

## FRANCHISE DISCLOSURE DOCUMENT

MIDAS INTERNATIONAL, LLC  
A Delaware Limited Liability Company  
4280 Professional Center Drive, Suite 350, Palm Beach Gardens, FL 33410  
914-984-2500  
midasfranchise@midas.com www.midasfranchise.com www.midas.com



The franchise offered is for the operation of 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, batteries and other motor vehicle parts, performs services in connection with these sales, and performs general and scheduled vehicle maintenance services. We also offer Midas/Speedee **Co-Branding Shop** franchises under this Disclosure Document on a limited basis only to existing Co-Branding Shop franchisees and their transferees.

The total investment necessary to begin operation of a new 8-bay Midas Shop franchise ranges between \$385,450 and \$940,050. This includes between \$55,000 and \$130,000 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 \$143,400 and \$941,050. This includes between \$55,000 and \$130,000 that must be paid to the franchisor or its affiliates. The total investment necessary to convert or begin operation of a Co-Branding Shop franchise ranges between ~~\$170,150~~ \$156,750 and ~~\$1,365,153~~ \$1,750. This includes between \$55,000 and \$130,000 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 4280 Professional Center Drive, Suite 350, Palm Beach Gardens, FL 33410, 914-984-2500.

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](http://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.

| (1)<br>Type of<br>Expenditure               | (2)<br>Amount                            | (3)<br>Method of<br>Payment | (4)<br>When Due | (5)<br>To Whom<br>Payment Is To Be<br>Made |
|---------------------------------------------|------------------------------------------|-----------------------------|-----------------|--------------------------------------------|
| Miscellaneous                               | \$3,100 - \$5,100<br>- see Note N        | As needed                   | As incurred     | Third Parties                              |
| TOTAL<br>ESTIMATED<br>INITIAL<br>INVESTMENT | \$385,450 -<br>\$940,050<br>- see Note O |                             |                 |                                            |

**NOTES: General Note:** We are relying on our years of experience in the automotive repair and service business to compile these estimates. 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 and your business advisors. (See Exhibits A-1 and A-2 for lists of current and former Midas franchisees.) **None of the fees or payments to us listed in this Item are refundable, unless otherwise provided. Payments to third parties may or may not be refundable depending on your agreement with such third parties; however, usually such payments are nonrefundable. Except for amounts under a lease or sublease with Midas Realty or Midas Property for which financing is available, as further outlined in Item 10, we do not offer direct or indirect financing for the items listed herein.**

- A. **Initial Franchise Fee or Minimum Site Payment.** See Item 5 for a description of the range of initial franchise fees (under applicable incentive programs this fee may be waived or reduced) and the Minimum Site Payment. If an Application deposit is required, the deposit of \$10,000 is applied towards the initial franchise fee or Minimum Site Payment, as applicable. All initial franchise fees are deemed fully earned once we receive them and are non-refundable, except that the \$10,000 Application deposit may be refundable under limited circumstances where we reject or terminate the Application, and a portion of the initial franchise fee paid may be refundable if we and you are unable to obtain our approval of a site, all as described above in Item 5.
- B. **Marketing Support Program or Other Grand Opening Advertising.** If applicable, you will pay the Franchisee Commitment Funds as described in the "Marketing Support Program" section in Item 5 to us upon signing the Franchise Agreement or at the later date that your site is selected. You will sign the 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 or two months' 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. This amount will be \$0 if the landlord does not require a security deposit. 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.
- E. **Rent and Real Estate Taxes.** Common locations for Midas Shops are in retail and commercial areas. A Midas Shop (8-bay) generally has 5,000 to 7,400 square feet. Typically, you will enter into a

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- E. **Rent and Real Estate Taxes.** When you are converting an operating or previously operated automotive repair facility to a Midas Shop, 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. You may also be required to pay property taxes and other leasehold costs. Where the rent is lower, remodeling the premises may typically require \$51,500 to \$205,000 in additional expense.
- F. **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, forward facing ADAS calibration, transmission flush, alignment, fluid maintenance, exhaust, compressors, tire machines, tools, storage racking, 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. Payment will be made directly to the third party or vendor according to its payment terms. We do not finance any of these costs. You will also be required to pay for the shipping and installation for your equipment and tools, although this amount could be \$0 if you already own most of the necessary equipment and tools in the automotive repair business you are converting and are not required to have any additional items shipped or installed.

| (1)<br>Type of<br>Expenditure                                   | (2)<br>Amount                                          | (3)<br>Method of<br>Payment | (4)<br>When Due | (5)<br>To Whom<br>Payment Is To Be<br>Made |
|-----------------------------------------------------------------|--------------------------------------------------------|-----------------------------|-----------------|--------------------------------------------|
| Emissions<br>(smog) Analyzer                                    | \$0 - \$41,000<br>-see Note B                          | As incurred                 | Before opening  | Third Parties                              |
| Shipping and<br>Installation<br>Costs -<br>Equipment            | \$0 - \$11,300                                         | As incurred                 | Before opening  | Third Parties                              |
| Office &<br>Waiting Room<br>Furniture                           | \$2,050<br>- see Note C                                | As arranged                 | Before opening  | Third Parties                              |
| Branding &<br>Exterior<br>Improvements                          | \$11,300 - \$77,000<br>-see Note D                     | As arranged                 | Before opening  | Third Parties                              |
| Shipping and<br>Installation<br>Costs - Signage                 | \$0 - \$10,250                                         | As incurred                 | Before opening  | Third Parties                              |
| Initial Inventory                                               | \$0 - \$5,100<br>- see Note E                          | As arranged                 | Before opening  | Third Parties                              |
| TOTAL<br>ESTIMATED<br>ADDITIONAL<br>INITIAL<br>INVESTMENT       | \$13,400,350 -<br>\$212,000,700                        |                             |                 |                                            |
| Total<br>Investment<br>Under Preceding<br>Tables                | \$143,400 -<br>\$941,050                               |                             |                 |                                            |
| TOTAL<br>ESTIMATED<br>INVESTMENT<br>FOR CO-<br>BRANDING<br>SHOP | \$170,150,156,750 -<br>\$1,365,153,750<br>- see Note F |                             |                 |                                            |

**NOTES: General Note:** We are relying on our years of experience in the automotive repair and service business to compile these estimates. 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 Co-Branding Shop with Co-Branding Shop franchisees and your business advisors. (See Exhibits A-3 and A-4 for lists of current and former Co-Branding Shop franchisees.) **None of the fees or payments to us listed in this Item are refundable, unless otherwise provided. Payments to third parties may or may not be refundable depending on your agreement with such third parties; however, usually such payments are nonrefundable.**

**This table represents the additional initial cost beyond the costs set forth in the first or second table of this Item 7, as applicable, for these items needed to make your Midas Shop into a Co-Branding Shop.**

“Gross Revenues” means the total revenue of a Midas Shop, less taxes, discounts, rebates, and returns”.

The foregoing tables cover only standard Midas Shop franchises and not any Co-Branding Shop franchises. In a Co-Branding Shop franchise, you will be offering additional service and products but will have additional expenses and fees as described in Items 6 and 7. We do not provide any financial performance representation related to the performance of Co-Branding Shop franchises

Written substantiation of the data used in preparing the information set forth in this Item 19 will be made available to you on reasonable request.

**Some outlets have earned these amounts. Your individual results may differ. There is no assurance you will earn as much.**

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 President, Leonard Valentino Jr., either at 4260 Design Center Drive, Palm Beach Gardens, Florida 33410 or (914) 984-2500, the Federal Trade Commission, and the appropriate state regulatory agencies.

## **ITEM 20: OUTLETS AND FRANCHISEE INFORMATION**

### **Midas Shop Outlets**

**TABLE NO. 1**

**MIDAS SYSTEMWIDE OUTLET SUMMARY FOR  
YEARS 2023 TO 2025<sup>(1)</sup>**

| Outlet Type          | Year        | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|----------------------|-------------|----------------------------------|--------------------------------|------------|
| Franchised           | 2023        | 971                              | 972                            | +1         |
|                      | 2024        | 972                              | 975                            | +3         |
|                      | 2025        | 975                              | 889                            | -86        |
| Company-Owned        | 2023        | 0                                | 0                              | 0          |
|                      | 2024        | 0                                | 0                              | 0          |
|                      | 2025        | 0                                | 111                            | +111       |
| <b>Total Outlets</b> | <b>2023</b> | <b>971</b>                       | <b>972</b>                     | <b>+1</b>  |
|                      | <b>2024</b> | <b>972</b>                       | <b>975</b>                     | <b>+3</b>  |
|                      | <b>2025</b> | <b>975</b>                       | <b>1000</b>                    | <b>+25</b> |

<sup>(1)</sup> Our fiscal year end changed in 2025. Our previous fiscal year end was March 31. Our current fiscal year end is December 31. Our outlet counts for the years 2023 and 2024 have been updated to reflect a December 31 fiscal year end which is what has also been used for 2025.

(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 100 Hillside Avenue, White Plains, New York 10603, 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. CONDITIONS PREMISES. Prior to the lease commencement date, Lessee shall have the right, but not the obligation, to commission a professional Property Condition Assessment ("PCA") to be performed by a third-party licensed engineer or professional consultant of Lessee's choosing. The PCA shall evaluate the current state of the building's primary systems, including but not limited to the roof, HVAC, plumbing (including oil/water separators), electrical systems, and the structural integrity of the flooring (specifically regarding chemical staining or cracking). If the PCA identifies any deficiencies (excluding ordinary wear and tear), Lessor shall, at Lessor's election, either: (x) perform the necessary repairs prior to the lease commencement; or (y) Lessee shall perform the necessary repairs and the costs of such repairs shall be amortized over the course of the initial five (5) year term and credited towards Lessee's rent obligations. For example, if such repairs cost \$30,000 then Lessee shall receive a \$500 per month rent credit during the initial five year term.

## 7. LESSOR RIGHTS

N. 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 60 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 and unless Lessee has terminated this Lease pursuant to Subsection 2(a) during the Preliminary Term: (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; and (ii) provided no default by Lessee remains uncured beyond any applicable cure period, Lessee is granted ~~three~~ seven (7) 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), MR (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, MR shall have the right to exercise any option to renew granted to Lessee.

## 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.

3. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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

## VIRGINIA

1. 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.

~~2.~~ 2. ~~Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.~~

~~3.~~ 3. ~~Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.~~

~~2.4.~~ 2.4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~3.5.~~ 3.5. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

**RIDER TO THE  
FRANCHISE AGREEMENT  
FOR USE IN VIRGINIA**

**THIS RIDER** (this “Rider”) is made as of \_\_\_\_\_, 20\_\_, by and among MIDAS INTERNATIONAL, LLC, a Delaware limited liability company (“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 the performance of the Franchise Agreement contemplates or requires the franchisee to establish or maintain a place of business within the Commonwealth of Virginia.

2. Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

3. Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

4. **Fee Deferral.** The following language is added at the end of Section 1.4 of the Franchise Agreement:

**The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.**

**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, LLC

By: \_\_\_\_\_  
\_\_\_\_\_, President

H-30  
EXHIBIT H  
ADDITIONAL STATE DISCLOSURES & RIDERS