NOTICE TO INTERESTED PERSONS REGARDING A PROPOSED TRANSACTION INVOLVING THE LES SCHWAB PROFIT SHARING RETIREMENT TRUST

This Notice, which provides you with the right to comment (see last page), is directed to interested persons with respect to the Les Schwab Profit Sharing Retirement Trust, a tax qualified retirement plan (the "Plan"). All present employees of the Les Schwab Companies with account balances under the Plan, and all former employees, beneficiaries of deceased participants and alternate payees under a qualified domestic relations order (QDRO) receiving or entitled to receive benefits under the Plan, are considered to be interested persons.

Among its diversified assets, the Plan holds a number of parcels of qualifying employer real property leased to various members of the Les Schwab Companies. The Plan now proposes to sell one of these parcels of property to Les Schwab Tire Center of Portland, Inc. ("Les Schwab of Portland"), one of the Les Schwab Companies whose employees are covered under the Plan. The property is located at 2952 N.E. Sandy Boulevard, Portland, OR 97232-2457 (the "Portland Property"). The value of the property represents approximately 0.21% of the total assets of the Plan. Based on the Plan's 2009 Form 5500 Annual Report, the Plan had 7,279 participants and $499,352,629 in net assets ($520,059,974 in total assets and $20,707,345 in total liabilities) as of the end of the 2009 plan year (December 31, 2009). The Plan's collective gain on the property since the date of its purchase, including appreciation, is $2,082,520 (a 14.77% annual rate of return).

The Plan intends to sell the Portland Property to Les Schwab of Portland promptly after securing from the U.S. Department of Labor final authorization pursuant to Prohibited Transaction Exemption 96-62 ("PTE 96-62"). In general, PTE 96-62 requires the granting of at least two substantially similar individual exemptions by the U.S. Department of Labor within the last 60 months, or the granting of one substantially similar individual exemption within the last 120 months and the issuance of one substantially similar final authorization within the last 60 months. The approximate date on which the transaction will close is December 15, 2010.

Section 406(a)(1)(A) of the Employee Retirement Income Security Act ("ERISA") of 1974, as amended, and Internal Revenue Code (the "Code") Section 4975(c)(1)(A), prohibit the sale or exchange of any property between the Plan and a party in interest or disqualified person, unless such sale is subject to an exemption. Les Schwab of Portland is both a party in interest within the meaning of ERISA Section 3(14)(C) and a disqualified person within the meaning of Code Section 4975(e)(2) because its employees are covered by the Plan. The proposed sale would normally be statutorily exempt from the prohibited transaction rules pursuant to ERISA Section 408(e) (regarding the sale of qualifying employer real property by a plan) and Code Section 4975(d)(13). However, more than 50% of the total combined voting power of all classes of stock entitled to vote of Les Schwab of Portland (the corporation that will be purchasing such real property) is directly or indirectly owned by an owner-employee with respect to the Plan. Thus, pursuant to ERISA Section 408(d), the statutory exemption accorded under ERISA Section 408(e) for the sale by a plan of qualifying employer real property is not available. Accordingly, the parties have filed a request for final authorization pursuant to PTE 96-62 requesting relief from the restrictions of ERISA Sections 406(a)(1)(A) and (D), 406(b)(1), and 406(b)(2) and relief from the sanctions resulting from the application of Code Sections 4975(c)(1)(A) through (E).[1]

The material terms and conditions of the sale are as follows:

1. The sale price of the property will be the greater of (a) the Plan's total investment in the property; (b) the property's fair market value prior to the filing of the application for exemption, as determined by a qualified independent appraiser (i.e., $980,000); or (c) the fair market value of the property as of the date of the sale, as determined by a qualified independent appraiser.

2. The sale will be a one-time transaction for cash.

3. The Plan will not pay any costs, including any brokerage commissions, appraisal costs, or other expenses associated with the sale.

4. The Plan Trustees will (1) review and approve the methodology used by the qualified, independent appraiser; (2) ensure that such methodology is properly applied in determining the Portland Property's fair market value on the date of the sale; and (3) determine whether it is prudent to go forward with the proposed transaction.

5. The terms and conditions of the sale are at least as favorable to the Plan as those obtainable in an arm's length transaction with an unrelated party.

The Portland Property was appraised by Donald R. Palmer, MAI. Mr. Palmer is a certified appraiser and the Managing Director of the firm FirstService PGP Valuation, Inc. in Portland, Oregon. FirstService PGP Valuation, Inc. is an independent appraiser. The firm has certified in writing that it has no present or prospective interest in the Portland Property and no personal interest with respect to Les Schwab of Portland, its affiliates or the Plan. FirstService PGP Valuation, Inc. receives less than 1% of its gross income from the Plan Sponsor.

Two separate methods were employed to arrive at the estimated fair market value of the Portland Property: the income capitalization approach and the sales comparison approach. The estimated market value of the Portland Property based on the income capitalization approach is $970,000; the estimated market value based on the sales comparison approach is $990,000. The cost approach was not used because of the age of the facility and the lack of any market-based data to support an estimate of accrued depreciation. First Service PGP Valuation, Inc. has stated that the exclusion of this method does not detrimentally impact the reliability of the fair market value estimate provided.

[1] The Plan and Les Schwab of Portland understand that the Department is not opining on whether the requirements of Section 408(e) of ERISA or Section 4975(d) of the Code were met with respect to the leasing of the Portland Property to Les Schwab of Portland.

In the opinion of Mr. Palmer, equal weight should be given to both of the approaches described above. Accordingly, in his appraisal report dated March 10, 2010, Mr. Palmer opined that the fair market value of the Portland Property was an average of the two market valuations equal to $980,000.00. The appraisal report was updated as of June 9, 2010 and the fair market value estimate remained $980,000.00. The appraisal report will be updated as of the date of the sale of the Portland Property. Based on the report of the appraiser, the current economic climate, and the Trustees' understanding of the demand for commercial property in the Portland metropolitan market, the Plan Trustees do not believe that they could sell the property to any unrelated third party for a higher purchase price.

A request for final authorization has been filed with the U.S. Department of Labor in accordance with the procedures described in Prohibited Transaction Class Exemption 96-62, 61 Fed. Reg. 39988 (July 31, 1996), as amended by 67 Fed. Reg. 44622 (July 3, 2002) ("PTE 96-62"). The proposed sale has met the requirements for tentative authorization under PTE 96-62.

The proposed sale is substantially similar to other sales for which the U.S. Department of Labor has granted individual prohibited transaction exemptions during the past 60 months. The Federal Register citations for the individual exemptions granted to two of these similar sales are as follows:

- PTE 07-15, Hawaii Emergency Physicians Associates, Inc. Profit Sharing Plan (the Plan), Located in Kailua, Hawaii — 72 Fed. Reg. 51468 (September 7, 2007)

- PTE 07-16, Victor P. Olson Profit Sharing Plan (the Plan), Located in White City, Oregon — 72 Fed. Reg. 51470 (September 7, 2007)

The proposed exemption transaction has the following similarities with respect to PTE 07-15: (1) the transaction involves the sale of qualifying employer real property by the Plan to a party in interest/disqualified person; (2) the subject property has yielded revenue for the Plan; (3) the amount to be received by the Plan is the greater of (i) the property's estimated fair market value prior to the filing of the application for exemption, as determined by a qualified independent appraiser, and (ii) the property's fair market value as of the time of the sale, as determined by a qualified independent appraiser; (4) the proposed sale price exceeds the Plan's total investment in the property; (5) the sale will be a one-time transaction for cash; and (6) no commissions or other expenses will be paid by the Plan with respect to the sale. There are no significant differences between the terms and conditions of the PTE 07-15 sale and those applicable to the proposed sale.

The proposed exemption transaction has the following similarities with respect to PTE 07-16: (1) the transaction involves the sale of real property by the Plan to a party in interest/disqualified person; (2) the amount to be received by the Plan is the greater of (i) the property's estimated fair market value prior to the filing of the application for exemption, as determined by a qualified independent appraiser, and (ii) the property's fair market value as of the time of the sale, as determined by a qualified independent appraiser; (3) the proposed sale price exceeds the Plan's total investment in the property; (4) the sale will be a one-time transaction for cash; and (5) no commissions or other expenses will be paid by the Plan with respect to the sale. There are no significant differences between the terms and conditions of the PTE 07-16 sale and those applicable to the proposed sale.

You have the right to submit written comments regarding the proposed sale to the U.S. Department of Labor at the following address: Office of Exemption Determinations, U.S. Department of Labor, ATTN: Karin Weng, 200 Constitution Avenue, N.W., Room N-5700, Washington, D.C. 20210. You can also submit your written comments by email at Weng.Karin@dol.gov or facsimile, ATTN: Karin Weng, at 202-219-0204. Your comments must be received by the U.S. Department of Labor by **Monday, December 6, 2010**, and must specify the Submission Number, which is E-00658.