Amendment and ending on July 31, 2020, 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(h) 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:

Midas International Corporation

FRANCHISEE:

[INSERT ENTITY NAME]

By: _____
Michael Gould, EVP & COO

By: _____
, President

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, Fuelman 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 Epicor (formerly Activant) and/or Identifix, 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 Epicor (formerly Activant) and/or Identifix, 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

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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.

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FLEET PROGRAM PARTICIPATION AMENDMENT

Exhibit B

Standard Menu of Services and Prices for National Fleet Customers

Given the nature of the national fleet business and the 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 Identifix, Epicor (formerly 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 Identifix, Epicor (formerly 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 National Fleet Customers, as determined by Franchisee. Franchisee agrees to sell PQL parts and

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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: CONSENT TO TRANSFER AGREEMENT

This **CONSENT TO TRANSFER AGREEMENT** ("Agreement") is made and entered into as of the Effective Date (defined below), by and among Midas International Corporation, a Delaware corporation ("Franchisor"); _____ ("Transferor"); _____, an individual and _____, an individual (collectively "Transferor Guarantor"); _____ ("Transferee"); and _____, an individual ("Transferee Guarantor"). Transferor, Transferor Guarantor, Transferee, and Transferee Guarantor shall collectively be referred herein as the "Transferring Parties".

WHEREAS, Transferor and the Franchisor are parties to a certain Franchise Agreement dated _____ ("Franchise Agreement") (together with all related documents and any amendments, addendums, letters, riders, and personal guaranty through the Effective Date, the "Franchise Documents") pursuant to which Transferor purchased the rights to operate a Midas® franchised business pursuant to Franchisor's systems within Transferor's retail location at _____ ("Shop");

WHEREAS, Transferor Guarantor personally guaranteed Transferor's obligations under the Franchise Documents;

WHEREAS, Transferor Guarantor desires to sell and Transferee desires to purchase the Shop (the "Transfer") and have entered into a purchase agreement dated the ___ day of _____, 20__ providing for the Transfer (the "Sale");

WHEREAS, Transferee will enter into a New Franchise Agreement (defined below) with Franchisor upon the Transfer;

WHEREAS, Transferee Guarantor will personally guaranty Transferee's obligations under the New Franchise Agreement;

WHEREAS, pursuant to Section 7.4 of the Franchise Agreement the Transfer requires Franchisor's consent, which may be conditioned, among other things, on Transferor and Transferor Guarantor signing a general release agreement of the Franchised Documents attached hereto as Exhibit A and Transferee entering into the New Franchise Agreement attached hereto as Exhibit B; and

WHEREAS, Franchisor is willing to provide its consent to the Transfer and Sale, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Termination of Franchise Documents.** As of the Effective Date: (a) the Franchise Documents will hereby terminate in all respects and will be of no further force or effect, subject to any rights or obligations that survive such termination and (b) Transferor and Transferor Guarantor shall sign the termination and release agreement attached as Exhibit A ("Termination and Release Agreement").

2. **Franchisor's Consent.** Franchisor, upon its execution hereof, consents to the Transfer and Sale, subject to the terms and conditions stated herein.

3. **Execution of New Franchise Agreement.** Unless previously executed, as of the Effective Date, Franchisor, Transferee, and Transferee Guarantor shall enter into the New Franchise Agreement documenting the grant to Transferee to operate the Midas franchised business within the Shop, copies of which are attached as Exhibit B (the “New Franchise Agreement”). If Franchisor and Transferee previously entered into a franchise agreement without designating the Approved Location (as defined in the New Franchise Agreement), Franchisor and Transferee shall execute as of the Effective Date all additional agreements to recognize the Transfer, including without limitation, Schedule B to the franchise agreement previously signed and the Real Estate Documents (as defined in the New Franchise Agreement). Further, in this instance, the previously signed franchise agreement by the Transferee shall become the New Franchise Agreement.

4. **LSA Assumption.** Transferee hereby assumes, and covenants to perform, the liabilities, obligations and undertakings of Transferor (or its principal) under any Local Sales Accelerator (LSA) agreement entered into by Transferor (or its principal) for the Shop including, without limitation, all past due (if any) and future contribution and payment obligations thereunder prior and subsequent to the Effective Date. Transferor and Transferor Guarantor (and not Franchisor) shall be responsible for making any proration calculations.

5. **Assumption of Shop Obligations.** Transferee hereby agrees that it shall honor, and assume the obligations and liabilities that specifically relate 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”). Franchisor shall have no liability, responsibility or obligations whatsoever (monetary or otherwise) with respect to Shop Obligations. Transferee agrees to indemnify and hold Franchisor harmless from all costs, damages, claims and awards relating to Shop Obligations. Nothing herein, however, shall relieve Franchisor from its obligations under Section 5.3 of the Franchise Agreement.

6. **Subordination.** Transferee and Transferee Guarantor hereby request that Franchisor extend credit to Transferee. To induce Franchisor to extend Transferee credit, Transferee and Transferee Guarantor hereby agree that any past, current or future indebtedness owed by Transferee to Transferee Guarantor (“Indebtedness”) shall at all times be subordinate to any royalty, trade, rent, promissory note or other account owed by Transferee to Franchisor (“Money Owed Midas”). Transferee and Transferee Guarantor hereby agree that as long there is any Money Owed Midas, Transferee shall not pay, and Transferee Guarantor 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 Transferee Guarantor’s agreed compensation, without Franchisor’s prior written consent.

7. **Transfer Fee.** Pursuant to Section 7.4(h) of the Franchise Agreement, 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 must be paid to Franchisor (“Transfer Fee”). The Transferring Parties hereby agree and acknowledge that they are jointly and severally liable to Franchisor for the payment of the Transfer Fee and the Transfer will not be approved by the Franchisor until the Transfer Fee is paid-in-full.

8. **Prorated Initial Franchise Fee.** If Transferee requests a longer Term for the New Franchise Agreement versus just taking on the remaining portion of the Term on the Transferor’s Franchise Agreement, Franchisor will grant to Transferee a full twenty (20) year Term, but Transferee must pay to Franchisor upon signing this Agreement a prorated portion of the 9.6 Renewal Fee (as

defined in the Franchise Agreement) corresponding to the remaining portion of the Term on the Transferor's Franchise Agreement (e.g. if the 9.6 Renewal Fee is \$15,000 and 10 years remain on Term of Transferor's Franchise Agreement, then Transferee shall pay a prorated initial franchisee fee to Franchisor of \$7,500 representing adding 10 years for a full 20 year term). If applicable, this prorated initial franchise fee is in addition to the payment of the Transfer Fee. If Franchisor and Transferee previously entered into a franchise agreement for a full twenty (20) year term without identifying the Approved Location prior to entering into this Agreement (which is becoming the New Franchise Agreement) and Transferee paid to Franchisor an initial franchise fee for a full twenty (20) year term, Franchisor will apply a credit towards Transferee's Transfer Fee to be paid to Franchisor or if greater than the Transfer Fee amount or any other amounts owed to Franchisor at the time of the Transfer, Franchisor will provide Transferee an applicable credit on their accounts receivable with Franchisor for the remaining portion of the Term on the Transferor's Franchise Agreement, as calculated by Franchisor in their sole discretion.

9. **Good Standing and Payment of Amounts Owed.** Prior to or concurrently with the execution of this Agreement, Transferor and Transferor Guarantor must be in good standing with Franchisor and pay all amounts due and owing to Franchisor, including, without limitation, all remaining accounts receivable due and owing for any Midas Shops connected with Transferor or Transferor Guarantor. The Transfer will not be approved by the Franchisor until Transferor and Transferor Guarantor have paid all amounts due and owing to Franchisor.

10. **Release of the Franchisor Parties by Transferee Parties and Covenant Not to Sue.** Transferee and the Transferee Guarantor, on behalf of themselves and their respective past, present and future officers, directors, members, managers, affiliates, shareholders, equity partners, employees, representatives and agents, and all of their respective successors, heirs, executors, administrators, personal representatives and assigns (collectively, the "Transferee Parties"), hereby irrevocably and unconditionally release and forever discharge and covenant not to sue Franchisor, its present and former officers, directors, equity holders, employees, attorneys, agents, predecessors, successors, assigns and all other persons connected with or to Franchisor, in their corporate and individual capacities (collectively, the "Franchisor Parties"), from any and all claims, demands, causes of action, suits, losses, liabilities, costs, expenses (including attorney's fees) and damages of any kind or nature, in law or in equity (collectively, the "Claims") which any of the Transferee Parties ever had, may have had, or may now have arising from any matter of any kind, against any of the Franchisor Parties, whether known or unknown, including, without limitation, any matter arising under federal, state and local laws, rules and ordinances, or otherwise relating to or arising directly or indirectly in connection with the relationship between any of the Transferee Parties and any of the Franchisor Parties, at any time prior to or on the Effective Date. Transferee and the Transferee Guarantor, for themselves and the Transferee Parties, further covenant not to sue any of the Franchisor Parties on any Claims released by this Agreement or any matter arising from or involving any obligation related to the Shop.

11. **Indemnification of the Franchisor Parties.** Transferor and Transferor Guarantor agree jointly to indemnify any and all of the Franchisor Parties for, and to defend and hold any and all of the Franchisor Parties harmless from and against, any loss, cost, damage, liability, or expense (including, without limitation, attorneys' fees, arbitrators' fees, expert witness fees, costs of investigation and proof of facts, and other costs of litigation or arbitration, whether or not litigation or arbitration is commenced) arising out of or relating directly or indirectly to the operation of the Shop prior to the Effective Date.

12. **Role of the Franchisor.** Transferor, Transferor Guarantor, Transferee and Transferee Guarantor acknowledge and agree that they have negotiated the Sale between themselves without substantial or material involvement by the Franchisor, that the Franchisor has not effected or arranged the

Sale, and that the Franchisor's only involvement in the Sale has been for the purpose of exercising its right of consent to the Transfer in accordance with the Franchise Documents.

13. **Representations and Warranties of the Transferee and Transferee Guarantor.** Transferee and the Transferee Guarantor each hereby represent and warrant to the Franchisor that: (a) they have full power and authority to sign this Agreement and bind all of the Transferee Parties to its provisions and (b) none of the Transferee Parties has assigned any claim released hereunder to any individual or entity who is not bound by this Agreement.

14. **Undertaking.** Transferee Guarantors hereby join in and agree to be personally bound by all the terms and provisions of this Agreement and the Franchise Agreement, 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 Transferee or Transferee Guarantor has executed or may contemporaneously herewith or hereafter execute.

15. **Binding Effect.** This Agreement is binding upon and inures to the benefit of the Franchisor and the Transferring Parties and their respective successors, permitted assigns and legal representatives.

16. **Miscellaneous.**

(a) In the event of a dispute between Franchisor, Transferor and Transferor Guarantor the dispute resolution provisions stated in the Franchise Agreement are hereby incorporated by reference in and made part of this Agreement. In the event of a dispute between Franchisor, Transferee, and Transferee Guarantor the dispute resolution provisions stated in the New Franchise Agreement are hereby incorporated by reference in and made part of this Agreement.

(b) This Agreement and the other documents referenced herein constitute the entire understanding and agreement among the parties with respect to the transaction this Agreement contemplates. This Agreement shall become effective upon the date that Franchisor signs this Agreement (“Effective Date”).

(c) The captions and headings are only for convenience of reference, are not a part of this Agreement, and will not limit or construe the provisions to which they apply. All references in this Agreement to the singular usage will be construed to include the plural and the masculine usages will be construed to include the feminine.

(d) This Agreement may be executed in two or more counterparts, each of which is an original and all of which together constitute one and the same instrument. A facsimile or electronic copy will be deemed an original.

(e) Each of the Franchisor Parties will be deemed to be a third party beneficiary of this Agreement with an independent right to enforce it.

[Signatures are on the next page.]

[CONSENT TO TRANSFER AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the Effective Date.

FRANCHISOR:

Midas International Corporation

By: _____
Michael Gould, EVP & COO

Date: _____
(the "Effective Date")

TRANSFeree:

[INSERT ENTITY NAME]

By: _____

Printed Name: _____

Title: _____

TRANSFeree GUARANTOR:

, Individually

TRANSFEROR:

[INSERT ENTITY NAME]

By: _____

Printed Name: _____

Title: _____

TRANSFEROR GUARANTOR:

, Individually

EXHIBIT A

TERMINATION AND RELEASE AGREEMENT

D-7-6

EXHIBIT D-7

CONSENT TO TRANSFER AGREEMENT

Shop #

TERMINATION AND RELEASE AGREEMENT

This **TERMINATION AND RELEASE AGREEMENT** ("Agreement") is made and entered into on the Effective Date (defined below) by and between Midas International Corporation, a Delaware corporation ("Franchisor") and _____ ("Franchisee"), and _____, an individual ("Guarantor"). Franchisor, Franchisee, and Guarantor shall also be referred herein individually as a "Party" or collectively as the "Parties" to this Agreement.

WHEREAS, Franchisor, Franchisee, and Guarantor entered into a Franchise Agreement dated _____ ("Franchise Agreement") (together with all related documents and any amendments, conversion addendum, letters, riders, and personal guaranty through the Effective Date, the "Franchise Documents") pursuant to which Franchisee purchased the rights to operate a Midas® franchised business pursuant to Franchisor's systems within Franchisee's retail Shop at _____ ("Shop");

WHEREAS, Guarantor personally and individually guaranteed the obligations of Franchisee within the Franchise Agreement;

WHEREAS, Franchisor is the sole and exclusive owner of the Midas trademark and all related marks (the "Marks");

WHEREAS, Franchisor hereby specifically retains all rights contained in that certain Consent To Transfer Agreement entered into between the Parties as of the Effective Date ("Transfer Agreement");

WHEREAS, Franchisor hereby specifically retains all obligations or rights contained in the Franchise Documents that survive a termination of the Franchise Documents; and

WHEREAS, Franchisee has sold the Shop to a new Midas franchisee and the Parties desire to terminate and cancel the Franchise Documents on the terms set forth below.

NOW THEREFORE, it is hereby agreed as follows:

1. Termination of Rights. As of the Effective Date, the Franchise Documents are mutually terminated and of no further force or effect, subject to any rights or obligations that survive such termination. Except for the general release of all claims being provided by Franchisee and Guarantor to Franchisor, in the event Franchisee and Guarantor operate other Midas franchised Shops, this Agreement shall only apply to the Shop.

2. Termination of Intellectual Property Rights. Franchisee's license to the Marks and any other intellectual property related to the Marks is hereby unconditionally terminated as of the Effective Date and Franchisee shall have no further right hereafter to possess or use the Marks in any capacity whatsoever, nor shall Franchisee sell any form of services, products, goods, or any other items resembling the Marks. If Franchisee has signed multiple franchise agreements for other Shops, such that Franchisee will continue its relationship under other franchise agreements with the Franchisor, this paragraph shall only apply to the Franchise Agreement mentioned herein, if applicable.

D-7-7

Shop #

EXHIBIT D-7

CONSENT TO TRANSFER AGREEMENT

3. Franchisee's Obligations upon Termination. Franchisee shall (if Franchisee maintains additional franchise Shops, then the below shall only apply to the Shop):

(a) Promptly surrender to Franchisor, its designee, transferee, or, if directed by Franchisor, destroy and immediately discontinue the use of, any materials or designations indicating or intending to indicate in any way that Franchisee is or was a franchisee of Franchisor or had any rights to the Marks;

(b) Immediately and permanently discontinue use of any information received under the Franchise Agreement, including without limitation any manuals provided to Franchisee and never hereafter use or allow the use of any trade secret or confidential information that was provided to Franchisee during the Franchise Agreement;

(c) Promptly deliver to Franchisor, its designee or transferee, any and all manuals, bulletins, marketing materials, instruction sheets, forms, or other written or digital materials and never hereafter disclose the contents of any manuals, plans, records or other documents or digital materials within Franchisee's possession or control relating to the Franchise Agreement or the Marks to any third party; and

(d) Immediately pay any and all amounts due or payable to Franchisor.

4. Release.

(a) Franchisee, on behalf of itself and each of its past, present and future officers, directors, members, managers, employees, parent, affiliates, agents, successors and assigns (collectively "Franchisee Releasors") hereby irrevocably and unconditionally releases and forever discharges and covenants not to sue Franchisor, its present and former officers, directors, equity holders, employees, parent, subsidiaries, affiliates, agents, attorneys, predecessors, successors, assigns and all other persons connected with or to Franchisor, in their corporate and individual capacities (collectively "Franchisor Releasees") from any and all claims that Franchisee Releasors ever had, may have had or may now have arising from any matter of any kind, whether known or unknown, including, without limitation, any matters arising from the Franchise Documents, matters arising out of or in connection with the circumstances surrounding the transfer of the franchise for the Shop, the operation of the Shop, any matters arising under federal, state and local laws, rules and ordinances, or the franchisor-franchisee relationship, but not including any matter arising under this Agreement or the Transfer Agreement. Franchisee hereby states that it has read the foregoing and understands that it is a general release and that it intends to be legally bound thereby.

(b) Guarantor, on behalf of himself or herself and his or her heirs, executors, administrators, representatives, agents, affiliates, assigns and all other persons claiming by, through, for or under Guarantor or on behalf of Guarantor (collectively "Guarantor Releasors") hereby irrevocably and unconditionally releases and forever discharges and covenants not to sue Franchisor Releasees from any and all claims that Guarantor Releasors ever had, may have had or may now have arising from any matter of any kind, whether known or unknown, including, without limitation, any matters arising from the Franchise Documents, matters arising out of or in connection with the circumstances surrounding the transfer of the franchise for the Shop, the operation of the Shop, any matters arising under federal, state and local laws, rules and ordinances, or the franchisor-franchisee relationship, but not including any matter arising under

this Agreement or the Transfer Agreement. Guarantor hereby states that it has read the foregoing and understands that it is a general release and that it intends to be legally bound thereby.

(c) Franchisor, on behalf of itself and its agents, affiliates, equity holders, members, predecessors, successors, assigns and all other persons claiming by, through, for or under Franchisor or on behalf of Franchisor hereby irrevocably and unconditionally releases and forever discharges and covenants not to sue Franchisee or Guarantor or any of the Franchisee Releasers or Guarantor Releasers from any claim pertaining to the Franchise Documents, except this limited release provided by Franchisor shall not release Franchisee and Guarantor as stated in the following sentences. Without limiting the generality of the foregoing, Franchisee and Guarantor are not released from, and shall remain liable for: (i) any matter arising under this Agreement or the Transfer Agreement; (ii) any claims that Franchisor currently has or may have in the future against Franchisee or Guarantor for matters that do not specifically pertain to the Franchise Documents for the Shop (including, without limitation, any debts or liabilities that Guarantor owes to Franchisor for another franchise Shop or under a lease/sublease); (iii) the obligations set forth in the Franchise Documents that specifically survive termination and relate to compliance with federal, state or local environmental laws and regulations as they pertain to the operation of the Shop by Franchisee, Guarantor and (if applicable) predecessors; (iv) the obligations set forth in Section 6.9 or Section 6.12 of the Franchise Agreement as they pertain to the operation of the Shop prior to the date of transfer of the Shop; (v) Franchisee's and Guarantor's indemnification obligations under the Franchise Agreement and any other agreements executed in connection therewith relating to any third party claims, lawsuits, arbitration or other actions or proceedings, whether for damages, attorney fees, or otherwise, against Franchisor arising out of Franchisee's and Guarantor's ownership or operation of the Shop prior to the date of transfer of the Shop (including, without limitation, any consumer claims or complaints relating to work performed at the Shop by Franchisee or any of its employees); and (vi) all obligations arising or accruing, or relating to acts or omissions occurring prior to (and including) the date of transfer of the Shop. For avoidance of doubt, this limited release provided by Franchisor within this Section 4(c) is limited solely to the Franchise Documents for the Shop.

5. Disclosure. Franchisee and Guarantor acknowledge that Franchisor may be required by law to disclose Franchisee's and Guarantor's names, addresses and telephone numbers within its franchise disclosure documents, and Franchisee and Guarantor agree to such required disclosures.

6. Authority to Execute. Each Party represents and warrants that such party has the necessary power and authority to execute this Agreement, and that all necessary action for the execution of this Agreement has been taken.

7. Indemnity Regarding Assignment of Claims. Each Party represents and warrants that it has not heretofore assigned or transferred, or purported to assign or transfer to any person, entity or corporation whatsoever, any of the Claims released hereunder. Each Party agrees to indemnify and hold harmless each other against any Claims based on, arising out of, or related to any such transfer or assignment or purported transfer or assignment.

8. Successors and Assigns. The provisions of this Agreement will inure to the benefit of and be binding upon the heirs, successors and assigns in interest of the Parties. The releases herein of any Claims against any party hereto will, at the option of such party, bind and inure to the benefit of the principals, agents, representatives, successors and assigns of such party, and will, at the option of such party, inure to the benefit of all other persons, firms, corporations, agents, or principals against whom the Claims released herein might be asserted.

9. Captions. The captions of the paragraphs of this Agreement are solely for the convenience of the Parties, are not a part of this Agreement and will not be used for the interpretation of any provision of this Agreement.

10. Definitions. Capitalized terms used and not defined herein shall have the meanings assigned thereto in the Franchise Agreement.

11. Severability. If any provision of this Agreement is for any reason held to violate any applicable law, governmental rule or regulation, or if said agreement is held to be unenforceable or unconscionable, then the invalidity of such specific provisions will not be held to invalidate the remaining provisions of this Agreement.

12. Further Assurances. Each Party hereby agrees that it will take any and all necessary steps, sign and execute any and all necessary documents, agreements or instrument which are required to implement the terms of this Agreement and each Party will refrain from taking any action, either expressly or impliedly, which would have the effect of prohibiting or hindering the performance of the other Party to this Agreement.

13. Interpretation. Each Party hereby agrees that it has been represented by their own counsel throughout any negotiations about and at the signing of this Agreement, the Transfer Agreement and any other documents signed incidental thereto. Therefore, the Parties agree that none of the provisions of this Agreement will be construed against any party more strictly than against the other party.

14. Dispute Resolution. The dispute resolution provisions in the Franchise Agreement are hereby incorporated by reference in and made part of this Agreement. .

15. Entire Agreement. This Agreement represents the entire agreement between the Parties and supersedes all prior negotiations, representations or agreements between the Parties, either written or oral. This Agreement may be amended only by written instrument designated as an amendment to this Agreement and executed by the Parties. This Agreement shall become effective upon the date that Franchisor signs this Agreement (the "Effective Date").

16. Counterparts. This Agreement may be executed in any number of counterparts and by each of the Parties on separate counterparts, each of which when so executed and delivered will be deemed an original and all of which taken together constitute but one and the same instrument. A facsimile or electronic copy will be deemed an original.

[Signatures are on the next page.]

D-7-10

Shop #

EXHIBIT D-7

CONSENT TO TRANSFER AGREEMENT

[TERMINATION AND RELEASE AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the Parties have duly executed, acknowledged and delivered this Agreement as of the Effective Date.

FRANCHISOR:

Midas International Corporation

By: _____
Michael Gould, EVP & COO

Date: _____
(the "Effective Date")

FRANCHISEE:

[INSERT ENTITY NAME]

By: _____

Printed Name: _____

Title: _____

GUARANTOR:

, Individually

EXHIBIT B
NEW FRANCHISE AGREEMENT

D-7-12
EXHIBIT D-7
CONSENT TO TRANSFER AGREEMENT

Shop #

EXHIBIT D-8: MIDAS STANDARD RELEASE FORM

MIDAS STANDARD RELEASE FORM

_____ (“Company”), the Franchisee under the Franchise 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/himself/herself and its/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 (or assumption) 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 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 Franchise 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 Franchise Agreement (“Franchise Agreement”) to _____ (“New Franchisee”) for the operation of the Midas Shop at _____ (“Shop”), which Shop was previously open and operated by another franchisee who is no longer part of the Midas System, New Franchisee hereby agrees that it shall honor, and assume the following obligations and liabilities relating to the Shop: (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. 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 Franchise Agreement for the Midas Shop (“Shop”) at _____ (“Franchise Agreement”), wherein _____ is Franchisee (“Franchisee”), and issuing a renewal Franchise 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 or the execution (or assumption) 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 the obligations and liabilities for the Shop that directly relate to: (i) “in Shop” non-Midas warranties issued or redeemable at the Shop; (ii) 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) 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 account, rent, taxes, promissory note or other monetary obligation owed by Renewing Franchisee to Midas (“Money Owed Midas”). Renewing Franchisee and Related Parties agree that as long 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. **SECURESTOP PARTICIPATION AGREEMENT.** Renewing Franchisee hereby agrees to participate in the “Midas SecureStop™ Brake Service” program as hereinafter described (“SecureStop Participation Agreement”). In connection therewith, Renewing Franchisee further acknowledges and agrees that:

(i) Renewing Franchisee has read the following claims (collectively, "Claims") and understands that these and other similar claims may be made by 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.";

(ii) in order to make the Claims in media, Midas is relying on Renewing Franchisee's commitment and agreement to sell and install, as lifetime guaranteed brake pads, only the approved lines listed on Exhibit A attached hereto (collectively, "Approved Brake Pads") and that Midas may modify the lists of Approved Brake Pads at any time or times in the future, in Midas' sole discretion;

(iii) in accordance with Section 6.3 of the Agreement for the Shop, Renewing Franchisee commits and agrees to sell and install the Approved Brake Pads in every instance that a lifetime guaranteed brake pad is sold and installed at the Shop during the term of the Renewal Franchise, subject to availability;

(iv) Renewing Franchisee shall notify Midas immediately if Approved Brake Pads are not readily available for purchase by the Shop;

(v) Renewing Franchisee, and not Midas, shall be responsible for any claims, liabilities or losses that may arise out of Renewing Franchisee's breach of this SecureStop Participation Agreement at any time and for any reason, and that, accordingly, Renewing Franchisee agrees to indemnify, defend and hold Midas harmless from and against any and all such claims, liabilities or losses;

(vi) the Claims marketing is being implemented by Midas for the benefit of all Midas shops, including the Shop, and that Midas' agreement to implement this program constitutes consideration for this SecureStop Participation Agreement; and

(vii) this SecureStop Participation Agreement shall continue for the term of the Renewal Franchise including any and all extensions and renewals thereof.

5. 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 or re-opening of a Midas Shop, or conversion of a location to a Midas Shop, at _____ (“Shop”), pursuant to a Franchise Agreement (“Franchise Agreement”) between Midas International Corporation (“Midas”) and _____ (“Franchisee”), it is agreed as follows:

1. If Franchisee is opening a new Shop (not renewing), re-opening a Shop that was previously closed for a minimum of 120 days, or converting a location to a Midas Shop, Franchisee hereby agrees to pay to Midas \$10,000 (“Franchisee Commitment Funds”), upon signing the Franchise Agreement. Franchisee Commitment Funds shall be in addition to the initial franchise fee, royalties, transfer fee, and other amounts payable by Franchisee pursuant to the Franchise Agreement.
2. Franchisee Commitment Funds shall be spent by Midas and its marketing services vendor (currently Moroch) on consumer targeted advertising, merchandising, public relations programs and other marketing activities intended to directly benefit the grand opening or grand re-opening of the Midas Shop (“Grand Opening Activities”) during the first 12 months of the Shop being open for business. The Grand Opening Activities must be preapproved by Midas or its marketing services vendor.
3. Midas will allocate \$5,000.00 (“Matching Funds”) to the Grand Opening Activities (which is in addition to the Franchisee Commitment Funds). Franchisee may contribute more than the Franchisee Commitment Funds and the Matching Funds to the Grand Opening Activities, but Midas shall only be responsible for the Matching Funds amount. The Franchisee Commitment Funds and Matching Funds are intended to be spent during the first 12 months of the Shop being open for business, as determined by Midas.
4. Franchisee Commitment Funds are non-refundable. In no event shall Matching Funds be payable to Franchisee in cash.
5. 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.

MIDAS:

Midas International Corporation

By: _____
Michael Gould, EVP & COO

Date: _____
(the “Effective Date”)

FRANCHISEE:

[INSERT ENTITY NAME]

By: _____
, President

Shop #: _____

Account no.: _____

EXHIBIT D-12: EXISTING FRANCHISEE INCENTIVE RIDER

**EXISTING FRANCHISEE INCENTIVE RIDER
TO THE
FRANCHISE AGREEMENT**

This **EXISTING FRANCHISEE INCENTIVE RIDER TO THE FRANCHISE AGREEMENT** ("Rider") is made and entered into this ____ day of _____, 2014 ("Effective Date") by and between Midas International Corporation, a Delaware corporation ("Franchisor") and _____, a(n) _____ ("Franchisee"). Franchisor and Franchisee shall also be referred to herein individually as a "Party" or collectively as the "Parties" to this Rider.

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement for the Midas Shop located at _____ ("Shop") that has been signed at the same time as the signing of this Rider ("Franchise Agreement"; all capitalized terms used but not defined herein shall have the meanings set forth in the Franchise Agreement). This Rider is part of the Franchise Agreement. Franchisee desires to open a new location in addition to their current location(s) and as an incentive in opening and operating an additional Midas franchise location, Franchisor is providing the incentives stated herein.

2. Initial Franchise Fee. Franchisor hereby waives the standard initial franchise fee described in Section 1.4 of the Franchise Agreement. The initial franchise fee value will be calculated at \$30,000.

3. Royalty Fees. The monthly Royalty Fees described in Section 4.1 of the Franchise Agreement shall be reduced by seventy-five percent after the Shop opens and through the first full twelve months thereafter. Commencing the thirteenth full month through the twenty-fourth month following the opening of the Shop, the monthly Royalty Fee shall be reduced by thirty-five percent. Commencing on the twenty-fifth full month following the opening of the Shop and thereafter, the full Royalty Fee will be charged.

4. Signage. Franchisor shall provide and install the current signage package referenced in Section 6.5(d) of the Franchise Agreement ("Signage Package"). In the event Franchisor's cost of the signage package and installation exceeds \$25,000 (which excess amount shall be referred to as the "Excess Signage Cost"), Franchisee shall pay Franchisor the Excess Signage Cost within thirty days after Franchisor bills Franchisee therefor. Franchisor shall retain ownership of the Signage Package for ten years after delivery of the Signage Package, and Franchisee agrees to execute any documents reasonably required by Franchisor to evidence such ownership and protect Franchisor's rights in the Signage Package. Provided that Franchisee is current with all of its obligations to Franchisor, Franchisor will transfer ownership of the Signage Package to Franchisee, upon Franchisee's request, after the ten year anniversary of the delivery of the Signage Package to Franchisee.

5. Convention Travel Costs. Franchisor shall reimburse Franchisee for the actual travel and lodging costs the Designated Owner referenced in Section 6.4 of the Franchise Agreement ("Lodging") to attend the next applicable annual franchisee convention. Such costs shall not exceed \$2,000 and will be credited against Royalty Fees payable to Franchisor. Franchisee shall provide Franchisor with supporting documentation to establish the actual costs of the Lodging as reasonably requested by Franchisor.

6. Initial Tire Order Incentive. If Franchisee already owns and operates another Midas, Speedee or Co-Branding Shop, and Franchisee places an initial tire order of \$25,000 or more for the

Shop, Franchisee will receive a free tire changer (Coats-BL 500 Tire Changer) and balancer (Coats-BL 225 Wheel Balancer).

7. **Termination.** In the event of the termination of the Franchise Agreement for any reason, the incentives contained in this Rider shall be null and void and Franchisee shall reimburse Franchisor for the full value of any incentive contained in this Rider within thirty days after such termination.

Except as amended by this Rider, all of the terms of the Franchise Agreement, including any riders, addenda and amendments thereto, shall not be affected. The incentives contained in this Rider are personal to Franchisee and are non-transferrable.

IN WITNESS WHEREOF, the Parties have executed and delivered this Rider as of the Effective Date.

FRANCHISOR:

Midas International Corporation

FRANCHISEE:

[INSERT ENTITY NAME]

By: _____
Michael Gould, EVP & COO

By: _____
, President

EXHIBIT D-13: CONVERSION FRANCHISEE INCENTIVE RIDER

CONVERSION FRANCHISEE INCENTIVE RIDER TO THE FRANCHISE AGREEMENT

This **CONVERSION FRANCHISEE INCENTIVE RIDER TO THE FRANCHISE AGREEMENT** (“Rider”) is made and entered into this ____ day of _____, 2014 (“Effective Date”) by and between Midas International Corporation, a Delaware corporation (“Franchisor”) and _____, a(n) _____ (“Franchisee”). Franchisor and Franchisee shall also be referred to herein individually as a “Party” or collectively as the “Parties” to this Rider.

1. Background. Franchisee is converting its current automotive repair business located at _____ (“Shop”) into a Midas franchised business and as an incentive to convert the Shop to a Midas franchise business, Franchisor is providing the incentives stated herein. Franchisor and Franchisee are entering into a Franchise Agreement for the Shop at the same time as this Rider (“Franchise Agreement”; all capitalized terms used but not defined herein shall have the meanings set forth in the Franchise Agreement). This Rider is part of the Franchise Agreement.

2. Initial Franchise Fee. Franchisor hereby waives the standard initial franchise fee described in Section 1.4 of the Franchise Agreement. The initial franchise fee value will be calculated at \$30,000.

3. Royalty Fees. The monthly Royalty Fees described in Section 4.1 of the Franchise Agreement shall be reduced by seventy-five percent after the Shop opens and through the first full twelve (12) months thereafter. Commencing the thirteenth full month through the twenty-fourth month following the opening of the Shop, the monthly Royalty Fee shall be reduced by thirty-five percent. Commencing on the twenty-fifth full month following the opening of the Shop and thereafter, the full Royalty Fee will be charged.

4. Signage. Franchisor shall provide and install the current signage package referenced in Section 6.5(d) of the Franchise Agreement (“Signage Package”). In the event Franchisor’s cost of the signage package and installation exceeds \$25,000 (which excess amount shall be referred to as the “Excess Signage Cost”), Franchisee shall pay Franchisor the Excess Signage Cost within thirty days after Franchisor bills Franchisee therefor. Franchisor shall retain ownership of the Signage Package for ten years after delivery of the Signage Package, and Franchisee agrees to execute any documents reasonably required by Franchisor to evidence such ownership and protect Franchisor’s rights in the Signage Package. Provided that Franchisee is current with all of its obligations to Franchisor, Franchisor will transfer ownership of the Signage Package to Franchisee, upon Franchisee’s request, after the ten year anniversary of the delivery of the Signage Package to Franchisee.

5. Training Expenses. Franchisor shall reimburse Franchisee for the cost of the lodging for the Designated Owner referenced in Section 6.4 of the Franchise Agreement (“Lodging”) during initial training. Such cost shall not exceed Two Thousand Dollars (\$2,000) and will be credited against Royalty Fees payable to Franchisor. Franchisee shall provide Franchisor with supporting documentation to establish the cost of the lodging as reasonably requested by Franchisor. Lodging does not include meals, transportation, or other expenses.

6. Conversion Construction. Franchisee must perform the construction changes provided in Exhibit A to this Rider to the Shop within thirty days after the Effective Date to Franchisor’s satisfaction and brand standards.

7. Termination. In the event of the termination of the Franchise Agreement for any reason, the incentives contained in this Rider shall be null and void and Franchisee shall reimburse Franchisor for the full value of any incentive contained in this Rider within thirty days after such termination.

Except as amended by this Rider, all of the terms of the Franchise Agreement, including any riders, addenda and amendments thereto, shall not be affected. The incentives contained in this Rider are personal to Franchisee and are non-transferrable.

IN WITNESS WHEREOF, the Parties have executed and delivered this Rider as of the Effective Date.

FRANCHISOR:

Midas International Corporation

By: _____
Michael Gould, EVP & COO

FRANCHISEE:

[INSERT ENTITY NAME]

By: _____
, President

EXHIBIT A

CONVERSION CONSTRUCTION

EXHIBIT D-14: NEW FRANCHISEE INCENTIVE RIDER

**NEW FRANCHISEE INCENTIVE RIDER
TO THE
FRANCHISE AGREEMENT**

This **NEW FRANCHISEE INCENTIVE RIDER TO THE FRANCHISE AGREEMENT** (“Rider”) is made and entered into this ____ day of _____, 2014 (“Effective Date”) by and between Midas International Corporation, a Delaware corporation (“Franchisor”) and _____, a(n) _____ (“Franchisee”). Franchisor and Franchisee shall also be referred to herein individually as a “Party” or collectively as the “Parties” to this Rider.

1. **Background.** Franchisor and Franchisee are Parties to that certain Franchise Agreement for the Midas Shop located at _____ (“Shop”) that has been signed at the same time as the signing of this Rider (the “Franchise Agreement” all capitalized terms used but not defined herein shall have the meanings set forth in the Franchise Agreement). This Rider is part of the Franchise Agreement.

2. **Royalty Fees.** The monthly Royalty Fees described in Section 4.1 of the Franchise Agreement shall be reduced by fifty percent (50%) after the Shop opens and through the first full twelve (12) months thereafter. Commencing the thirteenth (13th) full month through the twenty fourth (24th) month following the opening of the Shop, the monthly Royalty Fee shall be reduced by twenty-five percent (25%). Commencing on the twenty fifth (25th) full month following the opening of the Shop and thereafter, the full Royalty Fee will be charged.

3. **Training Expenses.** Franchisor shall reimburse Franchisee for the cost of the lodging for the Designated Owner referenced in Section 6.4 of the Franchise Agreement (“Lodging”) during initial training. Such cost shall not exceed Two Thousand Dollars (\$2,000) and will be credited against Royalty Fees payable to Franchisor. Franchisee shall provide Franchisor with supporting documentation to establish the cost of the lodging as reasonably requested by Franchisor. Lodging does not include meals, transportation, or other expenses.

4. **Termination.** In the event of the termination of the Franchise Agreement for any reason, the incentives contained in this Rider shall be null and void and Franchisee shall reimburse Franchisor for the full value of any incentive contained in this Rider within thirty (30) days after such termination.

Except as amended by this Rider, all of the terms of the Franchise Agreement, including any riders, addenda and amendments thereto, shall not be affected. The incentives contained in this Rider are personal to Franchisee and are non-transferrable.

IN WITNESS WHEREOF, the Parties have executed and delivered this Rider as of the Effective Date.

FRANCHISOR:

Midas International Corporation

By: _____
Michael Gould, EVP & COO

FRANCHISEE:

[INSERT ENTITY NAME]

By: _____
, President

Shop _____

EXHIBIT D-15: VETERAN INCENTIVE RIDER

VETERAN INCENTIVE RIDER TO THE FRANCHISE AGREEMENT

This **VETERAN INCENTIVE RIDER TO THE FRANCHISE AGREEMENT** ("Rider") is made and entered into this ____ day of _____, 2014 ("Effective Date") by and between Midas International Corporation, a Delaware corporation ("Franchisor") and _____, a(n) _____ ("Franchisee"). Franchisor and Franchisee shall also be referred to herein individually as a "Party" or collectively as the "Parties" to this Rider.

1. Background. Franchisor and Franchisee are parties to that certain Midas Franchise Agreement for the Midas Shop located at _____ ("Shop") that has been signed at the same time as the signing of this Rider (the "Franchise Agreement"; all capitalized terms used but not defined herein shall have the meanings set forth in the Franchise Agreement). Franchisor is offering to waive the initial franchise fee for franchisees satisfying Franchisor's "Veteran Program," by having received an honorable discharge from one of the U.S. Armed Forces (i.e., Army, Navy, Air Force, Coast Guard or Marine Corps) or currently serving in one of the U.S. Armed Forces and eligible to receive an honorable discharge, or being an entity in which such veteran owns a majority interest. Franchisor may establish other qualification requirements that will be provided in writing to Franchisee. Franchisee hereby represents and warrants to Franchisor, that Franchisee (or, if Franchisee is a business entity, Franchisee's majority owner) satisfies these requirements, which Franchisee authorizes and will assist Franchisor to verify, and desires to participate in Franchisor's Veteran Program. The Parties have agreed to amend the Franchise Agreement in accordance with the terms and conditions of this Rider. This Rider is part of the Franchise Agreement.

2. Initial Franchise Fee. Based upon Franchisee's representation and warranty that Franchisee meets the requirements of Franchisor's Veteran Program, Franchisor hereby waives the standard initial franchise fee. The initial franchise fee value will be calculated at \$30,000 ("Value"). Franchisee is required to hold the rights to the Franchise Agreement, and if applicable the qualifying majority interest owner in the Franchisee entity will continue to hold that majority interest, for at least two continuous years following the Effective Date. If Franchisee does not do so, Franchisee must pay Franchisor for the Value of the initial franchise fee, which amount becomes due immediately at the time Franchisee no longer satisfies the ownership requirement.

3. Interpretation. If there is any conflict between the provisions of this Rider and any of the provisions of the Franchise Agreement, the provisions of this Rider will prevail.

4. Effect. This Rider shall be deemed a part of and is hereby incorporated into the Franchise Agreement and all terms and conditions not expressly modified by this Rider shall remain in full force and effect as written. Except as amended by this Rider, all of the terms of the Franchise Agreement, including any riders, addenda and amendments thereto, shall not be affected. The incentives contained in this Rider are personal to Franchisee and are non-transferrable.

Shop _____

IN WITNESS WHEREOF, the Parties have executed and delivered this Rider as of the Effective Date.

FRANCHISOR:

Midas International Corporation

FRANCHISEE:

[INSERT ENTITY NAME]

By: _____
Michael Gould, EVP & COO

By: _____
, President

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,

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EXHIBIT E-1

END USER LICENSE AGREEMENT

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,

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EXHIBIT E-1

END USER LICENSE AGREEMENT

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 Delaware, without reference to any laws with respect to the conflict of laws. Except for actions to enforce the provisions of Paragraph B, C, E, G, or I of this EULA, which Midas may bring in a court of competent jurisdiction, any and all controversies, disputes or claims between Midas, its subsidiaries and affiliated companies or their shareholders,

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EXHIBIT E-1

END USER LICENSE AGREEMENT

officers, directors, agents, employees and attorneys (in their representative capacity); and Franchisee arising out of or related to this EULA or the validity hereof shall be submitted for arbitration on the demand of any involved party. Such arbitration proceedings shall be conducted in Palm Beach Gardens, Florida, will be submitted to the American Arbitration Association (“AAA”), and will be heard by one arbitrator in accordance with the then current rules of AAA applicable to commercial arbitration. Any arbitration award shall be based on established law and shall not be made on broad principles of justice and equity. All jurisdictional issues will be decided by the arbitrator. The prevailing party in any action to enforce any provision of this EULA shall recover all costs and attorneys’ fees incurred in connection with the 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 on one or more computers located at 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") have multiple locations where you use the Software, you will need a separate Software Maintenance Program Agreement (this "Agreement") for each such location. 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 term of this Agreement shall commence as of the Start Date set forth above and shall continue for as long as you use the Software.

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, monthly in advance, by credit card charges or bank account debits. You agree to authorize PAS to automatically debit your designated credit card or bank account in the amount of the monthly fee, 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. In the event you cease paying your monthly 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 never stopped paying.

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

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SOFTWARE MAINTENANCE PROGRAM AGREEMENT

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. Licensing passcodes (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 Delaware, without reference to any laws with respect to the conflict of laws. Any and all controversies, disputes or claims between PAS, its subsidiaries and affiliated companies or their shareholders, officers, directors, agents, employees and attorneys (in their representative capacity); and you arising out of or related to this Agreement or the

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SOFTWARE MAINTENANCE PROGRAM AGREEMENT

validity hereof shall be submitted for arbitration on the demand of any involved party. Such arbitration proceedings shall be conducted in Palm Beach Gardens, Florida, will be submitted to the American Arbitration Association (“AAA”), and will be heard by one arbitrator in accordance with the then current rules of AAA applicable to commercial arbitration. Any arbitration award shall be based on established law and shall not be made on broad principles of justice and equity. All jurisdictional issues will be decided by the arbitrator. The prevailing party in any action to enforce any provision of this Agreement shall recover all costs and attorneys’ fees incurred in connection with the 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.

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EXHIBIT E-2

SOFTWARE MAINTENANCE PROGRAM AGREEMENT

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 THIS SOFTWARE MAINTENANCE PROGRAM AGREEMENT AS SET FORTH HEREIN BY SIGNING WHERE INDICATED BELOW.

Customer Name: _____

By: _____
(Authorized Signature)

Name: _____
(Typed or Printed Name)

Date: _____

EXHIBIT A

ELECTRONIC PAYMENT PROCESSING FORM & ORDER FORM

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.

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 & Epicor Catalog: Then-current maintenance fee plus Epicor fee, plus tax.*
- c) R.O. Writer Software Maintenance & Epicor Catalog & Buyer Assist: Then-current maintenance fee plus Epicor fees, plus tax.*
- d) R.O. Writer Software Maintenance & Epicor Catalog & R.O. Writer Mobile Software Maintenance: Then-current maintenance fees plus Epicor fee, plus tax.*
- e) R.O. Writer Software Maintenance & Epicor Catalog & Buyer Assist & R.O. Writer Mobile Software Maintenance: Then-current maintenance fees plus Epicor fees, 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 & Epicor Catalog: Then-current maintenance fee plus Epicor fee, plus tax.*
- c) R.O. Writer Software Maintenance & Epicor Catalog & Buyer Assist: Then-current maintenance fee plus Epicor fees, plus tax.*
- d) R.O. Writer Software Maintenance & Epicor Catalog & R.O. Writer Mobile Software Maintenance: Then-current maintenance fees plus Epicor fee, plus tax.*
- e) R.O. Writer Software Maintenance & Epicor Catalog & Buyer Assist & R.O. Writer Mobile Software Maintenance: Then-current maintenance fees plus Epicor fees, 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

_____, **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

CENTRAL SERVICE LICENSE AGREEMENT

PLEASE READ THE FOLLOWING LICENSE AGREEMENT CAREFULLY. BY SIGNING WHERE INDICATED ON PAGE 6 HEREOF, 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 SIGNING WHERE INDICATED ON PAGE 6 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, DO NOT SIGN WHERE INDICATED ON PAGE 6 AND YOU WILL NOT BE PROVIDED ACCESS TO THE SOFTWARE.

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 which application(s) provide, among other features and functionality, the ability for Licensee to store Licensee Data (as defined below) within the application(s) (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 and agents, such as accountants and lawyers, 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

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EXHIBIT E-3

R.O. WRITER CENTRAL SERVICE AGREEMENT

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 (PAS offers a Software Maintenance Program directly to its licensees, subject to the terms of a separate Software Maintenance Program Agreement); 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; and (D) complying with all laws, rules and regulations applicable to Licensee's operations, including, without limitation, Licensee's use and configuration of Central Service. **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 only 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

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EXHIBIT E-3

R.O. WRITER CENTRAL SERVICE AGREEMENT

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. Licensee also acknowledges and agrees that 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. 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.

If Licensee is also a franchisee of one or more of PAS' parents or affiliates, the following provisions shall also apply: Licensee hereby authorizes PAS to share the Licensee Data with such parents and affiliates to use for the purposes set forth above, and for purposes of royalty reporting, warranty registration and compliance verification with respect to the foregoing items, and for use in aggregated marketing and sales analytics systems, provided that said Licensee Data is used only in connection with the franchise system of which Licensee is a part. However, if such Licensee Data constitutes the personal financial information of the shareholders or members of Licensee, or is unrelated to the operation of Licensee's franchise, PAS will obtain Licensee's further approval prior to sharing said information with its parents or affiliates. In addition, on a bi-annual basis starting in calendar year 2014 and for so long as a material number of franchisees of one or more of PAS' parents or affiliates are Central Service licensees, PAS agrees to meet with applicable franchisee body representative organization(s), as PAS may reasonably determine, in order to review and discuss the types of data collected by PAS and shared with PAS' parents or affiliates under this License, in order for PAS to determine the appropriate scope and use of such data; provided, however, if there are no changes to the types of data collected by PAS and shared with PAS' parents or affiliates during said two year intervals, PAS shall not be required to extend such invitation.

F) Fees: Licensee shall pay monthly subscription fees as described in PAS' then-current price list for each level of Central Service functionality. PAS may, in its sole discretion, charge additional fees for updates to Central Service content, functionality and/or Central Service user interfaces. If said subscription fees are not paid on time and when due, PAS will notify Licensee that it is in default of this License and Licensee shall have ten (10) days to cure such default. If Licensee fails to cure the default within the ten (10) day cure period, PAS may deny access to Central Service. 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.

I) 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**

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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 Delaware, without reference to any laws with respect to the conflict of laws. Except for actions to enforce the provisions of Paragraph C, D, I, or K of this License, which PAS may bring in a court of competent jurisdiction, any and all controversies, disputes or claims between PAS, its subsidiaries and affiliated companies or their shareholders, officers, directors, agents, employees and attorneys (in their representative capacity); and Licensee arising out of or related to this License or the validity hereof shall be submitted for arbitration on the demand of any involved party. Such arbitration proceedings shall be conducted in Palm Beach Gardens, Florida, will be submitted to the American Arbitration Association ("AAA"), and will be heard by one arbitrator in accordance with the then current rules of AAA applicable to commercial arbitration. Any arbitration award shall be based on established law and shall not be made on broad principles of justice and equity. All jurisdictional issues will be decided by the arbitrator. The prevailing party in any action to enforce any provision of this License shall recover all costs and attorneys' fees incurred in connection with the 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.

I have read and agree to the terms and conditions of this Central Service License Agreement.

Licensee Signature

Date

Licensee Name (Please Print)

E-mail Address

Contact Phone #

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 4300 TBC Way, Palm Beach Gardens, Florida, 33410, 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"). Lessee hereby acknowledges and agrees that this Lease is a triple net lease.

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." If the Commencement Date is a day other than the first day of the calendar month, then the initial term shall include that period of time from the Commencement Date up to the first day of the next calendar month and any subsequent lease year shall be the twelve (12) month period beginning on the first day of such month.

(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 742152, Los Angeles, CA 90074-2152, 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 interest rate shall apply as the post-judgment interest rate, regardless of the applicable statutory rate, in the event of any legal actions related to this Lease. 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 4300 TBC Way, Palm Beach Gardens, Florida 33410, 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 Lease constitutes the entire agreement between the parties regarding the leasing of the Premises and, excepting any obligations or liabilities that survived the termination or expiration of any prior lease or sublease (which obligations/liabilities shall continue to survive), supersedes any prior agreements or understandings relating thereto. Notwithstanding the foregoing, in the event that Lessee was disclosed with a Franchise Disclosure Document by Franchisor in conjunction with executing this Lease ("FDD"), then nothing in this Lease is intended to disclaim any representations by Franchisor in such FDD. This Lease 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: _____

Guarantor(s):

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 4300 TBC Way, Palm Beach Gardens, Florida 33410 ("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. Sublessee hereby acknowledges and agrees that this Sublease is a triple net lease.

(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.

F-2-1
EXHIBIT F-2
SUBLEASE

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.” If the Commencement Date is a day other than the first day of the calendar month, then the initial term shall include that period of time from the Commencement Date up to the first day of the next calendar month and any subsequent lease year shall be the twelve (12) month period beginning on the first day of such month.

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 742152, Los Angeles, CA 90074-2152, 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 amended by this Sublease and/or in conflict with this Sublease shall not apply and in the event of any conflict between the Head Lease and this Sublease, in which event this Sublease shall control. In the event a provision appearing in this Sublease covers the same (or equivalent) subject matter as an adopted and included provision of the Head Lease, both provisions (to the extent possible) and the stricter obligations or requirements shall apply. The paragraphs of the Head Lease which are specifically excluded are as follows: **(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 interest rate shall apply as the post-judgment interest rate, regardless of the applicable statutory rate, in the event of any legal actions related to this Sublease. 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 4300 TBC Way, Palm Beach Gardens, Florida, 33410, 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 Sublease constitutes the entire agreement between the parties regarding the leasing of the Premises and, excepting any obligations or liabilities that survived the termination or expiration of any prior lease or sublease (which obligations/liabilities shall continue to survive), supersedes any prior agreements or understandings relating thereto. Notwithstanding the foregoing, in the event that Sublessee was disclosed with a Franchise Disclosure Document by Franchisor in conjunction with executing this Sublease ("FDD"), then nothing in this Sublease is intended to disclaim any representations by Franchisor in such FDD. This Sublease 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

SUBLESSEE:

By: _____
, Vice President

By: _____

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 _____, 201__, is by and between _____, with an office at _____ (“Lessor”), and Midas Realty Corporation, with an office at 4300 TBC Way, Palm Beach Gardens, Florida 33410 (“Lessee”).

WHEREAS, Lessor (or its owner(s)) is, owns or controls, in whole or in part, the “Franchisee” under the Franchise 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 Franchise 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 4300 TBC Way, Palm Beach Gardens, Florida 33410, 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 Option and Shop Lease constitutes the entire agreement between the parties regarding Lessee's right to lease the Premises (when triggered by the termination or expiration of the Franchise Agreement) and, excepting any obligations or liabilities that survived the termination or expiration of any prior lease, sublease, option or lease assignment (which obligations/liabilities shall continue to survive), supersedes any prior agreements or understandings relating thereto. Notwithstanding the foregoing, in the event that Lessor was disclosed with a Franchise Disclosure Document by Franchisor in conjunction with executing this Option and Shop Lease ("FDD"), then nothing in this Option and Shop Lease is intended to disclaim any representations by Franchisor in such FDD. This Option and Shop Lease 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.

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EXHIBIT F-3
OPTION AND SHOP LEASE

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 Franchise 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 4300 TBC Way, Palm Beach Gardens, Florida 33410, 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 Lease constitutes the entire agreement between the parties regarding the leasing of the Premises and, excepting any obligations or liabilities that survived the termination or expiration of any prior lease, sublease, option or lease assignment (which obligations/liabilities shall continue to survive), supersedes any prior agreements or understandings relating thereto. Notwithstanding the foregoing, in the event that Lessor was disclosed with a Franchise Disclosure Document by Franchisor in conjunction with executing the Option and Shop Lease out of which this Lease arose (“FDD”), then nothing in this Lease is intended to disclaim any representations by Franchisor in such FDD. This Lease 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 Franchise 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 4300 TBC Way, Palm Beach Gardens, Florida 33410.

In witness whereof, the parties have executed this CAL.

ASSIGNOR:

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:

By: _____

Name: _____

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 any amendments, to _____, a _____ (“Assignee”), having an address of _____, effective _____, 20__ (“Effective Date”).

In consideration of this 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 in which this assignment occurs (payable the following March 1); and (b) the remainder of the term of the Lease.

Assignor and Assignee acknowledge that it is their responsibility (not Lessor’s) to calculate and make between themselves any appropriate prorations of Gross Sales percentage rent and other expenses (e.g., rent, common area charges, taxes and tax deposit accounts) in connection with this assignment and the sale of the Midas Shop at the demised premises.

ASSIGNOR:

ASSIGNEE:

By: _____

By: _____

GUARANTY

Guarantor hereby guarantees to Lessor the payment of rent, taxes and other monetary obligations of Lessee under the Lease and the performance by Lessee of all obligations, liabilities, undertakings, warranties and representations of Lessee under 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 under the Lease. 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.

GUARANTOR(S):

CONSENT

Midas Realty Corporation (or Midas Properties, Inc.) (“Lessor”) hereby consents to the foregoing Assignment of Lease in accordance with the terms and conditions thereof.

MIDAS REALTY CORPORATION (or MIDAS PROPERTIES, INC.)

By: _____
, Vice President

EXHIBIT F-6 DEFERRED MAINTENANCE AGREEMENT

DEFERRED MAINTENANCE AGREEMENT

In conjunction with the proposed sale of the Midas Shop at _____ (“Shop”), from the undersigned Seller to the undersigned Buyer, Seller and Buyer acknowledge and hereby agree and confirm the following to Midas International Corporation (“Midas”):

- Midas (or its contractor) inspected the Shop on _____, 201__, to ascertain obvious deferred maintenance items under the Shop lease or sublease;
- Midas requires, as a condition of consenting to the sale of the Shop, that the items listed on Exhibit A be completed and repaired by Seller or Buyer within 90 days after the closing of the sale of the Shop. If the items listed on Exhibit A are not completed within 90 days after the closing of the sale of the Shop, Midas has the right to perform the work and charge the cost to Buyer in the form of additional rent;
- Midas’ inspection was limited in scope and was undertaken solely to ascertain obvious deferred maintenance items and Midas makes no representation of any kind as to the condition of the Shop property;
- Midas’ inspection did not include (among other things) the roof, heating and air conditioning system, plumbing fixtures and lines, the shop equipment including the hoists, underground installations or the environmental condition of the property;
- The fact that something is not listed on Exhibit A does not mean that it is in good or acceptable condition for purposes of the tenant’s/subtenant’s obligations under the lease/sublease;
- This Deferred Maintenance Agreement does not limit or replace the Seller’s or Buyer’s obligations under the lease or sublease or the Midas Franchise Agreement; and
- Seller and Buyer are responsible for conducting (and advised to conduct) its/their own thorough inspection of the Shop property.

ACKNOWLEDGED AND AGREED:

Seller:

Buyer:

By: _____

By: _____

Title: _____

Title: _____

Printed Name: _____

Printed Name: _____

Date: _____, 20__

Date: _____, 20__

EXHIBIT A

F-6-2

EXHIBIT F-6

DEFERRED MAINTENANCE AGREEMENT

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 Business Oversight:
Toll Free: (866) 275-2677

320 West 4th Street, Suite 750
Los Angeles, CA 90013
(213) 576-7500

1515 K Street, Suite 200
Sacramento, CA 94814
(916) 445-7205

One Sansome Street, Ste. 600
San Francisco, CA 94104
(415) 972-8565

Florida

Department of Agriculture and
Consumer Services
Division of Consumer Services
Terry Rhodes Building
2005 Apalachee Parkway
Tallahassee, FL 32399
(850) 410-3800

Hawaii

Business Registration Division
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

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
(410) 576-6360

Michigan

State of Michigan
Department of Attorney General
Franchise Section – Consumer Protection
Division
G. Mennen Williams Building, 1st Floor
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) 539-1600

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 Labor and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, SD 57501
(605) 773-4823

Texas

Secretary of State
Statutory Document Section
1019 Brazos, 5th Floor
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 98507
(360) 902-8760

Wisconsin

Wisconsin Department of Financial Institutions
Division of Securities
201 W. Washington Avenue
Madison, WI 53703
(608) 266-8557

LIST OF AGENTS FOR SERVICE OF PROCESS

California

California Commissioner of Business Oversight
Department of Business Oversight
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) 232-6531

Maryland

Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(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) 539-1600

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) 378-4140

Rhode Island

Director of the Department of Business
Regulation
1511 Pontiac Avenue, Bldg. 69-1
Cranston, Rhode Island 02920
(401) 462-9500

South Dakota

Director of South Dakota Division of Securities
Department of Labor 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) 902-8700

Wisconsin

Wisconsin Division of Securities
Department of Financial Institutions
201 W. Washington Avenue
Madison, Wisconsin 53703
(608) 266-8557

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

EXHIBIT H: TBC CORPORATION GUARANTEE OF PERFORMANCE

For value received, TBC Corporation, a Delaware corporation (the "Guarantor"), located at 4300 TBC Way, Palm Beach Gardens, Florida 33410, absolutely and unconditionally guarantees to assume the duties and obligations of Midas International Corporation, located at 4300 TBC Way, Palm Beach Gardens, Florida 33410 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2014 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 Palm Beach Gardens, Florida on the 18th of June, 2014.

Guarantor:
TBC CORPORATION

By: /s/Erik R. Olsen
Name: Erik R. Olsen
TBC Corporation
Title: Chief Executive 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.

CALIFORNIA

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

Except as disclosed above, neither we nor any person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, 15 U.S.C.A. Section 78a *et seq.*, suspending or expelling such person from membership in such association or exchange.

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

3. OUR WEBSITE, www.midas.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

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

California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination or nonrenewal of the franchise. If the Franchise Agreement contains any provision that is inconsistent with the law, and the law applies, then the law will control.

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

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

Arbitration. The Franchise Agreement requires binding arbitration. The arbitration will occur in Palm Beach Gardens, Florida, with the costs being borne as the arbitrator determines. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provision of Franchise Agreement restricting venue to a forum outside the State of California.

Material Modification. California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Business Oversight, prior to a solicitation of a proposed material modification of an existing franchise.

Releases. The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

ILLINOIS

1. The “Summary” section of Item 17(v) of the Franchise Agreement chart in the Disclosure Document is deleted and replaced with the following:

Subject to arbitration requirements, all actions must be in Florida.

2. The “Summary” section of Item 17(w) of the Franchise Agreement chart in the Disclosure Document is deleted and replaced with the following:

Except for Federal Arbitration Act and other federal law, Illinois law governs.

MARYLAND

1. The “Summary” sections of Items 17(c) and 17(m) of the Franchise Agreement chart in the Disclosure Document are amended by adding the following:

Any general releases you sign as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

2. The “Summary” section of Item 17(h) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

The agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we and you agree to enforce it to the extent the law allows.

3. The “Summary” section of Item 17(v) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

You may, subject to your arbitration obligation, bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The “Summary” section of Item 17(w) of the Franchise Agreement chart in the Disclosure Document is deleted and replaced with the following:

Except for Federal Arbitration Act, other federal law, and as otherwise required by applicable law for claims arising under the Maryland Franchise Registration and Disclosure Law, the laws of the State of Delaware govern.

5. The following language is added to the end of Item 17 of the Disclosure Document:

Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure 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.

NEW YORK

1. The following information is added to the State Cover Page of the Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT G OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTMENT PROTECTION BUREAU, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

2. The following paragraphs are added at the beginning of Item 3 of the Disclosure Document:

Except as provided below, neither we nor any predecessor, any person identified in Item 2, or any affiliate offering franchises under our principal trademark:

(a) has an administrative, criminal, or civil action pending against us, it, him, or her alleging a felony; a violation of a franchise, antitrust, or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.

(b) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable allegations.

(c) is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, as a result of a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following paragraph is added at the beginning of Item 4 of the Disclosure Document:

Except as described below, neither we nor any of our affiliates, predecessors, or officers identified in Item 2 have, during the 10-year period immediately preceding the date of the Disclosure Document: (a) filed as debtor (or had filed against us, it, him, or her) a petition to start an action under the U.S. Bankruptcy Code or any foreign bankruptcy laws; (b) obtained a discharge of our, its, his, or her debts under the U.S. Bankruptcy Code or any foreign bankruptcy laws; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or any foreign bankruptcy laws or that obtained a discharge of its debts under the U.S. Bankruptcy Code or any foreign bankruptcy laws during or within 1 year after the officer or general partner held this position in the company or partnership.

4. The first paragraph of the Item 17 chart is deleted and replaced with the following:

THESE TABLES LIST CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS. YOU SHOULD READ THESE

I-4

EXHIBIT I

ADDITIONAL STATE DISCLOSURES & RIDERS

PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT.

5. The “Summary” sections of Items 17(c) and 17(m) of the Franchise Agreement chart in the Disclosure Document are amended by adding the following:

, provided, however, that to the extent required by Article 33 of the General Business Law of the State of New York, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

6. The “Summary” section of Item 17(d) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

You also may terminate the agreement on any grounds available by law.

7. The “Summary” section of Item 17(j) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

However, to the extent required by applicable law, we will not make an assignment except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the agreement.

8. The “Summary” section of Items 17(v) and 17(w) of the Franchise Agreement chart in the Disclosure Document are amended by adding the following:

This choice of law and forum should not be considered a waiver of any right conferred upon you by Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

9. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed made in New York if you are domiciled in and the franchise will be operated in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

NORTH DAKOTA

1. The “Summary” sections of Items 17(c) and 17(m) of the Franchise Agreement chart in the Disclosure Document are amended by adding the following:

Any release executed will not apply, to the extent prohibited by applicable law, with respect to claims arising under the North Dakota Franchise Investment Law.

2. The “Summary” section of Item 17(r) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

Covenants not to compete such as those mentioned above generally are considered unenforceable in North Dakota. However, we will seek to enforce them to the extent enforceable.

3. The “Summary” section of Item 17(v) of the Franchise Agreement chart in the Disclosure Document are amended by adding the following:

Subject to arbitration requirements and to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

4. The “Summary” section of Item 17(w) of the Franchise Agreement chart in the Disclosure Document are amended by adding the following:

Except for Federal Arbitration Act and other federal law, North Dakota law governs.

VIRGINIA

The “Summary” section of Item 17(h) of Franchise Agreement chart in the Disclosure Document is amended by adding the following:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

The following paragraph is added at the end of Item 17 of the Disclosure Document:

If any of the provisions in this Disclosure Document or the Franchise Agreement are inconsistent with the relationship provisions of Revised Code of Washington Section 19.100.180 or any other requirements of the Washington Franchise Investment Protection Act (the “Act”), then (if the Act applies by its terms) the provisions of the Act will prevail over the inconsistent terms of the Disclosure Document and agreement for any franchises sold in Washington. However, we and you agree to enforce the agreements’ provisions to the extent the law allows.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT

I-7

EXHIBIT I

ADDITIONAL STATE DISCLOSURES & RIDERS

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER (this “Rider”) is made as of _____, 20__, by and among MIDAS INTERNATIONAL CORPORATION, a Delaware corporation (“Midas”) and _____, a(n) _____ (hereinafter referred to as “Franchisee”). Midas is hereinafter referred to as “Franchisor.”

1. Background. Franchisor and Franchisee are parties to that certain Franchise 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 the State of Maryland, and/or (b) Franchisee’s Midas Shop will be located or operated in Maryland.

2. Releases. The following language is added to the end of Sections 7.4(f) and 9.3 of the Franchise Agreement:

However, such general release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Insolvency. The following language is added to the end of Section 8.3(b) of the Franchise Agreement:

; termination upon bankruptcy might not be enforceable under federal insolvency law (11 U.S.C. Sections 101 et seq.), but Franchisor and Franchisee agree to enforce this provision to the maximum extent the law allows.

4. Governing Law and Venue. The following language is added to the end of Section 10.12(d) of the Franchise Agreement:

However, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law. In addition, subject to the parties’ arbitration obligations, Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. Limitation of Claims. The following language is added as a new Section 10.15 of the Franchise Agreement:

Nothing in this Agreement shall act to reduce the three (3) year statute of limitations afforded Franchisee for bringing a claim under the Maryland Franchise Registration and Disclosure Law. Nothing in this Agreement is intended to nor shall it act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page.

FRANCHISEE:

By: _____
Printed Name: _____
Title (as applicable): _____

FRANCHISOR:
MIDAS INTERNATIONAL CORPORATION

By: _____
 , President

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER (this “Rider”) 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”).

1. Background. Midas and Franchisee are parties to that certain Franchise 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 Sections 9.7, 10.10, 10.12(a) 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.

6. Limitation of Claims. The following language is added to the end of Section 7.11 of the Franchise Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than three (3) years after the cause of action accrues.

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: _____
, President

By: _____
, President

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN NEW YORK**

THIS RIDER (this “Rider”) is made as of _____, 20__, by and among MIDAS INTERNATIONAL CORPORATION, a Delaware corporation (“Midas”) and _____, a(n) _____ (hereinafter referred to as “Franchisee”). Midas is hereinafter referred to as “Franchisor.”

1. Background. Franchisor and Franchisee are parties to that certain Franchise 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 offer or sale of the franchise for the Midas Shop that Franchisee will operate under the Franchise Agreement was made in the State of New York, and/or (b) Franchisee is a resident of New York and will operate the Midas Shop in New York.

2. Releases. The following language is added to the end of Sections 7.4(f) and 9.3 of the Franchise Agreement:

, provided, however, that to the extent required by Article 33 of the General Business Law of the State of New York, all rights Franchisee enjoys and any causes of action arising in Franchisee’s favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

3. Transfer by Franchisor. The following language is added to the end of Section 7.12 of the Franchise Agreement:

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in Franchisor’s good faith judgment, is willing and able to assume Franchisor’s obligations under this Agreement.

4. Termination by Franchisee. The following language is added to the end of Section 8.8 of the Franchise Agreement:

Franchisee also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. Governing Law and Venue. The following language is added to the end of Section 10.12 of the Franchise Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

6. Limitation of Claims. The following language is added as a new Section 10.15 of the Franchise Agreement:

To the extent required by Article 33 of the General Business Law of the State of New York, all rights and any causes of action arising in Franchisee’s favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall

remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

7. Application of Rider. There are circumstances in which an offering made by Franchisor would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed to be made in New York if Franchisee is domiciled in and the franchise will be opened in New York. Franchisor is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page.

FRANCHISEE:

By: _____
Printed Name: _____
Title (as applicable): _____

FRANCHISOR:

MIDAS INTERNATIONAL CORPORATION

By: _____
, President

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA**

THIS RIDER (this “Rider”) 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”).

1. Background. Midas and Franchisee are parties to that certain Franchise 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. Consent to Jurisdiction. The following language is added at the end of Section 10.12 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: _____
, President

By: _____
, President

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN WASHINGTON**

THIS RIDER (this “Rider”) is made as of _____, 20__, by and among MIDAS INTERNATIONAL CORPORATION, a Delaware corporation (“Midas”) and _____, a(n) _____ (hereinafter referred to as “Franchisee”). Midas is hereinafter referred to as “Franchisor.”

1. Background. Franchisor and Franchisee are parties to that certain Franchise 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 offer or sale of the franchise for the Midas Shop that Franchisee will operate under the Franchise Agreement was made in the State of Washington, (b) Franchisee is a resident of Washington, and/or (c) the Midas Shop will be located or operated in the State of Washington.

2. Addition of Paragraphs. The following paragraphs are added to the end of the Franchise Agreement:

In recognition of the requirements of the Washington Franchise Investment Protection Act (the “Act”) and the rules and regulations promulgated thereunder, the Franchise Agreement of Midas International Corporation shall be modified as follows:

The State of Washington has a statute, RCW 19.100.180, which might supersede this Agreement in Franchisee’s relationship with Franchisor, including the areas of termination and renewal of Franchisee’s franchise. There also might be court decisions which supersede this Agreement in Franchisee’s relationship with Franchisor, including the areas of termination and renewal of Franchisee’s franchise.

In any arbitration involving a franchise purchased in Washington, to the extent required by the Act (unless preempted by the Federal Arbitration Act), the arbitration site shall be in the State of Washington, or in a place mutually agreed upon by the parties at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, to the extent required by the Act, the provisions of the Act, Chapter 19.100 RCW, shall prevail.

To the extent required by the Act, a release or waiver of rights executed by a franchisee shall not include rights under the Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act, such as a right to a jury trial, might not be enforceable; however, Franchisor and Franchisee agree to enforce them to the maximum extent the law allows.

To the extent required by the Act, transfer fees are collectable only to the extent that they reflect Franchisor's reasonable estimate or actual costs in effecting a transfer.

The undersigned does hereby acknowledge receipt of this Rider.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page.

FRANCHISEE:

By: _____
Printed Name: _____
Title (as applicable): _____

FRANCHISOR:

MIDAS INTERNATIONAL CORPORATION

By: _____
 , President

NEW YORK REPRESENTATIONS PAGE

THE FRANCHISOR REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

I-18

EXHIBIT I

ADDITIONAL STATE DISCLOSURES & RIDERS

EXHIBIT J: MIDAS POLICY MANUAL TABLE OF CONTENTS

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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 requires 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: _____

The issuance date of this Franchise Disclosure Document is June 27, 2014*. 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 June 27, 2014* that included the following Exhibits:

A-1	Midas Franchisees as of March 31, 2014	D-13	Conversion Franchisee Incentive Rider
A-2	Former Midas Franchisees	D-14	New Franchisee Incentive Rider
A-3	Co-Branded Franchisees as of March 31, 2014	D-15	Veteran Incentive Rider
A-4	Former Co-Branded Franchisees	E-1	End User License Agreement
B	Financial Statements	E-2	Software Maintenance Program Agreement
C-1	Application for Midas Shop Franchise	E-3	R.O. Writer Central Service Agreement
C-2	Franchise Applicant Questionnaire	F-1	Lease
D-1	Franchise Agreement	F-2	Sublease
D-2	Personal Guaranty	F-3	Option and Shop Lease
D-3	Subordination Agreement	F-4	Conditional Assignment of Lease
D-4	Participation Commitment and Agreement	F-5	Assignment of Lease/Sublease
D-5	Authorization for ACH Debits	F-6	Deferred Maintenance Agreement
D-6	Fleet Program Participation Amendment	G	State Administrators and Agents for of Process
D-7	Consent to Transfer Agreement	H	TBC Corporation Guarantee of Performance
D-8	Midas Standard Release Form	I	Additional State Disclosures & Riders
D-9	Assumption of Shop Obligations	J	Midas Policy Manual Table of Contents
D-10	Renewal Agreements		
D-11	Matching Marketing Funds Agreement		
D-12	Existing Franchisee Incentive Rider		

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)

R-1
RECEIPT

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.

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| D-10 | Renewal Agreements | | |
| D-11 | Matching Marketing Funds Agreement | | |
| D-12 | Existing Franchisee Incentive Rider | | |

Please sign and date this Receipt page. Please return it to us via fax (800) 887-3027, mail: 4300 TBC Way, Palm Beach Gardens, FL 33410, 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)