

FRANCHISE DISCLOSURE DOCUMENT

BRIDGESTONE BANDAG, LLC
An Iowa Limited Liability Company
200 4th Avenue South
Nashville, Tennessee 37201
(615) 937-1000
www.bandag.com



This franchise offering covers the right to sell (and in some cases produce) tires which are retreaded using the franchisor's proprietary methods and materials purchased from the franchisor.

The total investment necessary to begin operation as a Bandag franchisee is estimated to range between approximately \$356,500 to \$6,524,200, exclusive of real estate. This includes an estimated total amount of between approximately \$119,500 and \$3,591,200 that must be paid to us or an affiliate.

This disclosure document (the "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 in this document.**

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission (the "FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.com 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.

Date of Issuance: ~~June 27~~ March 28, 2024 2025

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation and/or litigation only in Tennessee. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Tennessee than in your own state.
2. **Spousal Liability.** Your spouse may be asked to sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

MICHIGAN ADDENDUM
BRIDGESTONE BANDAG, LLC
FRANCHISE DISCLOSURE DOCUMENT

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or 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.

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Franchise and Antitrust Section
P. O. Box 30213 Lansing, MI 48909
(517) 335-7567

Registered agent in the state authorized to receive service of process: Corporations and Securities Bureau, Michigan Department of Commerce, 6546 Mercantile Way, Lansing, Michigan 48910.

TABLE OF CONTENTS

	Page
1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
2. BUSINESS EXPERIENCE.....	3
3. LITIGATION.....	4
4. BANKRUPTCY	4 <u>45</u>
5. INITIAL FEES.....	5
6. OTHER FEES	5
7. ESTIMATED INITIAL INVESTMENT	6
8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	8
9. FRANCHISEE’S OBLIGATIONS	9
10. FINANCING	10 <u>11</u>
11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	11
12. TERRITORY	17 <u>16</u>
13. TRADEMARKS	17
14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	19 <u>18</u>
15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	21
16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	22
17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	22
18. PUBLIC FIGURES	28
19. FINANCIAL PERFORMANCE REPRESENTATIONS	28
20. OUTLETS AND FRANCHISEE INFORMATION	29
21. FINANCIAL STATEMENTS	37
22. CONTRACTS	37
23. RECEIPTS	38 <u>37</u>

EXHIBITS

- A. Bandag Dealer Franchise Agreement
- B. ~~Audited Financial Statements of~~ Bridgestone Bandag Franchising, LLC ~~Guaranty~~ Financial Statements as of and for the years ended December 31, 2024 and 2023 (With Independent Auditor's Report Thereon), audited Bridgestone Bandag Franchising, LLC Financial Statements for the years ended December 31, 2022 and 2021 and Independent Auditor's Report, and Guarantee of Performance of Bridgestone Bandag Franchising, LLC
- C. Security Agreement
- C-1 Individual Guaranty
- C-2 Entity Guaranty
- D. BASys Product Program Request Form and Master Purchase Agreement for BASys Suite of Products
- E. National Account Program Description
- F. Dealer Subcontract
- G. Smart Resource Program Policy
- H. List of Current Franchised and Bandag-Owned Dealerships and List of Former Franchisees
- I. List of Agents for Service of Process and State Franchise Law Administrators
- J. State Addenda to Franchise Disclosure Document and Dealer Franchise Agreement

1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Background on Bandag and its Parents, Predecessors and Affiliates

The franchisor is BRIDGESTONE BANDAG, LLC an Iowa limited liability company, f/k/a Bandag, Incorporated, 200 4th Avenue South, Nashville, Tennessee 37201; (615) 937-1000.

On June 1, 2007, Bandag, Incorporated became Bridgestone Bandag, LLC, a wholly-owned subsidiary of Bridgestone Americas, Inc. (“BSAM”), f/k/a Bridgestone Americas Holding, Inc., as contemplated by the agreement and plan of merger, dated as of December 5, 2006 as amended, by and among Bandag, Incorporated, BSAM and Grip Acquisition Corp. and as of June 1, 2008 it became a direct subsidiary of Bridgestone Americas Tire Operations, LLC (“BATO”) f/k/a Bridgestone Firestone North American Tire, LLC, also a subsidiary of BSAM. Bridgestone Commercial Solutions, a division of BATO, offers certain marketing and support services to Bandag franchisees. The principal business address for both BSAM and BATO is 200 4th Avenue South, Nashville, Tennessee 37201.

Immediately following the merger, also on June 1, 2007, Bandag, Incorporated was converted into an Iowa limited liability company and adopted the name Bridgestone Bandag, LLC. Bridgestone Bandag, LLC does business as Bandag. Bandag’s agents for service of process in states which require registration of franchises are listed in Exhibit I.

Bandag has offered franchises for retreading tires using the Process, as defined below, since 1957. As of December 31, ~~2023~~2024, Bandag had ~~479~~160 franchised dealerships in the United States and ~~529~~502 worldwide. Except as discussed below, Bandag and its affiliates have not offered, and do not offer, franchises in any lines of business in the United States.

Our former wholly owned subsidiary Tire Distribution Systems, Inc. was merged into BATO as of December 31, 2009. Tire Distribution Systems, Inc. had operated businesses of the same type conducted by Bandag franchisees since November, 1997. BATO continued to operate the businesses under the d/b/a Tire Distribution Systems (“TDS”) until March 2014. BATO also operated retail locations offering truck tire sales, service and retreading outlets for truck and bus, off-the-road and agricultural tires in the United States under the d/b/a GCR Tire Center. BATO’s first GCR Tire Center operating a Bandag manufacturing location opened in April 1983. In March 2014, BATO combined the operations of both TDS and GCR Tire Centers under the single d/b/a name GCR Tires & Service. As of December 31, ~~2023~~2024, GCR Tires & Service operated 2 Production Facilities and 9 locations offering Bandag products. GCR Tires & Service competes with some Bandag franchisees for certain customer accounts and for certain types of business. GCR Tires & Service may increase or decrease the number of locations it operates, and occasionally may offer to buy certain franchised dealers’ assets and offer to sell locations it operates.

BATO’s principal line of business is the development, manufacturing and marketing of Bridgestone, Firestone and associate and private brand tires. BATO may offer to supply such tires to qualified tire dealers, including Bandag franchisees. BATO is focused on wholesale and original equipment markets supplying passenger, light truck, commercial vehicle, off-road, motorcycle, agricultural and other tires to its customers in the United States. Except as noted above in the discussion regarding GCR Tire Centers, BATO has not operated a Bandag dealership nor has it offered franchises in other lines of business.

Bridgestone Retail Operations, LLC (“BSRO”), f/k/a BFS Retail & Commercial Operations, LLC, including its predecessors, has operated retail tire and automotive service stores, both directly and through various affiliates since 1926. Today, it operates approximately ~~2,225~~2,221 company owned stores throughout the United States. BSRO also has a wholly-owned subsidiary known as Credit First National Association (CFNA). CFNA is a federally chartered limited purpose credit card bank. BSRO stores do business under the following trade names: Firestone Complete Auto Care, Tires Plus, Hibdon Tires Plus and Wheel Works. BSRO’s principal business address is 200 4th Avenue S., Nashville, Tennessee 37201.

Except as otherwise described in this Disclosure Document, Bandag has no affiliates which operate businesses of the type conducted by Bandag franchisee, nor offer products or services to Bandag franchisees.

Bandag also offers to Bandag franchisees equipment component hub and rim refurbishing services.

Bandag's affiliate, Bridgestone Bandag Franchising, LLC, absolutely and unconditionally guarantees the performance of our obligations under (a) our franchise registrations that become effective on or after March 20, 2008 in states requiring the registration of the offer and sale of our franchises and (b) our Bandag Dealer Franchise Agreements and related agreements entered into after March 20, 2008. See Item 21 of this Disclosure Document for additional discussion on this guarantee.

The Bandag Franchise

For ease of reference, we refer to the franchisee as "you." If the franchisee is a corporation, partnership or other organization, the references to "you" may include the organization's owners.

Bandag developed a proprietary and distinctive system for a network of full service tire support dealership businesses that purchase rubber, repair patches and other products from Bandag ("Materials") and use the Materials and proprietary Bandag machinery, know-how, tools, and a proprietary cold-bonding retreading process (together, the "Process") to produce retreaded tires in sizes specified by Bandag ("Products") (collectively, the "System"). The System is described in the Bandag Dealer Franchise Agreement ("Franchise Agreement") and Bandag's Franchise System Manual (the "System Manual"). A current Franchise Agreement is included in this Disclosure Document as Exhibit A. Bandag owns various names, trademarks, logos, slogans, and symbols (the "Marks") used in the System.

You will be licensed to operate a Bandag dealership ("Dealership") at a designated location within a designated trade area ("Franchise Territory") using the System and Materials you purchase from Bandag to produce Products which you sell to commercial customers in the Franchise Territory ("Production Facility"). You also will be licensed to sell the Products to commercial customers at one or more sales locations in the Franchise Territory (the "Sales Facility"). Bandag franchisees typically own at least one Production Facility and one or more Sales Facilities. The Franchise Agreement authorizes you to use certain Marks in the operation of the Dealership. You may respond to specific requests from your customers for Bandag products or services at any location, but outside the Franchise Territory to which you are assigned you may not use the Marks to identify any facility and Bandag is not obligated to provide franchisee support services. Bandag franchisees typically operate a full service tire support business directed primarily towards commercial fleet customers. Bandag franchisees usually offer one or more brands of new tires as well as Bandag retreaded tires, and provide maintenance and support services to Bandag customers in one or more Franchise Territories.

Bandag may make changes periodically in the System, the Process, the Marks, authorized Products and authorized ancillary goods and services. You may have to change how you operate, and make additional investments in, the Dealership periodically during the term of the franchise if Bandag makes changes or if the Dealership's equipment or facilities wear out or become obsolete or for other reasons.

Bandag also sells retreading materials, including tread rubber, cushion gum, shoulder extrusion and envelopes for use by customers in producing off-the-road tires with a finished retread diameter greater than 53.5 inches. You are prohibited by your Franchise Agreement from using the Process or Materials to produce off-the-road tires with a finished retread diameter greater than 53.5 inches. You are also prohibited from using the Marks with the sale of any off-the-road tires with a finished retread diameter greater than 53.5 inches that you might otherwise produce. See Item 16.

Bandag established and meets regularly, except in extraordinary circumstances, with the Bandag Alliance Council, a board comprised of representatives of Bandag and selected representatives of Bandag franchisees in the United States and Canada. The Bandag Alliance Council advises on issues affecting the Bandag business and network of franchisees in the United States and Canada and assists in developing strategies and tactics for the success of the Bandag System.

Market and Competition

The replacement tire market in which you will operate is highly competitive. You may compete with GCR Tires & Service and with many other national and local dealerships offering competitive goods and services, including independent retread companies, retreading operations of trucking companies, retread operations of stores owned by new tire companies and commercial tire dealers, some of which may be larger, older and/or better financed. Bandag's experience has been that tire support to the trucking industry is tied to the overall performance of the economy and to the level of trucking activity.

Specific Industry Regulation

You must obtain, and at all times during the term of the franchise you must keep in force, all necessary licenses and permits required by public authorities. The Transportation Recall Enhancement, Accountability, and Documentation Act ("TREAD Act"), including the corresponding rules, applies to tire manufacturers, importers of tires and, in certain situations, to retread tire manufacturers. The National Highway Transportation Safety Administration, the federal agency that oversees certain aspects of the tire industry, has proposed and may propose additional rules under the TREAD Act that may affect retread tire manufacturers. There are numerous other federal and state regulations for motor vehicles and components, including tires and wheels, as well as motor vehicle service and repair. You must comply with all of these rules and regulations and should investigate them before deciding whether to purchase a Bandag franchise.

2. BUSINESS EXPERIENCE

Chairman and President Bridgestone Bandag, LLC: Brian ~~Goldstine~~Douglas

Mr. ~~Goldstine~~Douglas was elected Chairman and President for Bridgestone Bandag, ~~LLC~~ on ~~February~~March 1, ~~2024~~2025. He has held the position of Vice President, Retread ~~Solutions~~North America, BATO since ~~January~~August 2024. Prior to his current role, ~~Mr. Goldstine was BSAM's President, Mobility Solutions and Fleet Management between March 2020 and December 2022. Mr. Goldstine joined~~Douglas was the Executive Director, OTR Sales, BATO between March 2021 and July 2024. Mr. Douglas started his career with Bridgestone Americas as ~~President, Firestone Fibers & Textiles in May 2017~~a Senior Manager in June 2005, also having held the position of ~~Senior Vice President, Fleet Management Solutions until February 2020. An~~Operational Manager for BSAM until January 2014. Mr. Douglas held the positions of Director and Market Manager for GCR Tires and Service, BATO between February 2014 and February 2021, with all of these positions ~~have~~having been performed ~~in~~from Nashville, TN. ~~Mr. Goldstine was previously a General Manger with Kimberly-Clarke in Neenah, WI from February 2015 to April 2017.~~

Vice President of Sales Bridgestone Bandag, LLC: Steve Sutherland

Mr. Sutherland was elected Vice President of Sales of Bridgestone Bandag, LLC as of January 1, 2023, after he was named Vice President of Dealer Sales, Commercial Truck Group, BATO in April 2022. Prior to his current role Mr. Sutherland was the Vice President of Marketing for the Commercial Truck Group between August 2018 to April 2022. All of these positions have been based in Nashville, TN. Mr. Sutherland joined Bandag in 1998 as a Sales Manager, also having held the positions of Director of Sales, Division Manager, Region General Manager, and Executive Director of Sales for BATO until July 2018, with all of these positions based at Bandag's offices in Muscatine, IA.

Vice President of Operations: Steve Hoeft

Mr. Hoeft was elected as Vice President of Operations of Bridgestone Bandag, LLC on February 1, 2024. Mr. Hoeft has held the position of President, Commercial Truck Group, BATO since December 2022. Mr. Hoeft's previous role as President for GCR Tires and Service, BATO was held between March 2020 and November 2022. He started his career with BATO as Chief Operating Officer of GCR Tires and Service between July 2017 and February 2020. All of these positions have been performed from Nashville, TN. Prior to starting at BATO, Mr. Hoeft was a Principle Consultant with Execution Specialist Group, LLC in Denver, CO from September 2015 to July 2017.

Secretary of Bandag and Senior Counsel, BSAM: Brady Fulton

Mr. Fulton was elected Secretary for Bridgestone Bandag, LLC on November 1, 2021. He has been Senior Counsel, North American Business Units since August 2021. Prior to joining the NABU legal team, Mr. Fulton was Senior Counsel, Litigation for BSAM beginning in April 2017. All of these positions have been performed from Nashville, TN. Mr. Fulton was an attorney in private practice at Northup, McConnell & Sizemore, PLLC in Asheville, NC from April 2009 to March 2017.

Chief Counsel, Intellectual Property, Bridgestone Bandag, LLC: Thomas R. Kingsbury

Mr. Kingsbury was elected Chief Counsel, Intellectual Property for Bridgestone Bandag, LLC on May 1, 2019. He has been Chief Counsel, Intellectual Property for BSAM since August 2016. Mr. Kingsbury served as Associate Chief Counsel, Intellectual Property for BSAM between September 2012 and July 2016. All of these positions have been performed from Akron, OH.

Vice President of Marketing, Bridgestone Bandag: Taylor Vernier

Mr. Vernier was elected Vice President of Marketing of Bridgestone Bandag on February 1, 2024. He has been Director of Marketing, Commercial Truck Group, BATO since August 2023. Prior to his current role, Mr. Vernier was the Director of Marketing for Bridgestone Retail Operations, LLC (“BSRO”) between January 2020 and July 2023. Mr. Vernier started his career with BATO as Marketing Director for GCR Tires and Service between July 2018 and December 2019. All of these positions have been performed from Nashville, TN. Prior to starting at BATO, Mr. Vernier was a Senior Director of Product Management with Russell Athletic in Nashville, TN from September 2017 to June 2018.

Financial Controller Bridgestone Bandag, LLC: Brandon Baratta

Mr. Baratta was elected Financial Controller of Bridgestone Bandag, LLC and Treasurer for Bandag franchising on May 1, 2024. He has held the position of Senior Finance Manager, BSAM since April 2024. Mr. Baratta started his career with Bridgestone Americas as a Senior Financial Analyst in September 2019, also having held the positions of Finance Lead and Finance Manager for BSAM until March 2024. All of these positions have been performed from Nashville, TN. Prior to starting at BSAM, Mr. Baratta held various Financial Analyst positions with CKE Restaurants, Inc. in Franklin, TN from February 2017 to August 2019.

Channels Manager: ~~Dale Mercer~~ Thomas Trego

~~Mr. Mercer has served as Channels Manager out of Nashville, TN since November 2016. Previously Mr. Mercer held the position of Manager of Strategic Distribution & Franchise for BATO since January 2009 and has been in Strategic Distribution for BATO since July 1979 out of Muscatine, IA.~~

Mr. Trego was elected Channels Manager of Bridgestone Bandag, LLC and Bandag franchising on March 1, 2025. He has held the position of Senior Manager, Channel Programming, Commercial Truck Marketing, BATO since March 2025. Prior to his current role Mr. Trego was the Director of Marketing, Brands and Distribution, BSAM between August 2021 and February 2025. All of these positions having been performed from Nashville, TN. Prior to starting at BSAM, Mr. Trego held various Senior Product Manager positions with Allsteel in Muscatine, IA from October 2014 to July 2021.

President GCR Tires & Service: Robert Seibert

Mr. Seibert was elected President for GCR Tires as of December 2022. He has been President of Mining and Construction, OTR, BATO since December 2020. Mr. Seibert joined BATO as a Marketing Manager in April 2015, also having held the positions of Director and Executive Director of Sales, OTR, BATO until November 2020. All of these positions have been performed from Nashville, TN.

3. **LITIGATION**

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

4. **BANKRUPTCY**

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

5. **INITIAL FEES**

You must pay Bandag a uniform, non-refundable Initial Franchise Fee in the amount of \$2,500 per franchise agreement when the franchise agreement is signed.

You will also purchase certain equipment and inventory before opening your franchise. You are required to purchase Bandag brand equipment from Bandag, although, in very limited circumstances, like the purchase of another franchisee’s facility, the equipment may be acquired from another Bandag franchisee. You will purchase most of the inventory from Bandag. If you were to purchase all of the basic equipment from Bandag, the amount of your purchases would range between approximately \$83,500 and \$1,873,000. Purchases of additional equipment necessary for participation in optional programs, including our BASys information management system would range between approximately \$1,500 and \$1,050,000. Likewise, purchases of other initial inventory will range between approximately \$32,000 and \$665,700. The purchase amounts vary based, in large part, upon the anticipated volume of Bandag retreading business to be done by your facility. These payments are nonrefundable. Your pre-opening expenses for equipment and Materials you purchase from Bandag are also discussed in Items 7 and 8 of this Disclosure Document.

6. **OTHER FEES**

NAME OF FEE ¹	AMOUNT	DUE DATE
Transfer Fee ²	\$1,500	Payable when you apply for a transfer
Successor Franchise Fee ³	\$1,000	Payable upon application for a successor franchise
Late Charges ⁴	18%, but not to exceed the maximum contract rate of interest, if any, allowed by law of the state where Dealership is located	Payable when charged
Supplemental Training, Re-Certification Training and other Retraining Fees ⁵	See Note 5	Payable when charged
Administrative fee for services provided under Dealer Subcontract ⁶	Currently 11/2% of amount we bill the customer for your miscellaneous service items	Amount automatically deducted from your credit
BASys Fleet Analyzer (BFA) Support and Maintenance ⁷	BASys Fleet Analyzer license fee is currently up to \$1,000 per location. Fees subject to change upon 30 days’ notice.	Payable monthly.
BASys Manufacturing Software Support ⁷	\$425 per month, including help desk, troubleshooting and training. Dealer is responsible for trainer’s travel expenses. All fees are subject to change upon 30 days’ notice.	Payable monthly.
BASys Manufacturing ASP Subscription and Software Service Fee	\$700 per month with one retread plant with 7 checkpoints or more. Fee subject to change upon 30 days notice	Payable monthly

Notes to Item 6, above:

1. Unless otherwise stated, this fee is imposed by, payable to and collected by us and is non-refundable. This fee is uniform as to prospective franchisees receiving a copy of this Disclosure Document. Franchisees that purchased a franchise before the issuance date of this Disclosure Document may, in some cases, pay a fee computed differently than is currently provided or may not be required to pay certain fees. Additionally, we make no representation that our fee structure will not change in the future. We may require you to pay any amounts you owe us (or our affiliate) by credit card, debit card, electronic transfer, automatic debit or other payment system or systems we designate, and you must sign the form we designate and take other actions required to comply with these payment systems.

2. You must pay the Transfer Fee to Bandag when you apply to transfer 5% or more of the ownership or control of (i) the Franchise Agreement, (ii) the Dealership, (iii) the assets of the Dealership or (iv) the business entity that owns or controls the Dealership. You must also satisfy other conditions to transfer.

3. You must pay the Successor Franchise Fee to Bandag when you apply for a successor franchise. You also must complete reasonable upgrading and refurbishments required by Bandag, and satisfy other conditions to renewal.

4. Bandag may charge you interest on any amount due to Bandag not paid when due, from the date due until paid, at the highest contract rate of interest allowed by law in the state where your Dealership is located (or 18% in states where no limit is specified). You must also pay Bandag's costs, including reasonable attorneys' fees, incurred in collecting past due amounts from you. Interest and late charges are not refundable.

5. At your request, Bandag will provide optional supplemental training, recertification training for Certified Retreading Technician status and other retraining for you and/or your key personnel at a mutually convenient time. Bandag also may require periodic retraining of you and any of your managers. If you are in compliance with the Franchise Agreement, Bandag will apply credits you earn under the Bandag Smart Resource Program to cover the costs of this training. (See Item 11 for more information on the Bandag Smart Resource Program) However, if Bandag establishes during a franchise compliance audit that you are in not in compliance with the Franchise Agreement, Bandag may charge you a reasonable fee for training and retraining. As of the date of this Disclosure Document, costs that may be incurred for training expense are estimated at \$500 to \$10,000. The amount of any training or retraining fees may be periodically adjusted by Bandag at its sole discretion, and Bandag reserves the right to impose charges for training and retraining programs for which there is currently no charge. You must pay all travel and living expenses for you and your manager(s) to attend initial and supplemental training.

6. The administrative fee is reimbursement to us for administrative services, e.g., billing, provided to you under the Dealer Subcontract. We may change the amount of the fee periodically, in our sole discretion, but typically not more than once per year.

7. Participation in the BASys information management system programs are optional. See Exhibit D describing the various BASys information management system programs for details.

7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

ITEM	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Initial Franchise Fee	\$2,500	Lump sum	15 days before scheduled initial training	Bandag
Real Estate ¹	(See Note 1)	(See Note 1)	(See Note 1)	(See Note 1)

ITEM	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Equipment, including Trucks, Fixtures, Furnishings and Signage ²	\$83,500 to \$1,873,000	As incurred	Before opening	Vendor/Bandag or its affiliate
Additional Equipment Necessary for Participation in Optional Programs ³	\$1,500 and \$1,050,000	As incurred	As per invoice	Vendor/Bandag or its affiliate
Opening Inventory ⁴	\$32,000 to \$665,700	Lump sum	Before opening	Vendor/Bandag or its affiliate
Insurance ⁵	\$125,000 to \$630,000	Lump sum	Before opening	Insurance carriers
Additional Funds (for three months' operations) ⁶	\$112,000 to \$2,303,000	As incurred	As incurred (See Note 5)	Bandag, Vendor, Employees, Suppliers, Utilities
Total	\$356,500 to \$6,524,200 ^{7,8}			

Notes to Item 7, above:

1. Bandag estimates that you will need at least 1,000 to 10,000 square feet of light industrial/commercial space to operate a Sales Facility, and at least 6,000 to 18,000 square feet of light industrial or commercial space to operate a Production Facility, depending on the size of your operation. Space requirements for Production Facilities increase as production increases. Installation of your Production Facility and/or Sales Facility within facilities you already own or lease usually requires no additional investment in real property. If you do not already own or lease the required space, you are responsible for locating and acquiring the space for your Dealership. The cost to purchase real estate varies widely between locations. You are responsible at your cost for all zoning and land use permitting requirements.

2. Before training begins, you must acquire and install at the Production Facility equipment and machinery used in the Process in accordance with Bandag standards and specifications and establish a Sales Facility. Sales Facilities typically are located on the same premises as the Production Facility. Bandag estimates that the total cost to purchase these items is approximately \$83,500 to \$1,873,000, depending on the size of your operation. The low end of the range addresses the rare situation where an existing Bandag franchisee may be granted a franchise for another Franchise Territory, but is allowed to service that Franchise Territory from its existing Production Facility. In this case, the franchisee's initial investment could be limited to establishing a Sales Facility in the new Franchise Territory.

This estimate includes shipping charges, which may range from \$10,000 to \$32,000, depending on the amount of equipment needed for the size of your Dealership operation. The estimate also includes your cost to hire a contractor to install equipment and machinery. The contractor must follow lay-outs and designs provided by Bandag to install all equipment and machinery. A representative of Bandag will assist the contractor before and during installation of the equipment for use in the Dealership at no extra charge to you.

3. Optional programs for which the purchase of additional equipment and/or training will be necessary include BASys Suite of Products (between \$1,500 and \$4,555 per franchised location; retread operation with multiple Production Facilities, multiple points-of-sale, numerous outside field services, commercial sales, pick-up drivers and service technicians using the BASys Suite of Products).

4. See Item 8 for a description of your requirements to purchase certain items from Bandag.

5. You must provide required levels of insurance including motor liability and commercial general liability in a minimum amount of \$2,000,000 combined single limit coverage (subject to increase) for bodily injury and property damage, and maintain other insurance required by law, and by your lease or mortgage. If you do not already carry acceptable coverage, initial premiums for the required commercial general liability insurance and motor vehicle liability insurance are estimated to be approximately \$125,000 to \$600,000 per year (with an estimated average of \$190,000). The cost of commercial general liability insurance and motor vehicle liability insurance varies significantly, depending on other business activities conducted at the location of your Dealership which may be covered under the same insurance policy and on other factors (like gross revenues, types of risk and number of locations covered under a policy). The cost of other coverages, including your discretionary purchases, varies widely.

6. This estimates your expenses, including labor costs, travel and living expenses for training, restocking and refinishing costs, in-house accounts receivable financing, warranty program expenses, quality control expenses, and other operating expenses over an arbitrary initial start-up period of three months. These figures are estimates only based on our experience and Bandag does not guarantee that you will not have additional expenses starting the business. Other costs and fees are described in Item 6.

7. Your estimated total initial investment does not include the cost of real estate. See Note 1, above. The initial fees represent actual amounts; we have estimated all other amounts based on our experience. The low estimate is the lowest for each category.

8. Amounts paid to Bandag generally are nonrefundable. We do not offer financing directly or indirectly for any part of the initial investment. See Item 10.

8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase your entire requirements of Materials and you must purchase all of your tire retreading equipment and machinery used in connection with tire and casing inspection, buffing, skiving, cementing and filling, repairing, extruding, building, curing, and moving tires around your shop from Bandag. Bandag will set and periodically may change prices for Materials and for machinery and equipment sold to franchisees. Bandag also will establish and periodically may change credit availability, credit limits, and credit and other payment terms for your Dealership. Bandag also offers franchisees equipment component hub, rim refurbishing services, manufacturing, inventory control, supply chain optimization, fleet management software and related services to Bandag franchisees.

Bandag expects to derive revenue and profit from their sales of Materials and tire retreading equipment and machinery to franchisees. In the year ended December 31, ~~2023~~2024, Bandag's domestic revenues from required purchases were ~~\$658,427,650~~\$588,102,299, or approximately 100% of its total domestic revenues of ~~\$658,427,650~~\$588,102,299 during that period. Bandag estimates that your cost for required purchases will account for approximately 35% to 70% of your total cost to establish your Dealership (approximately 10% to 20% for Materials, and approximately 25% to 50% for equipment and machinery), and approximately 43% to 61% of your total cost to operate your Dealership on an ongoing basis (approximately 41% to 57% for Materials, and approximately 2% to 4% for equipment and machinery). This information is based on Bandag's internal, consolidated accounting records. None of our officers owns an interest in any supplier designated by Bandag.

The Franchise Agreement also requires you to purchase or lease other supplies, fixtures, equipment and certain inventory used in the Dealership that meet standards and specifications required periodically by Bandag. In the absence of a requirement to purchase or obtain products or services from a designated source of supply, you may obtain authorized goods and services from any available source of supply.

We may negotiate purchase arrangements (including price terms) with suppliers for your benefit, but currently do not do so. We do not provide material benefits (e.g., renewal or additional franchises) to you based on use of designated or accepted suppliers. There are no franchisee purchasing or distribution cooperatives.

Before initial training is scheduled to begin, you must provide a Production Facility and Sales Facility that are equipped and furnished in accordance with Bandag's standards and specifications. Your Dealership may produce and sell only Products and other goods and services, and be identified only by Marks Bandag authorizes, except that

you may select whatever line(s) of new tires you wish to offer. You may use and reproduce the Marks only in the manner, color, forms and media we prescribe, and only in association with Products and services Bandag authorizes periodically. You must conform to Bandag's Logo and Trademark Usage Requirements and Policy, located in the System Manual.

You must use only Materials and ancillary items that Bandag designates by brand or by specification, and offer only Products Bandag designates. You must produce, store, handle, merchandise, package, display and sell Products in accordance with the System Manual. You may not dispose of Bandag equipment or Materials in any way other than as required periodically in the System Manual. You must cooperate with any recall Bandag may make of Products or other items.

Standards and specifications for establishing and operating the Dealership also are described in the System Manual, and the Franchise Agreement requires you to operate the Dealership in accordance with the requirements of the System Manual as revised periodically by Bandag.

Although Bandag establishes standards and specifications for the goods and services that go into the establishment and operation of your Dealership, and periodically may seek certain supply commitments for the benefit of the System from various suppliers, except as provided in the following paragraph, Bandag currently does not approve or disapprove suppliers (as distinguished from the goods or services they supply) and therefore currently maintains no criteria for approving suppliers or communicating approval or revocation of approval of suppliers to franchisees. Bandag may establish that criteria in the future.

You may be directed to vendors able to supply portions of your requirements for certain items used in the ongoing operation of the Dealership. Bandag currently does not receive any payments or other consideration from third party suppliers based on purchases by franchisees from such suppliers, but Bandag reserves the right to receive payments or other consideration in the future. Bandag does not guarantee the availability of independent sources of supply for any particular product or service required to establish or operate a Dealership.

You must provide required levels of insurance including motor liability and commercial general liability in a minimum amount of \$2,000,000 combined single limit coverage (subject to increase) for bodily injury and property damage, and maintain other insurance required by law, and by your lease or mortgage. If you do not already carry acceptable coverage, initial premiums for the required commercial general liability insurance and motor vehicle liability insurance are estimated to be approximately \$125,000 to \$600,000 per year (with an estimated average of \$190,000). The cost of commercial general liability insurance and motor vehicle liability insurance varies significantly, depending on other business activities conducted at the location of your Dealership which may be covered under the same insurance policy and on other factors (like gross revenues, types of risk and number of locations covered under a policy). The cost of other coverages, including your discretionary purchases, varies widely.

9. FRANCHISEE’S OBLIGATIONS

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

OBLIGATION	SECTION(S) IN DEALER FRANCHISE AGREEMENT AND RELATED AGREEMENTS	ITEM IN DISCLOSURE DOCUMENT
a. Site selection and acquisition/lease	Sections 3.1, 3.6 and 10.1	Items 1, 11
b. Pre-opening purchases/leases	Sections 7.1, 7.6, 7.7, 7.8 and 7.9	Items 1, 7, 8
c. Site development and other pre- opening requirements	Section 7.1	Items 1, 5, 7, 11
d. Initial and Ongoing Training	Sections 3.2, 3.4, 3.6, 5.3, 5.4, 5.6, 8.2 and 10.1	Item 11
e. Opening	Sections 3.6 and 10.1	Item 11

OBLIGATION	SECTION(S) IN DEALER FRANCHISE AGREEMENT AND RELATED AGREEMENTS	ITEM IN DISCLOSURE DOCUMENT
f. Fees	Sections 3.2, 3.3, 5.3, 7.9 and 8.2; also see Dealer Subcontract, Article 2	Items 5, 6
g. Compliance with Standards and Policies/System Manual	Sections 2.1, 3.2, 4.3, 5.2, 6.1, 7.1, 7.7, 7.8, 7.9, 8.2 and 10.3; also see Dealer Subcontract, generally; National Account Program Description, generally	Item 11
h. Trademarks and proprietary information	Sections 3.1, 3.5, 5.4, 6.1, 7.3, 7.4, 7.5, 10.1 and 10.3: also Dealer Subcontract, Article 8	Items 13, 14
i. Restrictions on products/services offered	Sections 2.1, 3.1, 3.5, 7.1 and 7.6; also see Dealer Subcontract, generally	Items 8, 16
j. Warranty and customer services requirements	Sections 2.1, 6.1 and 6.4; also see Dealer Subcontract, Article 2, National Account Program Description, generally, and Emergency Tire Assistance Program Description page 6	Item 11
k. Territorial development and sales quotas	Sections 2.1, 3.1, 3.5 and 6.1	Item 12
l. Ongoing product/ service purchases	Sections 7.6, 7.7, 7.8 and 7.9; also see Dealer Subcontract, Article 2, and National Account Program Description, generally	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 3.2, 6.1, 7.1, 8.2 and 10.3	Items 11, 17
n. Insurance	Section 7.12; also see Dealer Subcontract, Article 7	Item 7
o. Advertising	Sections 2.2 and 7.5	Item 11
p. Indemnification	Section 7.11; also see Dealer Subcontract, Article 6	Not Applicable
q. Owner's participation/ management/staffing	Sections 4.1 and 6.1	Item 15
r. Records and reports	Section 7.10; also see Dealer Subcontract, Articles 3 and 5	Not Applicable
s. Inspections and audits	Sections 7.2 and 7.10	Item 11
t. Transfer	Section 4.3, Article 8 and Section 10.1; Dealer Subcontract, Article 4 and Dealership Succession Agreement	Item 17
u. Renewal	Section 3.2	Item 17
v. Post-termination obligations	Sections 6.2 and 10.3; also see Security Agreement § 14	Item 17
w. Non-competition covenants	Section 6.3	Item 17
x. Dispute resolution	Article 9	Item 17
y. Other: Guarantee of franchisee obligations (Note 1)	Section 6.3; also see Security Agreement, Exhibits C-1 (Individual Guaranty) and C-2 (Entity Guaranty)	Item 15
Notes:		
1. Each individual who owns 5% or more of the stock, assets or shares of the corporation or entity must sign an Individual Guaranty (Ex. C-1 to Security Agreement) or Entity Guaranty (Ex. C-2 to Security Agreement):		

10. **FINANCING**

Bandag does not offer direct or indirect financing. Bandag does not guarantee your note, lease or obligation.

11. **FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

Except as listed below, Bandag is not obligated to provide any assistance to you.

a. Before you open your Dealership, Bandag will provide you the services described below.

i. Bandag will provide education in the major aspects of establishing and operating your Dealership. (Franchise Agreement, Sections 3.4 and 5.3.) Certified Retread Technician Training is offered throughout the year. Other training is available on an as needed basis, e.g., in connection with installation of certain equipment. Bridgestone Commercial Training Group will coordinate the training programs at the BCS Education Center in LaVergne, Tennessee, and online training on Bridgestone and Firestone Education Network. The programs consist of elearning, videos, instructor led courses, mentoring materials for Retread Plant Management, and other written and visual training materials. Larry Lopez will oversee the Technical Training Department that will coordinate field training. Mr. Lopez has been our Manager of Training Development for more than 15 years and has had experience in the industry for more than 35 years.

Before your Dealership begins production, all plant personnel of each Retread Facility, must successfully complete all mandatory training programs to the satisfaction of Bridgestone Commercial Solutions. The training must be completed prior to opening of your Production Facility for business. In most cases, the training will be completed at least one week prior to opening. The exact training time may vary, and must follow installation of the equipment upon which plant personnel will be trained. You must undergo training to become a Certified Retread Technician. A Certified Retreading Technician must be available at all times while your Dealership is in production. All repair technicians must successfully complete Certified Repair Training. No separate fee is charged for initial training assistance. The dealer franchisee is responsible for any travel related expenses such as room and board expenses. Bandag will not pay you during training.

The following table summarizes training offerings provided by Bridgestone:

TRAINING PROGRAM

COURSE OR CERTIFICATION	METHOD/ LOCATION	LENGTH	RECERTIFICATION REQUIREMENTS	PRE-REQUISITE TO Certified Retread Technician (CRT)
CRTAP (Certified Retreading Technician Apprentice Program)	Online courses, videos and assessments	8 hours	No	Yes
Bandag Technician Development Program (new hire and cross-train program for plant managers to use on demand)	Online self study and mentoring tools and checklists provided for Retread Plant Supervisors/mentors to conduct in-plant retread process coaching and observations	One-week per station	No	No

COURSE OR CERTIFICATION	METHOD/ LOCATION	LENGTH	RECERTIFICATION REQUIREMENTS	PRE-REQUISITE TO Certified Retread Technician (CRT)
Shearography (Field Certification)	Delivered in field by Technical Services Group	1 day	Every 5 years	Yes
Bandag Certified Repair (Field Certification)	Delivered in field by Technical Services Group	2 days	Every 5 years	Yes
EMT (Equipment, Maintenance, Troubleshooting)	Classroom in BCS Education Center in LaVergneMuscatine, TNIA	3 days	No	No
Advanced Tire Analysis (FSE requires all personnel handling out of service tires to complete)	Classroom in BCS Education Center in LaVergneMuscatine, TNIA or delivered in field where applicable	2 days	No	No
CRT (Certified Retreading Technician)	Classroom in BCS Education Center in LaVergneMuscatine, TNIA and 5 year recertification in field	5 days	Initial training conducted in LaVergneMuscatine, TNIA . Field Recertification required every 5 years. Every 10-year recertification required in LaVergneMuscatine, TNIA at BCS Education Center.	N/A
Material Flow	Delivered in field by Bandag Technical Training Department	4 days	No	No
Retread Production Manager	Delivered in field by Bandag Technical Training Department	4 days	No	No

Bandag may make a number of other services available to you, including services related to franchisee management, merchandising, advertising, public relations, warranty and industrial engineering service.

ii. The System Manual can be found on the Bridgestone and Firestone Education Network. We may change the System Manual periodically, and we may have different sections or different volumes for different programs or categories of Bandag franchisees. (Franchise Agreement, Section 5.2.) The table of contents of the current Franchise System Manual is set forth below.

SYSTEM MANUAL SECTION NUMBER	SYSTEM MANUAL SECTION NAME	NUMBER OF PAGES
N/A	Confidentiality Notice	1
N/A	Preamble	1

SYSTEM MANUAL SECTION NUMBER	SYSTEM MANUAL SECTION NAME	NUMBER OF PAGES
N/A	Table of Contents	1
S100	General Purposes and Obligations	1
S110	By-Laws of the Bandag Alliance Council	2
S120	Bandag Logo and Trademark Usage	5
S130	Minimum Requirements of Bandag Franchisees	2
S140	Bandag Product Specifications and Manufacturing Requirements	12
S150	Standard Form of Security Agreement	21
S160	Purchase Order Terms and Conditions	6
S170	Equipment Terms	1
S180	Bandag Dealer National Warranty Program	1
S190	Retread Manufacturer's DOT Code	1
	Total Pages:	55

iii. Bandag also provides the Product Specifications and Manufacturing Requirements (“PSMR”) Manual electronically on the Bridgestone and Firestone Education Network. The table of contents of the current PSMR is set forth below:

Document Number	Description	Pages
11000	Retreaded Radial Tire	4
11100	Standard Process	3
11101	Receive Casing	8
11102	Initial Inspection	15
11103	Buff Casing	19
11104	Non-Destructive Inspection of Casing	7
11105	Skive Casing	9
11106	Cement Casing	8
11107	Fill Skives	6
11108	Apply Tread	18
11110	Mount Tire For Cure	28
11112	Cure Tire	14
11114	Dismount Tire	7
11115	Final Inspection	13
11116	Spread & Multi-Axle Tread Buff	7
11117	Prepare For Delivery	7

Document Number	Description	Pages
11200	Cementless Process	3
11202	Apply Cushion	9
11203	Apply Tread	17
12000	Repaired Tire	3
12100	Radial Tire – Repair Only	3
12101	Radial Tire Repair	21
12200	Bias Tire – Repair Only	3
12201	Bias Tire Repair	21
13000	Recovered Wheel/Rim	3
13100	Steel Wheel/Rim Process	3
13101	Receive Wheel/Rim	7
13102	Initial Inspection	8
13103	Touch-up Wheel/Rim	7
13105	Refinish Wheel/Rim	7
13106	Final Inspection	6
13107	Prepare For Delivery	6
13200	Aluminum Wheel/Rim	3
13201	Initial Inspection	8
13300	Wheel/Rim Assembly Serv.	3
13301	Mounted Wheel - Dismount	7
13302	Mounted Wheel - Mounting	8
13303	Ready Rack Replenishment	30
14000	Retreaded Bias	4
14100	Standard Process	3
14101	Initial Inspection	17
14102	Buff Casing	17
14103	Skive Casing	8
14200	Cementless Process	3
14201	Skive Casing	8
15000	VEHICLE READINESS	3
15100	Trailer Readiness Oper.	3
15101	Inspection	19
15200	Federal Annual Inspection	3
15201	Appendix G	49
15202	Data Collection	17
15300	Yard Check	3
15301	Yard Check Inspection	12
19000	MATERIALS REQUIREMENTS	3
19100	Material Req. Standard	3
19101	Materials Storage	11
Total Pages:		545

iv. Bandag will deliver and assist with installation of equipment purchased from Bandag (Franchise Agreement, Section 5.1).

v. A representative of Bandag will assist a contractor before and during installation of equipment (including fixtures, furnishings and signage purchased or leased by approved suppliers, as described in Item 7 and 8) for use in the Dealership at no extra charge to you.

vi. Bandag does not have any obligation to assist you in establishing prices, nor does Bandag set minimum and/or maximum prices at which you must sell products or services..

b. During the operation of your Dealership, Bandag will provide you the services described below.

i. Bandag will use its commercially reasonable best efforts to keep the Process up-to-date and competitive, to support the System in cooperation with franchisees through research, marketing, advanced training, communication and participation in the Bandag Alliance Council (see below), and to act fairly in its dealings with its franchisees. (Franchise Agreement, Section 5.1);

ii. At your request, Bandag will provide optional supplemental training, including recertification training for Certified Retreading Technician status for you and/or your key personnel. Bandag also may in its reasonable discretion require periodic retraining of you and any of your managers. (Franchise Agreement, Section 5.3.) The length of supplemental training, recertification training or other retraining varies, depending on the subject matter. Bandag may charge you a fee for supplemental training, recertification training or other retraining, not to exceed \$500 per person. You must pay all travel, living and incidental expenses for you and your employees to attend supplemental training or retraining. See Item 7. Bandag will not pay you or your employees during supplemental training or retraining.

iii. Bandag may offer your Dealership the opportunity to participate in the following programs or others it may add periodically (participation in these programs is not required; these programs are subject to change and cancellation by Bandag):

Bandag National Account Program (“National Account Program”). A copy of the current National Account Program Description is attached as Exhibit E. As part of the National Account Program, BATO contracts with fleet operators to provide tire retreading and tire repair service. With the consent of these fleet operators, Bandag and BATO subcontract with qualifying franchisees to provide these services in their Franchise Territory. Bandag allows qualifying franchisees to subcontract with Bandag to provide retreading, related support services, and certain other tire management services. The current form of Bandag Dealer Subcontract (“Dealer Subcontract”) is attached to this Disclosure Document at Exhibit F.

BASys Suite. BASys suite of independent, seamlessly interfaced modules that not only work together, but with other franchisee management software packages to create a complete, fully functional information management system for tire dealers. This modular approach gives you the flexibility to customize the system to your unique business situation by using only those modules that meet your specific needs today, and then add additional modules in the future as your business evolves and your needs change. BASys modules offer all the tools and functionality you need to manage multiple aspects of your business. See Exhibit D to this Disclosure Document for a copy of a BASys Product Program Request Form and Master Agreement for BASys Suite of Products.

Bandag Q-Fund. Bandag currently offers qualified franchisees the opportunity to participate in the Q-Fund designed to promote the use of ancillary products sold and approved by Bandag. Under this program Bandag may accrue a pre-established credit amount for each pound of qualifying tread rubber purchased by an authorized and participating Bandag franchisee. The credit amount is US\$0.05 per/lb. for U.S. franchisees as of April 1, 2016. Q-Fund credits will be accrued in the franchisee’s Q-Fund account on a monthly basis and will be reported as a separate item on franchisee’s monthly Bandag

Smart Resource statement. Q-Fund credits are available for use once they are posted to the franchisee's Q-Fund account. Q-Fund credits are the property of Bandag until that time, if any, as Q-Fund credits are applied by Bandag to reimburse a franchisee for the purchase of a qualified product. All unclaimed Q-Fund credits will expire 18 months after they are accrued, unless the Q-Fund Program is earlier cancelled or the franchisee's franchise agreement with Bandag is earlier terminated or expires. Accrued Q-Fund Credits are non-refundable and non-transferable and are forfeited upon expiration or termination of the franchise. Bandag reserves the right to change, amend or cancel the Q-Fund Program, in its sole discretion, at any time.

Bandag Smart Resource Program. Bandag currently offers franchisees the Bandag Smart Resource Program under which a pre-established dollar amount (between US\$~~0.15~~0.10 and US\$~~0.180.20~~ per/lb. for U.S. franchisees as of ~~March~~January 1, ~~2017~~2025 for most tread sizes and designs) is credited to franchisees for each pound of qualified tread rubber the franchisee purchases. Tread sizes and designs that are being phased out of the Bandag product line are typically subject to reduced Bandag Smart Resource Program credits or no Bandag Smart Resource Program credits at all. Bandag may change or eliminate the per pound credit, or modify or discontinue the Bandag Smart Resource Program, at any time in its sole discretion. You may use your Bandag Smart Resource Program credits (if any) in a manner solely authorized by Bandag, e.g., as a credit against future purchases of specified equipment from Bandag or improvements that enhance the value of your Dealership. Bandag also may authorize you to use Bandag Smart Resource Program credits for local advertising and promotion of Bandag products and services. Bandag will release your Bandag Smart Resource Program credits (if any) for use in purchasing BASys products technology (IT systems and products) sold by Bandag. Additionally, Bandag Smart Resource Program credits can be used for qualified third party products for BASys POS (point of sale). Those products include BASys Manufacturing for retread plant management and BASys Fleet Analyzer for account acquisition and penetration. Accrued Bandag Smart Resource Program balances are non-refundable and non-transferable and are forfeited upon expiration or termination of the franchise. Bandag provides franchisees monthly statements showing Bandag Smart Resource Program debits, credits and month-end balance.

In addition to the programs described above, Bandag periodically may offer special programs to some or all Bandag franchisees (in its sole discretion), based on criteria established solely by Bandag.

iv. Bandag will use its commercially reasonable best efforts to hire capable sales and technical support personnel, set appropriate performance expectations, and provide them with training and necessary resources and tools, so they can assist and support Bandag franchisees. Bandag will advise you on the management of your Dealership, including the proper display of the Marks; procurement, maintenance and operation of equipment; Product production; customer service; advertising, sales and local marketing; and cost control techniques. (Franchise Agreement, Section 5.4.)

v. Bandag has established and will work with the Bandag Alliance Council, comprised of representatives of Bandag and selected representatives of Bandag franchisees in the United States and Canada. The Bandag Alliance Council advises Bandag on issues affecting the Bandag business and network of franchisees in the United States and Canada, and assists in developing strategies and tactics for the success of the Bandag System. The Bandag Alliance Council serves as a forum for sharing and acting upon concerns of the Bandag Alliance. The operating guidelines of the Bandag Alliance Council are described in the System Manual. (Franchise Agreement, Section 5.5.)

vi. Bandag will make available to you all additional services, facilities, rights and privileges regarding the operation of your Dealership which Bandag makes available periodically to franchisees. (Franchise Agreement, Section 5.6.)

vii. You are not required to participate in or contribute to a Bandag System marketing or sales promotion program or advertising cooperative. You may develop advertising materials for your own use, at your own expense, subject to Bandag's consent to the materials and media (including print, audio, video and computer-transmitted), in writing before you use them. (See Franchise Agreement, Sections 7.4 and 7.5.) Bandag has no advertising council composed of franchisees. Bandag has no contractual obligation to spend any amount or conduct any advertising in your Franchise Territory or any other Franchise Territory.

viii. You are not required to buy or use any particular electronic cash registers or computer system. If you participate in the National Account Program, you may (but are not required) use the Bridgestone Firestone Dealer Input Program (the BFDI Program) or a manual system for credit and billing matters. Bandag does not charge the franchisee for a copy of the BFDI Program. Bandag will have independent access to the information generated and stored on the BFDI Program.

c. The typical length of time between the signing of the Franchise Agreement and the opening of a franchisee's business is approximately 90 days. The site for the location of your business is selected by you and approved by Bandag before you are provided with a Franchise Agreement. Bandag does not provide site location assistance services. Bandag must approve your proposed site, including the surrounding area, before you are provided a Franchise Agreement for signature or pay any consideration to Bandag. Approval of your proposed site is in Bandag's sole discretion. There is no time limit for Bandag to approve your proposed site. Bandag may take into account the age and size of the premises, its accessibility to major traffic arteries, competition, local economic conditions, as well as other factors applicable in any particular situation. If no approval is secured, no Franchise Agreement will be executed.

12. **TERRITORY**

The Franchise Agreement authorizes you to establish and operate a Production Facility and Sales Facility at a designated location within an Franchise Territory. Typically, the minimum Franchise Territory is one county, but it may include more than one county. It is normally specified by county name or, if necessary, county names.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we or our affiliates control. Bandag is not prohibited from engaging in alternative distribution methods, including through the Internet, within your Franchise Territory, including under the Marks or different trademarks. You will not be compensated by Bandag or any other party if there are any competitive solicitations or sales in your Franchise Territory.

You may respond to specific requests from your customers for Bandag products or services at any location using available and appropriate distribution channels, but outside the Franchise Territory to which you are assigned you may not use the Marks to identify any facility and Bandag is not obligated to provide franchisee support services. This restriction on use of the Marks outside your Franchise Territory to identify any facility limits the channels of distribution that you may use to market Bandag products and services outside your Franchise Territory. Your rights to operate within or outside the Franchise Territory are not conditioned on your achieving a minimum required sales volume, but the Franchise Agreement requires you to use your best efforts to provide adequate sales and service coverage, and manufacturing capacity, as required in the System Manual. As noted in Item 1 of this Disclosure Document, Bandag and its affiliates are engaged in various business activities, including various tire and retreading businesses, and reserve the right to establish, own, license and operate these businesses and other businesses at any location using Bandag's principal trademarks or under trademarks different from the ones that you will use under the franchise agreement. These businesses and activities may have some competitive impact on some Bandag Dealerships.

You may relocate a Production Facility, only with Bandag’s written consent, to a suitable site within the Franchise Territory that does not, in Bandag’s opinion, infringe upon another Bandag business. The replacement Production Facility must open within 10 days after the prior Production Facility closes, and must conform to all requirements of the Franchise Agreement and to then-current System standards.

13. TRADEMARKS

Bandag owns a number of trademarks in the United States, including those listed below. Bandag grants you the right to operate the Dealership under certain Marks. Bandag may change or discontinue any program or promotion regarding any of its trademarks, and may periodically add, alter or delete trademarks from the list of Marks licensed to you.

The following trademarks are registered on the principal register in the United States Patent and Trademark Office (the “Principal Trademarks”):

Trademark	Registration No.	Registration Date	Next Renewal
	0806121	3/22/1966	3/22/2026
BANDAG	0812106	8/2/1966	8/2/2026
BANDAG	0802251	1/18/1966	1/18/2026
BANDAG	4905050	2/23/2016	2/23/2026
BANDAG	4905093	2/23/2016	2/23/2026
BANDAG	4905094	2/23/2016	2/23/2026
BANDAG	4905045	2/23/2016	2/23/2026
BANDAG	4905092	2/23/2016	2/23/2026
BANDAG	4944889	4/26/2016	4/26/2026
	4944887	4/26/2016	4/26/2026
	5439402	4/3/2018	4/3/2023 4/3/2028

All required affidavits concerning these marks have been filed with the United States Patent and Trademark Office.

There is no currently effective material determination of the Patent and Trademark Office, the Trademark Trial and Appeal Board, any state or federal court, or the trademark administrator of any state, involving Bandag’s Principal Trademarks. Nor are there any pending opposition or cancellation proceedings involving Bandag’s Principal Trademarks in the United States or Canada. No agreements limit Bandag’s right to use or license others to use the Principal Trademarks or Bandag’s right to use and sublicense others to use the trademarks in any manner relevant to this offering. Bandag knows of no superior prior rights or infringing uses that could materially affect your use of the Principal Trademarks.

You must use the Principal Trademarks and any of Bandag’s other trademarks only in the manner set forth in the Franchise Agreement and Bandag’s Logo and Trademark Usage Requirements and Policy section of the System Manual, and as specified periodically by Bandag. You may not use any Bandag trademark as part of a corporate, partnership or trade name, except in accordance with the Logo and Trademark Usage Requirements and Policy. You must comply at all times with Bandag’s Logo and Trademark Usage Requirements and Policy, as revised periodically

by Bandag. The Logo and Trademark Usage Requirements and Policy includes restrictions on your use of Bandag's trademarks in internet advertising.

Bandag's Terms and Conditions of Sale provide that Bandag will, at its own expense, defend any suits that may be instituted by anyone against you for alleged infringement of any United States trademark regarding any products manufactured and furnished by Bandag, if the alleged infringement consists of the use of the products, or parts of the products, in your business, and if you have made all payments then due Bandag. Additionally, you must give Bandag immediate written notice of any suit, transmit immediately to Bandag all processes and other documents served upon you and permit Bandag's counsel, in the name of either you or Bandag, to defend the suit. You must provide Bandag all needed information, assistance and authority necessary to defend the suit.

14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Bandag owns a number of U.S. patents identified below. The patents relate to products sold to you or processes you use to retread tires.

TITLE/DESCRIPTION	U.S. PATENT NUMBER	PATENT ISSUE DATE	PATENT EXPIRATION DATE
Method And Apparatus For Improved Tread Splicing	8357254	1/22/2013	1/13/2031
Tire Tread Buffing Apparatus And Method	8662134	3/4/2014	3/8/2030
Molded Article Extractor And Method	8807984	8/19/2014	12/14/2032
Shearographic Imaging Machine And Method	8813550	8/26/2014	5/31/2033
Method And Apparatus For Improved Tread Splicing	8820375	9/2/2014	2/28/2030
Expandable Rim Width Insert	9623617	4/18/2017	11/20/2035
Method and Apparatus for Dual Tire Buffing and Handling	9688038	6/27/2017	11/18/2036
Adjusting Expandable Rim Width Using a Band	9724888	8/8/2017	11/23/2035
Tire Tread And Method Of Making The Same	9827726	11/28/2017	5/30/2033
Systems And Methods For Manufacturing A Tread Band	10035316	7/31/2018	10/9/2035
Automatic System And Method For Mounting And Dismounting Tire Casing On Expandable Rim Hub in Retreading Operations	10213975	2/26/2019	2/13/2035
Molded Article Extractor and Method	10220581	3/05/2019	4/30/2035
Carbon Black Pellets Bound By Styrene-Butadiene Latex Polymer	10221293	3/5/2019	9/22/2035
Tire Inspection Apparatus	10261038	4/16/2019	12/14/2035
Expandable Rim For Tire Tread Buffing Apparatus And Method	10343359	7/9/2019	8/14/2036
Expandable Rim Width Insert	10343361	7/9/2019	9/29/2035
Molded Article Extractor And Method	10427369	10/1/2019	7/1/2034
Method And Apparatus For Dual Tire Buffing And Handling	10427373	10/1/2019	11/18/2036
Passive Buffer Brush Air Cooling	10493586	12/3/2019	3/7/2033
Carbon Black Pellets Bound By Functional Polymer	10604635	3/31/2020	9/22/2035
Adjusting Expandable Rim Width Using A Band	10786961	9/29/2020	9/29/2035
Method And Apparatus For Improved Tread Splicing	10821693	11/3/2020	1/11/2038
Tire With Variable Width Grooves [BATO & BSBD are owners]	10882361	1/5/2021	2/15/2036
Expandable Rim For Tire Tread Buffing Apparatus And Method	11059248	7/13/2021	2/15/2036
System And Method For Leak Testing Green Tire Assembly Enclosures	11143570	10/12/2021	3/14/2038

TITLE/DESCRIPTION	U.S. PATENT NUMBER	PATENT ISSUE DATE	PATENT EXPIRATION DATE
Method And Apparatus For Dual Tire Buffing And Handling	11167514	11/9/2021	6/26/2037
Method And Apparatus For Dual Tire Buffing And Handling	11173677	11/16/2021	6/26/2037
Carbon Black Pellets Bound By Functional Polymer	11174367	11/16/2021	9/22/2035
Precured Tire Tread With Fabric Reinforcing Layer [BSJ, BATO, BSBD are owners]	11254165	2/22/2022	12/16/2034
Molded Article Extractor And Method	11413835	8/16/2022	8/1/2039
Non-Destructive Belt Detection Apparatus and Method	11571868	2/7/2023	12/8/2041
Method And Apparatus For Dual Tire Buffing And Handling	11639043	5/2/2023	11/28/2036
Expandable Rim For Tire Tread Buffing Apparatus And Method	D615921 11951701	5/18/2010 4/9/2024	5/18/2024 10/9/2036
Tire Tread — BDRHG Systems And Methods For HDSS Roll Packaging	D616357 11981502	5/25/2010 5/14/2024	5/25/2024 4/30/2042
Tire Method And Apparatus For Improved Tread (BRM2) Splicing	D620879 11993044	8/3/2010 5/28/2024	8/3/2024 5/25/2036
Tire Tread — BDRHT3 Molded Article Extractor And Method	D621341 12083758	8/10/2010 9/10/2024	8/10/2024 3/12/2042
Versatile Sipe Machine	12122113	10/22/2024	2/2/2042
Variable Oscillation Three Dimensional Sipe	12168372	12/17/2024	9/24/2039
Tire Tread - BRM1	D641684	7/19/2011	7/19/2025
TIRE TREAD Tire Tread	D649927	12/6/2011	12/6/2025
Tire Tread - BRR2B	D651556	1/3/2012	1/3/2026
Tire Tread - BDV2	D651968	1/10/2012	1/10/2026
TIRE TREAD Tire Tread - BTL2B	D663680	7/17/2012	7/17/2026
Tire Tread	D718226	11/25/2014	11/25/2028
Tire Tread -- BRM4 Tread Design	D751975	3/22/2016	3/22/2030
Tire Tread -- SASD3 Tread Design	D768061	10/4/2016	10/4/2031
Tire Tread -- SASD1 Tread Design	D769802	10/25/2016	10/25/2031
Tire Tread -- TR 4.1 Tread Design	D776607	1/17/2017	1/17/2032
Tire Tread -- UAP2 Tread Design	D781225	3/14/2017	3/14/2032
Tire Tread -- DR4.3 Tread Design	D783515	4/11/2017	4/11/2032
Tire Tread -- DR 5.3 Tread Design	D783518	4/11/2017	4/11/2032
Tire Tread -- BRM3 Tread Design	D784251	4/18/2017	4/18/2032
Tire Tread -- BTR2 Tread Design	D788693	6/6/2017	6/6/2032
Tire Tread -- BDR-W2 Tread Design	D796429	9/5/2017	9/5/2032
Tire -- BLSS Tread Design	D816593	5/1/2018	5/1/2033
Tire -- BDM3 Tread Design	D816598	5/1/2018	5/1/2033
Tire -- BRSS Tread Design	D819558	6/5/2018	6/5/2033
Tire -- HTH Tread Design	D878286	3/17/2020	3/17/2035
Tire -- B761 Tread Design	D935989	11/16/2021	11/16/2036
Tire -- BTL-SA3 PCT Tread Design	D981329	5/26/2021	3/21/2038
Tire -- DTD B Tread Design	D1008159	12/19/2023	12/19/2038
Tire -- DTD A Tread Design	D1010559	1/9/2024	1/9/2039
Tire -- Bandag Light S	D1030623	6/11/2024	6/11/2039
Tire -- Bandag Light D	D1034422	7/9/2024	7/9/2039
Tire -- Post BDLT Tread Pattern	D1034423	7/9/2024	7/9/2039
Tire -- BDX3 Tread Design	D1043540	9/24/2024	9/24/2039
Tire -- BD5000 Tread Design	D1043546	9/24/2024	9/24/2039
Tire -- BRLT9 Tread Design	D1056820	1/7/2025	1/7/2040

Bandag has the following patent applications pending in the U.S. Patent and Trademark Office:

DESCRIPTION	APPLICATION SERIAL NO.	FILING DATE	PUBLICATION DATE
Variable Oscillation Three Dimensional Sipe	16/493320	03/21/2018	3/5/2020
Method And Apparatus For Improved Tread Splicing	17/038346	9/30/2020	1/14/2021
Expandable Rim For Tire Tread Buffing Apparatus And Method	17/339478	6/4/2021	9/23/2021
Systems And Methods For HDSS Roll Packaging	17/470336	9/9/2021	3/10/2022
Method And Apparatus For Dual Tire Buffing And Handling	17/503511	10/18/2021	3/31/2022
Molded Article Extractor And Method	17/538192	11/30/2021	6/2/2022
Pre-Cured Tread Stone Rejection Design	17/627555	7/16/2020	8/18/2022
Splice-Match Builder	17/774448	11/4/2020	12/22/2022
The Use Of A Moisture Reservoir For Retreading	17/914017	3/10/2021	4/20/2023
Envelope Spreader System For Enveloping A Retreaded Tire	18/095347	1/10/2023	7/13/2023
Non-Destructive Belt Detection Apparatus And Method	18/098846	1/19/2023	5/18/2023
Apparatus And Method For Automatic Tire Ply Stitching	18/297603	4/8/2023	8/3/2023
Method And Apparatus For Dual Tire Buffing And Handling	18/132502	4/10/2023	11/2/2023
Systems And Methods For Sipe Patterns	18/272213	7/13/2023	2/29/2024
Method And Apparatus For Improved Tread Splicing	18/424275	1/26/2024	5/23/2024
Expandable Rim For Tire Tread Buffing Apparatus And Method	18/603148	3/12/2024	7/4/2024
Systems And Methods For HDSS Roll Packaging	18/617816	3/27/2024	7/11/2024
Molded Article Extractor And Method	18/652630	5/1/2024	8/22/2024
Versatile Sipe Machine	18/ 275464 801011	8/2/2023 8/12/2024	2/4/2024 12/5/2024
Precured Tire Tread Repair Grinding Bit	18/700234	4/10/2024	12/19/2024
Tire — Bandag Light S Miter Sipe Machine Having Angle Control, Blade Sharpening, And Tread Support	29/18/868399 720499	12/1/2022 6/14/2024	N/A 12/19/2024
System And Method For Protecting A Support Structure Of A Non-Pneumatic Tire — Bandag Light D	29/18/869610 716718	1/5/2023 6/5/2024	N/A 1/23/2025
System And Method For Making A Band And Tread Assembly For A Non-Pneumatic Tire	18/716741	6/5/2024	1/30/2025
Non-Pneumatic Tire — Post BDLT Tread Pattern And A System And Method Of Making Same	29/18/869611 716752	1/5/2023 6/5/2024	N/A 1/30/2025
Method And Apparatus For Retread Sidewall Machining	18/709412	5/10/2024	
Pull-Out Tab Ejector	18/720405	6/14/2024	
Tire — BD5000 Tread Design Auto Skive Filling System	29/18/875263 835441	5/2/2023 8/2/2024	N/A
Rotary Clamp Arm	18/838466	8/14/2024	
High Voltage Panel For Non-Destructive Tire — BDX3 Tread Design Testing	29/18/877360 861091	6/6/2023 10/28/2024	N/A
Method And Apparatus For Dual Tire Buffing And Handling	19/027823	1/17/2025	
Non-Destructive Belt Detection Apparatus And Method	19/028807	1/17/2025	
Expandable Rim For Tire Tread Buffing Apparatus And Method	19/030451	1/17/2025	
Tire -- BRLT9 Tread Design	29/911871	9/11/2023	N/A
Tire -- B163 Tread Design Cut Siped	29/914297	10/16/2023	N/A
System And Method For Curing A Tread Band Assembly For A Non-Pneumatic Tire Tire -- BDR-HT6 Tread Design	63/29/451726 969387	3/13/2023 10/22/2024	N/A
System And Method For Building A Band Assembly For A Tire Tire -- B713 VersaSipe Tread Design	63/29/451730 972073	3/13/2023 11/7/2024	N/A
Tread Compliance System And Method	63/454380	3/24/2023	N/A
Systems And Methods For Installing Electronic Assembly On Tire	63/551816	2/9/2024	N/A
Variable Gap Extractor	63/552859	2/13/2024	N/A

DESCRIPTION	APPLICATION SERIAL NO.	FILING DATE	PUBLICATION DATE
Systems and Methods for Effector To Load And Unload Tire From Hub	63/678237	8/1/2024	N/A
Non-Contact Method To Measure The Radial Runout Of A Hub, Rim, Or Pressurized Tire Casing	63/703267	10/4/2024	N/A
Edge Buffer RASP For Buffing Retread Element	63/742159	1/6/2025	N/A
Edge Buffer Assembly For Buffing Retread Element	63/742190	1/6/2025	N/A

Bandag owns other patents and also may be granted or acquire other patents periodically. Your suggestions, modifications or additions to this intellectual property (if any) belong to Bandag. Any intellectual property originating from or suggested as a result of your or your employees' or agents' access to Bandag's Process, Products, System or documentation are automatically assigned to, and are the property of, Bandag.

Bandag considers its proprietary System "know-how," the quality of its Products, the service afforded to its customers, and effective marketing, in addition to its patent protection, to be dominant factors in determining the level of success of any Bandag business.

Except as described above, there is no agreement currently in effect which limits Bandag's right to use or license the patents in a manner material to the franchise. There are no currently effective adverse determinations of the U.S. Patent and Trademark Office, or any pending material litigation, regarding the licensed U.S. patents. Bandag is not aware of any material infringement of these U.S. patents.

Bandag will loan you one copy of the Bandag System Manual. Although Bandag has not applied for federal copyright registration of the System Manual or its components, the information in the entire System Manual is proprietary and Bandag owns the copyright in the entire System Manual, and in various advertising and sales promotion materials used in the Bandag System and in your Dealership. All proprietary information and materials furnished to you by Bandag are the property of Bandag and include confidential information which you may not disclose or use other than to operate your Dealership in accordance with the Franchise Agreement.

Bandag's Terms and Conditions of Sale provide that Bandag will, at its own expense, defend any suits that may be instituted by anyone against you for alleged infringement of any United States patent or copyright regarding any products manufactured and furnished by Bandag (Bandag Products), if the alleged infringement consists of the use of the Bandag Products, or parts of the Bandag Products, in your business, and if you have made all payments then due Bandag. Additionally, you must give Bandag immediate written notice of any suit, transmit immediately to Bandag all processes and other documents served upon you and permit Bandag's counsel, in the name of either you or Bandag, to defend the suit. You must provide Bandag all needed information, assistance and authority necessary to defend the suit.

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

You, or your designated Dealership manager, must devote your, or his or her, best efforts and personal full time and attention to the management of your Dealership. If your Dealership is operated by a manager, the manager must successfully complete Bandag's training program.

If you are a corporation, partnership or limited liability company, Bandag may require that one or more shareholders of the corporation, partners in the partnership or members of the limited liability company, as well as their respective spouses, personally guarantee prompt payment and performance of all debts, obligations and liabilities to Bandag, whether arising under the Franchise Agreement or otherwise. See the form of Individual Guaranty attached to this Disclosure Document as Annex A (Exhibit C-1) to the Security Agreement (Exhibit C). Bandag may permit or require a comparable business entity guaranty from an affiliated corporation in lieu of, or in addition to, the Individual Guaranty. See the form of Entity Guaranty attached to this Disclosure Document as Annex B (Exhibit C-2) to the Security Agreement (Exhibit C).

16. **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You may respond to specific requests from your customers for Products and Bandag services at any location, but outside your Franchise Territory you may not use the Marks to identify any facility and Bandag is not obligated to provide any Bandag franchisee support services to you outside your Franchise Territory without prior approval. You may not: (i) produce Products at any facility other than a Facility (or Facilities), if any, listed in an exhibit to the Franchise Agreement (ii) directly or indirectly produce, repair, sell or supply retread products that compete with Bandag Retreads or with the Process (See Item 17); (iii) have any ownership or other interest in, or provide support to, any business that competes with the Process or produces or supplies products that compete with Bandag Retreads; (iv) supply or deliver tire casings of the size used in the Process to any business that competes with the Process or produces or supplies products that compete with Bandag Retreads (See Item 17); (v) manufacture retreaded tires for use on aircraft; (vi) use the Process or Materials, either directly or indirectly, to produce off-the-road tires with a finished retread diameter greater than 53.5 inches; or (vii) use the Marks, either directly or indirectly, with the sale of any off-the-road tires with a finished retread diameter greater than 53.5 inches that you might otherwise produce. Bandag does not restrict your selection of line(s) of new tires you wish to offer.

17. **RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

THE FRANCHISE RELATIONSHIP

The following tables list certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the Franchise Agreement and related agreements attached to this Disclosure Document.

FRANCHISE AGREEMENT

PROVISION	SECTION(S) IN DEALER FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	Section 3.2	5 years
b. Renewal or extension of the term	Section 3.2	The franchise will be automatically renewed for a 5 year term unless you or we give the other party written notice of an election not to renew the franchise at least 6 months prior to the end of the Term.
c. Requirements for franchisee to renew or extend	Section 3.2	Renewal of the franchise requires execution of our then current form of franchise agreement (which may materially differ from the form of franchise agreement under which you then currently operate) and the payment of a renewal fee to us in the amount of \$1,000.00. We may condition any renewal of the franchise on your agreement to renovate and upgrade your Dealership (including all Production Facilities and Sales Facilities) to meet our then current standards for the operation of a Bandag Dealership. If either of us elect not to renew the franchise, we may take any actions we deem

PROVISION	SECTION(S) IN DEALER FRANCHISE AGREEMENT	SUMMARY
		appropriate prior to expiration to replace your Dealership or you as a Dealer.
d. Termination by franchisee	Article 10	Subject to state law, you may terminate for good cause at any time
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section 10	Bandag may terminate by notice to you if you fail to cure a default; or in some cases (noted at line “h” below) without opportunity to cure
g. “Cause” defined – curable defaults	Section 10	“Good cause” means intentional, material breach of Franchise Agreement. Either party has 24 hours to cure if the breach is impairment or threatened impairment of the goodwill associated with the licensed Marks, 7 days to cure if the breach is non-payment of sums due and owing, and 30 days in all other cases
h. “Cause” defined – non-curable defaults	Section 10	Your failure to open Dealership within 90 days after execution of Franchise Agreement; your failure of training; your insolvency; your operation of competing business in violation of Section 6.3 of Franchise Agreement; either party’s material breach. The provision of the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.)
i. Franchisee’s obligations on termination/non-renewal	Section 10.3	Obligations include cessation of use of Marks, System, Bandag equipment and machinery, and management systems and technology, payment of all amounts owing, return of System Manual and confidential and trade secret information, assignment of telephone and fax numbers, e-mail addresses, etc. used exclusively for your Bandag Dealership to Bandag, removal of distinctive equipment, inventory, trade dress, and leasehold improvements, and (at Bandag’s discretion) resale of

PROVISION	SECTION(S) IN DEALER FRANCHISE AGREEMENT	SUMMARY
		Bandag machinery to Bandag at 8-year straight line depreciated value, FOB your Bandag Facility and resale of Materials and Products to Bandag for actual amount paid by you, less charges incurred by Bandag for shipping, freight, packaging, etc. If you own multiple locations, you may be required to terminate your Franchise Agreement for all locations if you convert any former Bandag location to a competitive system
j. Assignment of contract by franchisor	Section 8.4	Bandag may transfer its interest in Franchise Agreement by notice to you
k. "Transfer" by franchisee – defined	Section 8.1	Includes (a) the voluntary or involuntary, direct or indirect, sale, assignment, transfer, or other disposition (including, without limitation, any transfer in, or as a result of, divorce, insolvency, foreclosure, death, dissolution or otherwise by operation of law) of any legal or beneficial interest in: (i) the Franchise Agreement or any right under the Franchise Agreement, (ii) the equity, revenues or income of your Dealership, (iii) the assets of your Dealership, other than the sale of inventory in the ordinary course of business, or (iv) the business entity that owns an equity interest directly or indirectly in your Dealership; or (b) any change or allowing any change in any of your Owners without our prior written consent.
l. Franchisor approval of transfer by franchisee	Section 8.1	Bandag has the right to consent to all transfers
m. Conditions for franchisor approval of transfer	Section 8.2	You apply in writing at least 60 days prior to the proposed transfer date. You must (a) be in full compliance with the Franchise Agreement and all other agreements with us; (b) pay \$1,500 transfer fee; (c) to the extent permitted by applicable law, execute a general release; and (d) subordinate any amounts owed by the transferee to you to any amounts owed by the transferee to us. Additionally, the transferee,

PROVISION	SECTION(S) IN DEALER FRANCHISE AGREEMENT	SUMMARY
		and, where necessary, its owners must: (a) qualify for a Dealership; (b) agree to successfully complete training; (c) agree to obtain certification for a manager; (d) agree to upgrade the Dealership; and (e) sign all required agreements.
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Sections 4.3 and 8.3	Decedent's (or disabled person's) executor, heir or legal representative must apply for Bandag's consent to transfer within 60 days after death or incapacity, and comply with transfer provisions of Franchise Agreement
q. Non-competition covenants during the term of the franchise	Section 6.3	No direct or indirect sale or production of retread products that compete with Bandag System or Process; no interest in production or sale of retread products by or to any tire retreading business that competes with Bandag or with the Process; and no retreading of tires by any process or method other than the Process for sale to or use by commercial or fleet customers; restriction applies in United States, Mexico and Canada. These provisions are subject to state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 10.4	If the Franchise Agreement is terminated for good cause, you agree that neither you nor your Owners will operate a competitive retread tire business at the premises of your Dealership for a period of one year following the date of termination. These provisions are subject to state law.
s. Modification of the agreement	Section 11.2	No modifications generally but System Manual and licensed Marks subject to change by Bandag
t. Integration/merger clause	Section 11.1	Only the terms of the Franchise Agreement and other related agreements are binding (subject to state law); any other promises may not be enforceable. Any representations or promises made outside the disclosure document

PROVISION	SECTION(S) IN DEALER FRANCHISE AGREEMENT	SUMMARY
		and the franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 9.1 and 9.2	Subject to state law, any dispute between the parties must first be submitted to nonbinding mediation. Disputes which are not resolved by mediation within 90 days are resolved by litigation. We may sue to collect money owed to us, to protect or enforce our rights in the Marks, or to compel inspections or audits. Each party waives any right to a jury trial, to punitive or exemplary damages, and to consequential, incidental or contingent damages
v. Choice of forum	Section 10.1	Subject to state law, lawsuit initiated by you must be brought in Federal District Court for the Middle District of Tennessee; Lawsuit initiated by Bandag must be brought in Federal District Court in the state where your principal place of business is located*
w. Choice of law	Section 11.2	Subject to state law, Tennessee law applies (except Tennessee Franchise Act does not apply to dealerships to which that law does not apply by its own terms)*

* See State Addenda to Disclosure Document and Dealer Franchise Agreement attached as Exhibit J for state-specific rights, if any, afforded by the laws of your state.

RELATED AGREEMENTS

PROVISION	SECTION OR RELATED AGREEMENT	SUMMARY
a. Length of the franchise term	Dealer Subcontract § 10.1	Dealer Subcontract, indefinite
b. Renewal or extension of the term	Dealer Subcontract, § 10.1	Dealer Subcontract, inapplicable
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by franchisee	Dealer Subcontract § 10.02	You may terminate with or without cause on 60 days' notice
e. Termination by franchisor without cause	Dealer Subcontract § 10.02	Bandag may terminate with or without cause on 60 days' notice

PROVISION	SECTION OR RELATED AGREEMENT	SUMMARY
f. Termination by franchisor with cause	Security Agreement §§1(b) and 16; Dealer Subcontract § 10.03	Bandag may terminate any related agreement if you default under that agreement or if the Franchise Agreement is terminated; Dealer Subcontract, (i) termination or expiration of any of your Franchise Agreements, (ii) any breach by Dealer of any provision of the Dealer Subcontract (including the Manual), unless Dealer cures the breach to the reasonable satisfaction of Bandag within three days after Dealer's receipt of notice of the breach from Bandag or BATO.
g. "Cause" defined – curable defaults	Not Applicable	Not Applicable
h. "Cause" defined – non-curable defaults	Security Agreement §§1(b) and 16	Generally, under Security Agreement, non-curable defaults involve nonpayment, insolvency and bankruptcy; Security Agreement may be terminated upon default under Franchise Agreement
i. Franchisee's obligations on termination/non-renewal	Not Applicable	Not Applicable
j. Assignment of contract by franchisor	Dealer Subcontract § 4.01; Security Agreement § 28	No restriction on Bandag's right to assign
k. "Transfer" by franchisee – defined	Dealer Subcontract § 4.01	Transfer means transfers that are voluntary, involuntary or by operation of law and includes attempts to assign , delegate or subcontract
l. Franchisor approval of transfer by franchisee	Dealer Subcontract § 4.01	Bandag's prior written consent required
m. Conditions for franchisor approval of transfer	Dealer Subcontract § 4.01	Consent must be in writing
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	Not Applicable	Not Applicable
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	Dealer Subcontract § 11.07	Must be in writing and signed by all parties

PROVISION	SECTION OR RELATED AGREEMENT	SUMMARY
t. Integration/merger clause	Dealer Subcontract § 11.07	Only the terms of the Franchise Agreement and other related agreements are binding (subject to state law); any other promises may not be enforceable. Any representations or promises made outside the disclosure document and the franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	Dealer Subcontract § 11.06	Federal District Court for the Middle District of Tennessee, subject to state law.
w. Choice of law	Security Agreement § 23; Dealer Subcontract § 11.06	Security Agreement, Tennessee law applies; Dealer Subcontract, Tennessee law applies, subject to state law.

18. PUBLIC FIGURES

Bandag does not use any public figure to promote its franchises.

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.

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representative 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: Brady Fulton, Corporate Secretary, Bridgestone Bandag, LLC, 200 4th Avenue South, Nashville, Tennessee 37201, (615) 937-1000, the Federal Trade Commission, and the appropriate state regulatory agencies.

[\[Item 20 begins on next page\]](#)

20. OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
System-wide Outlet Summary
For Years ~~2021~~2022 to ~~2023~~2024

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	174	173	-1
<u>Franchised</u>	2022	173	179	6
	2023	179	172	-7
Company-Owned	2021 2024	13 172	13 160	0 12
<u>Company-Owned</u>	2022	13	2	-11
	2023	2	2	0
Total Outlets	2021 2024	187 2	186 2	-10
<u>Total Outlets</u>	2022	186	181	-5
	2023	181	174	-7
	2024	174	162	-12

TABLE NO. 2
Transfers of Outlets From Franchisees to New Owners
(Other than the Franchisor)
For Years ~~2021~~2022 to ~~2023~~2024

Column 1	Column 2	Column 3
State	Year	Number of Transfers
Arizona	2021	0
<u>Arizona</u>	2022	2
	2023	0
California	2021 2024	10
<u>California</u>	2022	2
	2023	1
Colorado	2021 2024	0
<u>Colorado</u>	2022	4
	2023	0
Illinois	2021 2024	0
<u>Illinois</u>	2022	1
	2023	0
Maine	2021 2024	0
<u>Indiana</u>	2022	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Michigan	2023	10
	2021 <u>2024</u>	01
<u>Maine</u>	2022	20
Minnesota	2023	01
	2021 <u>2024</u>	0
<u>Michigan</u>	2022	02
Missouri	2023	30
	2021 <u>2024</u>	0
<u>Minnesota</u>	2022	0
Montana	2023	13
	2021 <u>2024</u>	0
<u>Missouri</u>	2022	20
Nebraska	2023	01
	2021 <u>2024</u>	0
<u>Montana</u>	2022	12
Nevada	2023	0
	2021 <u>2024</u>	0
<u>Nebraska</u>	2022	1
New Mexico	2023	0
	2021 <u>2024</u>	0
<u>Nevada</u>	2022	21
Ohio	2023	0
	2021 <u>2024</u>	0
<u>New Mexico</u>	2022	12
Oregon	2023	0
	2021 <u>2024</u>	0
<u>Ohio</u>	2022	1
Pennsylvania	2023	0
	2021 <u>2024</u>	0
<u>Oregon</u>	2022	01
South Carolina	2023	10
	2021 <u>2024</u>	0
<u>Pennsylvania</u>	2022	0
South Dakota	2023	01
	2021 <u>2024</u>	0
<u>South Dakota</u>	2022	1

Column 1 State	Column 2 Year	Column 3 Number of Transfers
	2023	0
Utah	2021 <u>2024</u>	0
<u>Utah</u>	2022	1
	2023	0
Washington	2021 <u>2024</u>	0
<u>Washington</u>	2022	4
	2023	0
Total	2021 <u>2024</u>	10
	2022	25
<u>Total</u>	2023	7
	<u>2024</u>	<u>1</u>

TABLE NO. 3
Status of Franchised Outlets
For Years ~~2021~~2022 to ~~2023~~2024

Column 1 State	Column 2 Year	Column 3 Outlets at the State of the Year	Column 4 Outlets Opened	Column 5 Termination	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Alabama	2021 <u>2022</u>	7	0	0	0	0	0	7
	2022 <u>2023</u>	7	0	0	0	0	0	7
	2023 <u>2024</u>	7	0	0	0	0	0	7
Arizona	2021	3	0	0	0	0	0	3
<u>Arizona</u>	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	2	1
Arkansas	2021 <u>2024</u>	2 <u>1</u>	0	0	0	0	0	2 <u>1</u>
<u>Arkansas</u>	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
California	2021 <u>2024</u>	11 <u>12</u>	0	0	0	0	0 <u>1</u>	11 <u>11</u>
<u>California</u>	2022	11	2	0	0	0	0	13
	2023	13	0	0	0	0	0	13
Colorado	2021 <u>2024</u>	1 <u>13</u>	0	0	0	0	0	1 <u>13</u>
<u>Colorado</u>	2022	1	3	0	0	0	0	4
	2023	4	0	0	0	0	1	3
Connecticut	2021 <u>2024</u>	1 <u>3</u>	0 <u>0</u>	0 <u>0</u>	0	0	0 <u>1</u>	1 <u>2</u>

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at the State of the Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Connecticut	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Florida	2021 2024	6 1	0	0	0	0	0	6 1
Florida	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Georgia	2021 2024	10 6	0	0	0	0	0	10 6
Georgia	2022	10	0	1	0	0	1	8
	2023	8	0	0	0	0	0	8
Hawaii	2021 2024	8 7	0	0	0	0	0 1	7 1
Hawaii	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Idaho	2021 2024	1	0	0	0	0	0	1
Idaho	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Illinois	2021 2024	7 1	0	0	0	0	0	7 1
Illinois	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Indiana	2021 2024	7	0	0	0	0	1	6
Indiana	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Iowa	2021 2024	5 6	0	0	0	0	0	5 6
Iowa	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Kansas	2021 2024	2 5	0 1	0	0	0	0	2 6
Kansas	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Kentucky	2021 2024	3 2	0	0	0	0	0	3 2
Kentucky	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Louisiana	2021 2024	2 3	0	0	0	0	0	2 3
Louisiana	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
Maine	2021 2024	3 1	0	0	0	0	0	3 1

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at the State of the Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Maine	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Maryland	2021 2024	2 3	0	0	0	0	0 1	2
Maryland	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Massachusetts	2021 2024	4 2	0	0	0	0	0	4 2
Massachusetts	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Michigan	2021 2024	4	0	0	0	0	0	4
Michigan	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Minnesota	2021 2024	5 4	0 1	0	0	0	0	5
Minnesota	2022	5	0	0	0	0	1	4
	2023	4	0	0	0	0	0	4
Mississippi	2021 2024	1 4	0	0	0	0	0 1	1 3
Mississippi	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Missouri	2021 2024	3 1	0	0	0	0	0	3 1
Missouri	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Montana	2021 2024	3	0	0	0	0	0	3
Montana	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Nebraska	2021 2024	3	0	0	0	0	0 1	3
Nebraska	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Nevada	2021 2024	2 3	0	0	0	0	0 1	2 3
Nevada	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New Hampshire	2021 2024	2	0	0	0	0	0 1	2
New Hampshire	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
New Jersey	2021 2024	2 1	0	0	0	0	0	2 1

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at the State of the Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
New Jersey	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New Mexico	2021 2024	3 2	0	0	0	0	0	3 2
New Mexico	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
New York	2021 2024	5 3	0	0	0	0	0 2	5 1
New York	2022	5	1	0	0	0	0	6
	2023	6	1	0	0	0	0	7
North Carolina	2021 2024	6 7	0	0	0	0	0 1	6
North Carolina	2022	6	1	0	0	0	0	7
	2023	7	0	0	0	0	0	7
North Dakota	2021 2024	3 7	0	0	0	0	0 1	3 6
North Dakota	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	2	2
Ohio	2021 2024	9 2	0	0	0	0	0	9 2
Ohio	2022	9	0	0	0	0	1	8
	2023	8	1	0	0	0	0	9
Oklahoma	2021 2024	1 9	0	0	0	0	0	1 9
Oklahoma	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oregon	2021 2024	1	0	0	0	0	0	1
Oregon	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Pennsylvania	2021 2024	7 2	0	0	0	0	0	7 2
Pennsylvania	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	1	6
South Carolina	2021 2024	1 6	0 1	0	0	0	0	1 7
South Carolina	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
South Dakota	2021 2024	3 1	0	0	0	0	0	3 1
South Dakota	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Tennessee	2021 2024	5 3	0	0	0	0	0 1	5 2

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at the State of the Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Tennessee	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Texas	2021 2024	125	0	0	0	0	0	125
Texas	2022	12	0	0	0	0	2	10
	2023	10	0	0	0	0	2	8
Utah	2021 2024	18	0	0	0	0	0	18
Utah	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Vermont	2021 2024	2	0	0	0	0	0	2
Vermont	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Virginia	2021 2024	41	0	0	0	0	0	41
Virginia	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Washington	2021 2024	14	0	0	0	0	0	14
Washington	2022	1	4	0	0	0	0	5
	2023	5	0	0	0	0	0	5
West Virginia	2021 2024	05	0	0	0	0	01	04
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Wisconsin	2021 2022	6	0	0	0	0	0	6
	2022 2023	6	0	0	0	0	0	6
	2023 2024	6	0	0	0	0	0	6
Wyoming	2021	2	0	0	0	0	0	2
Wyoming	2022	2	0	1	0	0	0	1
	2023	1	0	0	0	0	0	1
Total	2021 2024	174	10	10	0	0	10	173
Total	2022	173	13	2	0	0	5	179
	2023	179	3	0	0	0	10	172
	2024	172	3	0	0	0	15	160

TABLE NO. 4
Status of Company-Owned Outlets
For Years ~~2021~~2022 to ~~2023~~2024

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
State	Year	Outlets at the State of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at the End of the Year
Alaska	2021	2	0	0	0	0	2
<u>Alaska</u>	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
California	2021 2024	2	0	0	0	0	2
<u>California</u>	2022	2	0	0	0	2	0
	2023	0	0	0	0	0	0
Colorado	2021 2024	3 0	0	0	0	0	3 0
<u>Colorado</u>	2022	3	0	0	0	3	0
	2023	0	0	0	0	0	0
Oregon	2021 2024	1 0	0	0	0	0	1 0
<u>Oregon</u>	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
Utah	2021 2024	1 0	0	0	0	0	1 0
<u>Utah</u>	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
Washington	2021 2024	4 0	0	0	0	0	4 0
<u>Washington</u>	2022	4	0	0	0	4	0
	2023	0	0	0	0	0	0
West Virginia	2021 2024	0	0	0	0	0	0
<u>Total</u>	2022	0 13	0	0	0	0 11	0 2
	2023	0 2	0	0	0	0	0 2
Total	2021	13	0	0	0	0	13
	2022	13	0	0	0	11	2
	2023 2024	2	0	0	0	0	2

TABLE NO. 5
Projected Openings As Of December 31, ~~2023~~2024

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Michigan [All States]	0	±0	0
Total	0	±0	0

* All listed facilities are Production Facilities.

* A list of all current franchisees and the addresses and telephone numbers of all of their Bandag Facilities, and the names and addresses of the franchisees whose franchises were discontinued for any reason in the preceding 12 months, is included in this Disclosure Document at Exhibit H.

* No franchisee has failed to communicate with Bandag within 10 weeks of the date of this Disclosure Document.

- a. 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 Bandag. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.
- b. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

21. FINANCIAL STATEMENTS

Our affiliate Bridgestone Bandag Franchising, LLC absolutely and unconditionally guarantees the performance of our obligations under (a) our franchise registrations that become effective on or after March 20, 2008 in states requiring the registration of the offer and sale of our franchises and (b) our Bandag Dealer Franchise Agreements and related agreements entered into after March 20, 2008. The audited statements of financial position of Bridgestone Bandag Franchising, LLC as of December 31, ~~2024, 2023, and 2022~~ 2024, 2023, and 2022, and the related statements of comprehensive income, changes in member’s equity, and cash flows for the years ended December 31, ~~2023~~2024, December 31, ~~2022~~2023 and December 31, ~~2021~~2022 are included in this Disclosure Document at Exhibit B. ~~Exhibit B also contains the unaudited statement of financial position, statement of comprehensive income, changes in member’s equity, and cash flows of Bridgestone Bandag Franchising, LLC for the 3-month period ending March 31, 2024.~~

The Guarantee of Performance is also included in Exhibit B.

22. CONTRACTS

A sample of Bandag’s standard Dealer Franchise Agreement is included in this Disclosure Document at Exhibit A. The following agreements also are attached: Security Agreement (Exhibit C); Individual Guaranty and Entity Guaranty (Exhibits C-1 and C-2, respectively); BASys Product Program Request Form and Master Purchase Agreement for BASys Suite of Products (Exhibit D); National Account Program Description (Exhibit E); Dealer Subcontract (Exhibit F); and State Riders to the Franchise Agreement (Exhibit J).

23. **RECEIPTS**

Following the Exhibits to this Disclosure Document are duplicate detachable receipts by which you acknowledge receipt of this Disclosure Document, including all Exhibits to this Disclosure Document. Upon receiving this Disclosure Document, you must date and sign one copy of the receipt and return it to Bandag.

EXHIBIT A
BANDAG DEALER FRANCHISE AGREEMENT

BANDAG DEALER FRANCHISE AGREEMENT

Franchisee Business Name: _____

Business Address: _____

Dealer Number(s): _____

Effective Date: _____



TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
1. BACKGROUND	1
2. FRANCHISE RELATIONSHIP	1
2.1 Bandag Dealership Business.....	1
2.2 Mutual Commitment.....	1
3. GRANT AND ACCEPTANCE OF FRANCHISE	1
3.1 Franchise and Territory.....	1
3.2 Term.....	2
3.3 Renewal.	2
3.4 Initial or Renewal Fee.....	3
3.5 Training.....	3
3.6 Acknowledgments.	3
3.7 Acceptance.....	4
4. FRANCHISE MANAGEMENT AND EQUITY	4
4.1 Dealership Management.	4
4.2 Business Equity.	4
5. BANDAG SUPPORT SERVICES.....	4
5.1 Best Efforts.	4
5.2 Bandag System Manual.	4
5.3 Training.....	5
5.4 Sales and Technical Support.....	5
5.5 Bandag Alliance Council.....	5
5.6 Additional Support.....	5
6. DEALER PERFORMANCE.....	5
6.1 Best Efforts.	5
6.2 Confidentiality.	6
6.3 Conflicts of Interest.	6
6.4 Warranties.....	7
7. DEALERSHIP STANDARDS.....	7
7.1 Operating Standards.....	7
7.2 Franchise Compliance Audit.	8
7.3 Intellectual Property.....	8
7.4 Trademark Ownership.	8
7.5 Trademark Usage.....	8
7.6 Product Purchase Requirements.	8
7.7 Purchase Orders.	9
7.8 Security Interest.	9
7.9 Payment.	9
7.10 Financial Records, Reports and Dealership Records.....	9

TABLE OF CONTENTS
(continued)

<u>Section</u>	<u>Page</u>
7.11 Indemnification.....	9
7.12 Insurance.....	10
7.13 Accounts.....	10
8. FRANCHISE TRANSFER.....	10
8.1 Transfer Restrictions.....	10
8.2 Conditions to Transfer.....	10
8.3 Dealer Death or Disability.....	11
8.4 Public Offering.....	12
8.5 Transfer by Franchisor.....	12
9. RESOLUTION OF DISPUTES.....	12
9.1 Notice and Mediation.....	12
9.2 Venue and Jurisdiction.....	13
9.3 Injunctive Relief.....	13
9.4 WAIVER OF JURY TRIAL.....	13
9.5 LIMITATION OF REMEDIES.....	13
10. TERMINATION.....	14
10.1 Grounds.....	14
10.2 Notice.....	15
10.3 Consequences.....	15
10.4 Operation After Termination or Expiration.....	16
11. MISCELLANEOUS PROVISIONS.....	16
11.1 Interpretation.....	16
11.2 Survival.....	16
11.3 Governing Law.....	17
11.4 Severability.....	17
11.5 Notice.....	17
11.6 Relationships.....	17
11.7 Review.....	17
11.8 Acknowledgements.....	17

Signatures

Owner's Covenants

Glossary of Selected Terms

EXHIBIT A: Franchise Territory

EXHIBIT B: Production Facilities

BANDAG DEALER FRANCHISE AGREEMENT

BANDAG DEALER FRANCHISE AGREEMENT dated _____, (the “Agreement”) between BRIDGESTONE BANDAG, LLC, d/b/a BANDAG, an Iowa limited liability company, located at ~~535 Marriott Drive~~200 4th Avenue South, Nashville, Tennessee ~~37214~~37201 (“BANDAG,” “we,” “our,” or “us”), and _____ located at _____ (“Dealer,” “Franchisee,” “you,” or “your”).

1. BACKGROUND

We manufacture tread, equipment, and other materials that our Dealers use in our proprietary process to manufacture retreaded tires for sale. We also provide proprietary business process consulting related to the commercial tire business and contract directly with fleet customers who desire access to Bandag products and services. We identify customers and invest in technical, marketing, and sales research for our franchisees. We also advertise Bandag products and services on behalf of the Bandag Alliance. These are some of the investments that create demand for Bandag products and services and that foster our franchisees’ ability to compete with other retreading systems. Our Dealers provide wheel and tire products and services to commercial customers using one or more lines of new tires as well as Bandag retreaded tires and related products and services.

This Agreement establishes and governs the relationship between us, as franchisor and supplier of proprietary materials, equipment and services, and you, as a franchised Bandag Dealer.

To make this Agreement shorter and easier to understand, certain terms which are capitalized in this Agreement are defined in a glossary at the end of the Agreement.

2. FRANCHISE RELATIONSHIP

2.1 Bandag Dealership Business. You wish to establish and operate, or continue to operate if this Agreement is being signed in connection with renewal of your franchise, a Bandag Dealership, using the Bandag System and the Licensed Marks, in one or more trade areas defined in Exhibit A (the “Franchise Territory”). You commit to meet or exceed Performance Expectations as outlined in the Manual, provide sales and service coverage and manufacturing capability to support these efforts, and fulfill all Dealer obligations as set forth in this Agreement. This may include an obligation to support and service our fleet customers according to this Agreement and the terms of any other agreement between us relating to a fleet.

2.2 Mutual Commitment. This Agreement imposes responsibilities on both parties to do their best to promote and strengthen the Bandag System and brand. We will support and assist the Bandag System; you will continue to invest in your Dealership and remain committed to the Bandag System; and you and we commit to a high degree of mutual cooperation toward Bandag System objectives.

3. GRANT AND ACCEPTANCE OF FRANCHISE

3.1 Franchise and Territory. We grant you a non-exclusive franchise to use the Bandag System and the Licensed Marks to operate a Dealership, at a location to which we consent within the Franchise Territory, which (i) sells Products to commercial and fleet customers in the Franchise Territory (“Sales Facility”), and (ii) where designated in Exhibit B, uses

the Bandag System and Materials you purchase from us to produce Products which you sell to commercial and fleet customers in the Franchise Territory (“Production Facility”). Under this Agreement, you may use certain patents we or our Affiliates or subsidiaries own, and periodically designate (entirely or by individual claim) as part of the Bandag System, but you may use them only to use the Bandag System to operate your Dealership under this Agreement, and only for so long as this Agreement remains in effect and the designated patent(s) both remain in effect and are designated by us as part of the Bandag System. The rights granted to you are subject to the following terms and conditions:

- (a) You may respond to specific requests from your customers for Bandag products or services at any location, but outside the Franchise Territory, to which you are assigned, you may not use the Marks to identify any facility and we are not obligated to provide Dealer support services. Franchise Territories are not exclusive territories, may overlap one another, and do not preclude us from establishing or relocating any Dealership facility in or into a Franchise Territory.
- (b) You may produce Products only at the Production Facility (or Facilities) listed on Exhibit B.
- (c) You may relocate a Production Facility only with our written consent, to a suitable site within the Franchise Territory that does not in our opinion infringe upon another Bandag business. The replacement Production Facility must open within 10 days after the prior Production Facility closes, and must conform to all requirements of this Agreement and to then current Bandag System standards.
- (d) You agree to communicate promptly to us each improvement to the Bandag Process, Bandag Method, or Bandag Products that you conceive or develop, and transfer to us, without remuneration, record ownership of all right, title and interest to the improvement and all associated intellectual property rights.
- (e) We will license you to use in your Dealership, any improvements in the Bandag System that we choose to license to the Bandag System, generally.
- (f) We reserve all rights not expressly granted to you in this Agreement.

3.2 Term. This Agreement is for five years, beginning on the Effective Date and expiring at midnight Central Time (U.S. and Canada) on the fifth anniversary of the Effective Date (the “Term”).

3.3 Renewal. The franchise will be automatically renewed for a 5 year term unless you or we give the other party written notice of an election not to renew the franchise at least 6 months prior to the end of the Term. Renewal of the franchise shall be effected by the execution by the parties of our then current form of franchise agreement (which may differ from this Agreement) and the payment of a renewal fee to us in the amount of \$1,000.00. We may condition any renewal of the franchise on your agreement to renovate and upgrade your Dealership (including all Production Facilities and Sales Facilities) to meet our then current standards for the operation of a Bandag Dealership. At the request of either party, the parties agree to meet on or about 12 months prior to the end of the Term to discuss renewal of this Agreement. If either of us elect not to renew the franchise,

we may take any actions we deem appropriate prior to expiration to replace your Dealership or you as a Dealer. If either of us elect not to renew the franchise, we may take actions we deem appropriate to prepare for any necessary transition, but you will remain a Dealer in good standing through the term of your Franchise Agreement unless we mutually agree to terminate at an earlier date.

- 3.4 Initial or Renewal Fee. You agree to pay us upon execution of this Agreement an initial franchise fee of \$2,500.00 if you are purchasing a new franchise or \$1,000 in the event this Agreement is being signed in connection with your renewal of the franchise. Neither the initial franchise fee nor the renewal fee is refundable under any circumstances.
- 3.5 Training. If you are acquiring a new franchise, you or your manager must complete our initial training program to our satisfaction. Each manager of each Production Facility and Sales Facility you operate must successfully complete all required training programs listed in the Manual or otherwise prescribed by us.
- 3.6 Acknowledgments. You acknowledge and agree that:
- (a) Your Dealership includes a combination of all or some sales, service and manufacturing opportunities, and of the Bandag System, that in our opinion best suits the Franchise Territory and the commercial fleet needs therein.
 - (b) We may establish, and periodically modify, one or more categories of Dealers, with different features and benefits based on specified types and levels of Dealer investment and performance.
 - (c) Your Dealership will use only those elements of the Bandag System, produce and sell only those Products, and be identified by and use only those Marks, which we authorize periodically.
 - (d) We developed the Bandag System at considerable expense and investment. Your disclosure or unauthorized or improper use of all or any part of the Bandag System or of our trade secrets or proprietary or Confidential Information would cause us and other Bandag Dealers irreparable harm, and you will not engage in such practices.
 - (e) Dealer Performance and Dealership Standards, as prescribed in Sections 6 and 7 of this Agreement, are vital to the success and integrity of the Bandag System and the Bandag Alliance, and you will conform strictly to these requirements.
 - (f) You will not directly or indirectly sublicense, delegate or transfer any of the rights licensed by this Agreement, except in accordance with Section 8.
 - (g) We and our Affiliates and licensees may conduct various business activities including various tire and retreading businesses. You may be subject to competitive impact from these and other activities.

- (h) Other Bandag Dealers operate under forms of agreement which may differ materially from this one and that standards for these Dealerships may vary from those required of you.

3.7 Acceptance. You represent that you have fully and truthfully completed our franchise application. You accept this Agreement and agree to begin operating your Dealership hereunder within 90 days, unless we agree in writing to an extension. If you (or your designated manager) fail to complete our initial training program to our satisfaction, or to begin operating your Dealership on time, you will thereby voluntarily cancel this Agreement. You agree to operate your Dealership in accordance with the Bandag System, this Agreement, and the Manual at all times.

4. FRANCHISE MANAGEMENT AND EQUITY

4.1 Dealership Management. You, or your qualified manager, must manage the day-to-day operations of your Dealership on a continuous, full-time basis.

4.2 Business Equity. We recognize that you are an independent business owner with a desire to build, protect, and pass on business equity. Although we will use our commercially reasonable best efforts to support you in accordance with this Agreement (see Section 5.1), you are ultimately responsible for your performance and for building equity in your Dealership business.

5. BANDAG SUPPORT SERVICES

5.1 Best Efforts. We will use our commercially reasonable best efforts to keep the Process up-to-date and competitive, to support the Bandag System in cooperation with Dealers through research, marketing, advanced training, communication and participation in the Bandag Alliance Council (see Section 5.5), and to act fairly in our dealings with our Dealers. We will use our commercially reasonable best efforts to:

- (a) Develop and deliver quality equipment, information, products, programs, and services that support Dealers in promoting and increasing sales of PSIP;
- (b) Provide Dealers with opportunities for growth and development through the Dealer Development Process described in the Manual;
- (c) Provide personnel as we deem appropriate to support Dealer sales, service, and manufacturing efforts;
- (d) Protect and enhance the value of the Bandag system, generally; and
- (e) Maintain the value and integrity of the Bandag System for the benefit of Bandag Dealers, Bandag customers, and Bandag.

5.2 Bandag System Manual. We will supply you with one copy of our proprietary and confidential Manual for your Dealership. We may change the contents of the Manual periodically, including adding or deleting material. It is your responsibility to place all updates in the Manual provided.

- 5.3 Training. We will develop and deliver quality training to support Dealers in using Bandag equipment, and PSIP, as follows:
- (a) We will provide training at the Bandag Learning Center, or at your Dealership or another location we designate.
 - (b) At your request, we may provide optional supplemental training for you and/or your key personnel at a mutually convenient time and location.
 - (c) We may, at our reasonable discretion, require periodic retraining of you and any of your managers.
 - (d) We may charge you a reasonable fee for training.
- 5.4 Sales and Technical Support. We will use our commercially reasonable best efforts to hire capable sales and technical support personnel, set appropriate performance expectations, and provide them with training and necessary resources and tools, so they can assist and support Bandag Dealers. We will advise you on the management of your Dealership, including the proper display of the Marks; procurement, maintenance, and operation of equipment; Product production; customer service; advertising, sales and local marketing; and cost control techniques.
- 5.5 Bandag Alliance Council. We have established and work with the Bandag Alliance Council, comprised of representatives of Bandag and selected representatives of Bandag Dealers in the United States and Canada. The Bandag Alliance Council, whose members change periodically according to its By-laws, advises us on issues affecting the Bandag business and the network of Dealers in the United States and Canada, and assists in developing strategies and tactics for the success of the Bandag System. The Bandag Alliance Council serves as a forum for sharing and acting upon concerns of the Bandag Alliance. The operating guidelines of the Bandag Alliance Council are described in the Manual.
- 5.6 Additional Support. We may make available to you any additional services, facilities, marketing resources, rights and privileges relating to the operation of your Dealership which we make available periodically to Dealers in the type of Dealership you currently operate. You understand that certain of these services, facilities and marketing resources may only be made available to Bandag Dealers who have signed our current form of dealer franchise agreement with the operational requirements set forth therein.

6. DEALER PERFORMANCE.

In addition to your obligations prescribed in the Manual, you agree to the following:

- 6.1 Best Efforts. You will use your best efforts to support and promote the Bandag System, be the best tire support service provider and maximize Bandag market share in the Franchise Territory, reinvest appropriately in your Dealership, meet the tire needs of Bandag customers in the Franchise Territory, and hire, train, develop and reward the best possible employees in your Dealership. You will use your best efforts to:

- (a) Promote and increase the sales of PSIP in the Franchise Territory;
- (b) Achieve and maintain strategic, operational, and financial health through active participation in the Dealer Development Process as defined in this Agreement and described in the Manual; and
- (c) Protect and enhance the value of your Bandag Dealership, and conduct the business at your Dealership such that you enhance (and in no way adversely affect) the reputation and goodwill of Bandag, the Marks, the Bandag System and members of the Bandag Alliance.

6.2 Confidentiality. During and after the Term, neither you nor your employees or agents shall disclose to a third party or the public or use, except to operate the Dealership, any Confidential Information or proprietary information, or trade secret, which we own or disclose to you, or which relates to the Bandag System, the Products or Bandag's business. This includes the entire contents of the Manual and the Agreement. You shall inform your employees and anyone permitted access to Confidential Information of their obligations under this Agreement, and shall take such steps as may be reasonable under the circumstances to prevent any unauthorized disclosure, copying or use of Confidential Information.

6.3 Conflicts of Interest. During the Term, neither you nor any other person referred to in the third paragraph below in this Section 6.3 shall directly or indirectly: (a) purchase, use, produce, sell or supply retread products that compete with Bandag retreads or the Process or System; (b) have any ownership or other interest in, or provide support to, any business that competes with the Process or produces or supplies products that compete with Bandag Retreads, except with our prior written consent. This restriction applies everywhere in the United States, Mexico and Canada. You agree that your compliance with this Section 6.3 will not prevent you from earning a living in other pursuits for which you are qualified, including other aspects of the commercial tire business. You further agree that the covenants contained in this Section 6.3 are reasonable and benefit you and other Bandag Dealers and the Bandag System, as well as us, and you understand that your agreement to these covenants is an important consideration for our entering into this Agreement. You waive any restrictions on our ability to hold you to these obligations.

It is your responsibility to demonstrate your compliance with this Section 6.3. This Section 6.3 also applies to guarantors of this Agreement, your spouse and children who are stakeholders in your Dealership, and if Dealer is a corporation or other entity, your officers, directors, LLC governors, employees, partners, and each controlling person or Owner. For purposes of this Section, "controlling person" means a person or entity who owns 5% or more of the stock, assets or shares of the corporation or other entity.

Notwithstanding your obligations under this Section 6.3, you will be permitted to:

Perform certain services on competitive retread products for national fleet accounts with consent from Bandag. For purposes of this Section 6.3, permitted services shall include repairs, mounting and dismounting products, removal/installation of tire wheel assemblies, balancing, air pressure maintenance, rotation, and fleet inspections. You will also be permitted to, with the consent of

Bandag, to purchase title to inventory of finished retreaded products when converting competitive national account business.

6.4 Warranties. WE MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF (i) MATERIALS OR EQUIPMENT WE SUPPLY, OR (ii) PRODUCTS YOU MAKE AND FURNISH TO CUSTOMERS. The only warranty we make on Materials or Bandag equipment is expressed in our written warranty policy in the Manual and in descriptions on shipping containers and labels. Our only warranty on Products is expressed in written warranties we negotiate with customers. You are not authorized to, and you shall not, create or offer any warranty, express or implied, in our name or which obligates us to a customer with respect to any goods or services. WE DISCLAIM LIABILITY FOR INCIDENTAL AND CONSEQUENTIAL LOSSES AND DAMAGES. YOUR SOLE REMEDY FOR BREACH OF ANY WARRANTY, EXPRESS OR IMPLIED, IS REPLACEMENT OR REFUND OF THE PRICE PAID PLUS SHIPPING. YOU AGREE THAT OUR PRICES ARE BASED ON THIS LIMITATION.

You agree to participate in the Bandag Dealer National Warranty Program and in other applicable warranty programs, described in detail in the Manual.

7. DEALERSHIP STANDARDS

7.1 Operating Standards. You agree to operate your Dealership continuously in strict accordance with the Manual and satisfy all “Minimum Dealer Standards” described therein. You understand and agree that Minimum Dealer Standards may include manufacturing, ancillary materials and maintenance systems and processes; required equipment; technology requirements and systems; marketing of your Dealership; appearance of your Dealership; training of Dealership personnel ; and successor and ownership planning. In performing the Process, you will use only the Bandag System. All products produced by your Dealership must meet specifications as outlined in the Manual. You agree to:

- (a) Comply within a reasonable time with changes we make in the Manual, Bandag System and standards even if additional investment or expenditures are required;
- (b) Equip, furnish and maintain your Dealership strictly in accordance with Bandag System requirements and standards set forth in the Manual;
- (c) Maintain the Dealership and all equipment used in the Process in proper operating condition as depicted in the Product Specifications and Manufacturing Requirements prescribed in the Manual and/or equipment manuals, and in accordance with all applicable laws, regulations, codes;
- (d) Promote and market the Dealership in the manner we may prescribe from time to time;
- (e) Use in the operation of the Dealership the management systems and related technology designated by us for which we may be the only approved vendor and for which we may charge a user or license fee;

- (f) Not dispose of Bandag equipment or Materials in any way other than as prescribed in the Manual;
- (g) Not manufacture retreaded tires for use on aircraft;
- (h) Not use the Process or Materials, either directly or indirectly, to produce off-the-road tires with a finished retread diameter greater than 53.5 inches; and
- (i) Not use the Licensed Marks, either directly or indirectly, in connection with the sale of any off-the-road tires with a finished retread diameter greater than 53.5 inches that you might otherwise produce.

7.2 Franchise Compliance Audit. To determine whether you and the Dealership are complying with this Agreement, and with all Minimum Dealer Standards we prescribe for the operation of a Bandag Dealership we or our agents have the right, at any reasonable time and without advance notice to you, to: (1) inspect the Dealership; (2) observe the operations of the Dealership for such consecutive or intermittent periods as we deem necessary; (3) interview personnel of the Dealership; (4) interview customers of the Dealership; and (5) inspect and copy any books, records and documents relating to the operation of the Dealership. You agree to fully cooperate with us in connection with any of those inspections, observations and interviews. You agree to present to your customers any evaluation forms we periodically prescribe and agree to participate and/or request your customers to participate in any surveys performed by or on our behalf.

7.3 Intellectual Property. You acknowledge that Bandag has valuable Intellectual Property rights associated with the Process, Products, Bandag System and documentation and that such Intellectual Property rights shall remain at all times the sole property of Bandag. Any employees, agents, or representatives of your Dealership, who should have access to the Process, Products, Bandag System and documentation hereby assign to Bandag any and all rights to any intellectual property developed or suggested based upon such access.

7.4 Trademark Ownership. Bandag has valuable property rights in the Marks and the Marks designate to customers the origin of Bandag PSIP. You have no right, ownership or other interest in or to any of the Marks except the non-exclusive license to use them in strict conformity with this Agreement. You may not use the Marks as part of your corporate or business name without our permission. Your use of the Marks inures solely to our benefit. We (or our Affiliates) own all goodwill now or hereafter associated with each of the Marks we (respectively) own. You will not contest our rights or registration of the Marks or do anything likely to impair the goodwill associated with the Marks.

7.5 Trademark Usage. You agree to reproduce and use the Licensed Marks only in the precise manner, colors, forms, and media we prescribe, and only in association with goods and services we authorize. You must conform to our Bandag® Logo and Trademark Usage Requirements and Policy, as described periodically in the Manual.

7.6 Product Purchase Requirements. If certain tire retreading equipment or machinery is a specific requirement for use in the Process, as specified in the Manual for the Dealership, then you agree to purchase or lease it from us. You agree not to purchase any Bandag

equipment or machinery from any other source. You agree to replace any equipment that is worn out, obsolete or not functioning properly. You may not sell or dispose of any Bandag equipment and machinery to any third party during the Term or following termination or expiration of this Agreement unless pursuant to an authorized transfer of this Agreement. You must cease using Bandag equipment and machinery upon termination or expiration of this Agreement. We will sell to you, and you agree to purchase from us, your entire requirements of Materials for use in the Process. Prices are subject to change. All other supplies, equipment, inventory and fixtures purchased for use in the Process must comply with requirements prescribed periodically in the Manual.

- 7.7 Purchase Orders. You agree to use our forms and follow our procedures prescribed periodically in the Manual to order Materials (including equipment) from us. This Agreement governs any inconsistency with any purchase order, acceptance or confirmation, act, practice or course of dealing.
- 7.8 Security Interest. You agree to execute and deliver to us our then-current standard form(s) of security agreement to secure all of your obligations to us. Any other person or entity who owns equipment used in the Process must execute and deliver a similar security agreement to secure your and their respective obligations to us. We may enter into other agreements with your bank or other lending institutions to secure our rights and options under this Agreement.
- 7.9 Payment. You agree to pay in full for all goods and services you buy from us within the time period and on the basis we prescribe in the Terms and Conditions of Sales as set forth in the Manual. We may establish and modify credit availability, credit availability limits and credit or other payment terms for your Dealership at any time without notice. We may charge interest on any amounts you owe us (except interest on unpaid amounts due) that are not paid when due, from the date due until paid, at the highest contract rate of interest allowed by the law of the state where the Dealership is located, or at the rate of 18% in those states where no such limit is specified. You must also pay costs, including reasonable attorneys' fees, we incur in collecting past due amounts from you.
- 7.10 Financial Records, Reports and Dealership Records. You agree to keep, and make available upon request, financial statements, reports, books and any records concerning the Dealership, including forms or in media prescribed from time to time in the Manual. You will allow us, or our representative, to inspect, copy and audit such records without notice at the Dealership during the business day. You will install and use such electronic or other data storage, retrieval and transmission hardware and software as we periodically designate to serve the needs of specific customers. We will treat your confidential information as confidential, but we may use it in compiling reports, analyses and disclosures provided that the aggregations we use do not reveal your individual data.
- 7.11 Indemnification. You must report to us immediately any claim involving the Dealership or Products. You will defend, indemnify and hold harmless Bandag, its Affiliates and their respective officers, agents, and employees from all suits, claims, demands, liabilities and costs, including attorneys' fees, in tort, contract, or otherwise, arising out of or in connection with your operation of the Dealership, except to the extent directly caused by our negligence. You waive and release all claims against us, our Affiliates, and their

respective officers, agents, and employees for damages to property or injuries to persons arising out of or in connection with the operation of the Dealership, except to the extent directly caused by our negligence.

- 7.12 Insurance. You agree to maintain (i) insurance coverage required by law, (ii) commercial general liability insurance including products liability, completed operations, contractual liability, and (iii) motor vehicle liability insurance. The required limits for commercial general liability and motor vehicle liability shall each be a minimum of \$2,000,000.00 combined single-limit coverage for bodily injury and property damage, or such higher limit as we may set periodically. Insurance shall be with insurers and on forms acceptable to us, shall name us as an additional insured, and waive subrogation. You will give us a certificate of current insurance coverage upon execution of this Agreement, and annually thereafter.
- 7.13 Accounts. We may credit or debit your account(s) with us, or any of our Affiliates, to effect adjustments for warranty service, offsets, collection or adjustment of delinquencies or errors, or other reconciliations. We will give you periodic statements of account and, upon request, document any credits, debits or offsets we make.

8. FRANCHISE TRANSFER.

- 8.1 Transfer Restrictions. You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you and your Owners and that we have entered into this Agreement in reliance on the character, skill, aptitude, attitude, business ability and financial capacity of you and your Owners. You agree not to: (a) engage in or allow the voluntary or involuntary, direct or indirect, sale, assignment, transfer, or other disposition (including, without limitation, any transfer in, or as a result of, divorce, insolvency, foreclosure, death, dissolution or otherwise by operation of law) of any legal or beneficial interest in: (i) this Agreement or any right under this Agreement, (ii) the equity, revenues or income of your Dealership, (iii) the assets of your Dealership, other than the sale of inventory in the ordinary course of business, or (iv) the business entity that owns an equity interest directly or indirectly in your Dealership; or (b) change or allow a change in any of your Owners (individually or collectively, a "Transfer") without our prior written consent. Any purported Transfer, by operation of law or otherwise, not having our prior written consent pursuant to Sections 8.2, 8.3 or 8.4 below shall be null and void and shall constitute a material breach of the Agreement and good cause, as that term is defined in Section 10.1(a) of this Agreement, for our termination of this Agreement.
- 8.2 Conditions to Transfer. You must apply for our consent by submitting notice of any pending Transfer with a complete application signed by you and by the proposed transferee at least 60 days before the proposed Transfer date. We may withhold consent unless you and your transferee comply with the following terms and conditions and such other terms and conditions as we may reasonably require under the circumstances.
- (a) You and your Owners and Affiliates, as applicable, must be in compliance with this Agreement and all other agreements with us or any of our Affiliates and all amounts owed by you and your Owners and Affiliates to us or any of our Affiliates, whether or not then payable or past due, shall be paid in full;

- (b) The proposed transferee, or its owners (if the proposed transferee is a legal entity), must provide us on a timely basis all information and interviews we request, and, in our sole opinion must be individuals who are of good character and reputation, who have sufficient business experience, aptitude and financial resources to operate the Dealership, and who otherwise meets our approval;
- (c) The transferee must agree to upgrade the Dealership and the equipment to conform to our then current requirements for a Dealership and to enroll in our training programs and obtain proper certification for at least one manager and all key production personnel;
- (d) The transferee (and its owners) must agree to be bound by all of the provisions of this Agreement, including the restrictive covenants set forth in Section 8, as well as all related documents including, but not limited to equipment leases and guarantees, for the remainder of the Term or, at our option, executes our then current standard form of franchise agreement and related documents used in the state in which the Dealership is located at the time of our approval (provided that it shall include a term equal to the remaining balance of the Term);
- (e) You must pay us a transfer fee of \$1,500.00;
- (f) Except to the extent limited or prohibited by applicable law, you and your Owners and Affiliates must execute a general release, in a form and content satisfactory to us, of any and all claims against us and our Affiliates and their respective officers, directors, employees, agents, successors and assigns;
- (g) Any financing which you (or any of your Owners or Affiliates) may offer the transferee must be subordinate to any current or future obligations of the transferee to us or our Affiliates; and
- (h) You and your Owners and Affiliates must execute such other documents and do such other things as we may reasonably require to protect our rights under the proposed transfer.

8.3 Dealer Death or Disability. Your death, disability or incapacity if you are an individual or the death, disability or incapacity of an Owner who is an individual is also a "Transfer." The deceased individual's executor, heir or legal representative if you are an individual or your if you are not an individual, must: (a) apply within 60 days of the death, disability or incapacity for our consent to the Transfer resulting from such death, disability or incapacity; and (b) satisfy all other conditions of this Section 8. You may from time to time submit to us the names of persons proposed as a transferee in the event of your death or permanent disability or the death or permanent disability of an Owner. We agree to evaluate such person(s) for acceptability as a transferee pursuant to this Section 8, and shall pre-approve potential transferees, subject to their compliance, before and at the time of transfer, with the other provisions of this Section 8. We may also require that you adopt a successor ownership plan to facilitate the transfer of the Dealership in the event of your death, disability or incapacity or the death, disability or incapacity of an Owner.

8.4 Public Offering. You may not do a public offering of any of your securities without our prior written consent. If we consent to a public offering of your securities, the following terms and conditions will apply. All materials required by federal or state law for any sale of your securities pursuant to such registration statement must be submitted to us for review prior to their being filed with any government agency. No such materials shall imply (by use of the Licensed Marks or otherwise) that we are participating as an underwriter, issuer, or offeror of your securities. Any review by us of the offering materials or the information included therein will be conducted solely for our benefit and not to benefit or protect any other person. No investor should interpret such review by us as an approval, endorsement, acceptance, or adoption of any representation, warranty, covenant, or projection contained in the materials reviewed; and the offering documents shall include legends and statements as we may specify, including but not limited to legends and statements which disclaim our liability for, or involvement in, the transaction described in the offering documents. You and the other participants in the offering must agree in writing to fully indemnify us in connection with the offering in the form we prescribe. You agree to give us written notice at least sixty (60) days prior to the date of commencement of any offer covered by this Section. Subsequent to any such public offering, you must be managed by a manager or management team approved in writing by us. In no event, shall you permit or allow any of your securities to be owned, directly or indirectly, by any competitor of ours. We may charge you a fee for reviewing the materials required to be submitted to us by this Section.

8.5 Transfer by Franchisor. We may transfer our interest in this Agreement at our discretion.

9. RESOLUTION OF DISPUTES.

Subject to Section 9.3, all disputes or claims arising out of or related to this Agreement and/or to the parties' relationship pursuant to this Agreement shall be resolved in accordance with the process described in this Section 9.

9.1 Notice and Mediation. Each party must first give the other notice, in writing, of any dispute or claim, before taking any steps to litigate a dispute or claim under this Agreement or involving relationship of the parties. The written notice shall specify, to the fullest extent possible, the notifying party's version of the facts and any legal points relevant to the dispute or claim. The written notice shall be sent, by facsimile transmission or express mail, no later than ninety (90) days after the dispute or claim arises. The parties shall then use their mutual best efforts to resolve the dispute or claim amicably. The mediation shall be conducted under the auspices of the American Arbitration Association (AAA) by a mediator selected from a panel of mediators or another mediator who is mutually agreeable to the parties. The parties will share the cost of the mediation equally. Any and all discussions, negotiations, findings or other statements by the mediator and/or the parties in connection with the mediation, whether oral or written, shall be privileged and confidential and shall not be admissible in evidence in any litigation. If the parties do not resolve the dispute or claim by mediation within ninety (90) days after notification, the party asserting the dispute or claim shall proceed in accordance with the remaining process described in the balance of this Section 9. COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION 9.1 IS A PREREQUISITE TO ASSERTING

ANY DISPUTE OR CLAIM IN LITIGATION. FAILURE TO COMPLY WILL CONSTITUTE A WAIVER OF THE DISPUTE OR CLAIM AND AN ABSOLUTE BAR TO ASSERTING THE DISPUTE OR CLAIM IN LITIGATION. This paragraph does not apply to any disputes arising out of past due amounts you owe to Bandag.

9.2 Venue and Jurisdiction. Any action by you against us arising out of or relating to this Agreement shall be brought in the Federal District Court for the Middle District of Tennessee. Any action by us against you arising out of or relating to this Agreement shall be brought in the Federal District Court in the state where your principal place of business is located. We both agree to the jurisdiction and venue of such courts. The prevailing party in any shall be entitled to recover its costs of the proceeding, including its reasonable attorneys' fees.

9.3 Injunctive Relief. Your breach of this Agreement could cause irreparable damage to us or to other Bandag Dealers. Therefore, upon a breach or threatened breach of any of the terms of this Agreement, we are entitled to an immediate injunction restraining such breach and/or a decree of specific performance, pending adjudication, without bond, or having to show or prove any actual or irreparable harm or damage, and without regard to the availability of an adequate remedy at law. You agree that preservation of the integrity of the Bandag System and network of Bandag Dealers is a compelling business interest of ours that justifies injunctive relief on that basis.

9.4 WAIVER OF JURY TRIAL.

EACH PARTY HEREBY WAIVES, WITHOUT LIMITATION, ANY RIGHT IT MIGHT OTHERWISE HAVE TO TRIAL BY JURY ON ANY AND ALL CLAIMS ASSERTED AGAINST THE OTHER. EACH PARTY ACKNOWLEDGES THAT IT HAS HAD A FULL OPPORTUNITY TO CONSULT WITH COUNSEL CONCERNING THIS WAIVER, AND THAT THIS WAIVER IS INFORMED, VOLUNTARY, INTENTIONAL, AND NOT THE RESULT OF UNEQUAL BARGAINING POWER.

9.5 LIMITATION OF REMEDIES.

(A) EACH PARTY HEREBY WAIVES, WITHOUT LIMITATION, ANY RIGHT IT MIGHT OTHERWISE HAVE TO ASSERT A CLAIM FOR AND/OR TO RECOVER PUNITIVE, MULTIPLE OR EXEMPLARY DAMAGES FROM THE OTHER.

(B) EACH PARTY HEREBY WAIVES, WITHOUT LIMITATION, ANY RIGHT IT MIGHT OTHERWISE HAVE TO ASSERT A CLAIM FOR AND/OR TO RECOVER CONSEQUENTIAL, INCIDENTAL AND CONTINGENT DAMAGES FROM THE OTHER.

(C) ANY ACTION PURSUANT TO SECTION 9.2 OR 9.3 MUST BE FILED WITHIN ONE (1) YEAR FROM THE TIME OF THE EVENTS GIVING RISE TO THE SUBJECT CLAIMS, OR THOSE CLAIMS WILL BE FOREVER BARRED. EACH PARTY ACKNOWLEDGES THAT IT HAS HAD A FULL OPPORTUNITY TO

CONSULT WITH COUNSEL CONCERNING THIS TIME LIMIT, AND THAT ITS AGREEMENT TO THIS TIME LIMIT IS INFORMED, VOLUNTARY, INTENTIONAL, AND NOT THE RESULT OF UNEQUAL BARGAINING POWER.

(D) ANY WAIVERS AND LIMITATION PERIODS UNDER THIS SECTION 9.5 ARE INFORMED, VOLUNTARY, INTENTIONAL, AND NOT THE RESULT OF UNEQUAL BARGAINING POWER. IN ADDITION, EACH PARTY ACKNOWLEDGES THAT ANY WAIVERS CONTAINED IN THIS SECTION 9.5 ARE NOT UNCONSCIONABLE UNDER THE STANDARDS OF THE UNIFORM COMMERCIAL CODE (“UCC”), AND IS CONSISTENT WITH THE STANDARD TERMS AND CONDITIONS OF SALES OF GOODS BETWEEN THE PARTIES. IF ONE OR MORE OF SUBSECTIONS (A) - (C) OF THIS SECTION 9.5 IS HELD TO BE VOID, UNLAWFUL, OR OTHERWISE UNENFORCEABLE (BECAUSE IT VIOLATES A STATE STATUTE OR OTHERWISE), THAT SHALL HAVE NO EFFECT ON THE VALIDITY AND ENFORCEABILITY OF THE REMAINING SUBSECTIONS. EACH SUBSECTION OF THIS SECTION 9.5 SHALL BE CONSTRUED AS A SEPARATE PROVISION OF THIS AGREEMENT, WITHIN THE MEANING OF SECTION 11.4 OF THIS AGREEMENT (ENTITLED “SEVERABILITY”).

10. TERMINATION.

10.1 Grounds. Either party may terminate this Agreement at any time for “good cause”. Good cause means intentional or material breach of this Agreement by either party, including but not limited to, your:

- (a) Misrepresentation or omission of material information in the application for a franchise;
- (b) Failure to open the Dealership within 90 days after execution of this Agreement;
- (c) Failure to successfully complete required training or provide required training;
- (d) Non-payment of sums due, bankruptcy, or insolvency by any definition;
- (e) Failure to comply with the mutual commitments as outlined in Section 2.2 and the Manual;
- (f) Transfer or attempted Transfer without our consent;
- (g) Abandonment of this Agreement or the Dealership;
- (h) Conviction of or plea of guilty or no contest (or by a principal officer, director or partner of Dealer) to any charge of violation of any law relating to the Dealership, or of any felony that impairs or is reasonably likely to impair the goodwill and/or reputation associated with Bandag or the Marks;
- (i) Failure to comply with Section 6.1 of this Agreement;
- (j) Failure to comply with Section 6.3 of this Agreement;

- (k) Actions or practices that impair or are reasonably likely to impair the goodwill and/or reputation associated with Bandag or the Marks;
- (l) Failure to meet Product Specifications & Manufacturing Requirements or similar requirements as prescribed in the Manual; or
- (m) Unauthorized use of Bandag's Confidential Information.

Good cause which relates solely to a particular Bandag Facility is grounds for termination of your rights with respect to that Bandag Facility only.

Good cause which relates to our business relationship generally (for example, a material misrepresentation in a report, or failure to service a fleet account properly) is grounds for terminating this Agreement entirely.

- 10.2 Notice. The party intending to terminate shall give the other notice specifying the cause for termination. Unless the stated cause includes a repeated or continuous breach of this Agreement, or your insolvency, or your breach of Section 6.1 and/or Section 6.3, the recipient may cure the breach within: 24 hours of notice if the breach is impairment or threatened impairment of the goodwill or reputation associated with Bandag or the Marks; seven days for nonpayment of sums due; and 30 days in all other cases. If the stated cause includes a repeated or continuous breach of this Agreement, or your insolvency, the recipient does not have the right to cure the breach.

For purposes of Sections 10.1 and 10.2, "repeated or continuous breach" means a breach of any one provision of this Agreement more than once or a breach of more than any one provision of this Agreement during the initial and any renewal terms of the franchise.

- 10.3 Consequences. Upon termination or expiration of this Agreement, all rights licensed herein, and your interest herein, revert to us automatically, and you must immediately:
- (a) Stop selling, delivering, servicing or promoting Products at any location;
 - (b) Stop using the Marks and Bandag System, any materials containing or depicting the Marks or Bandag System, and any other name or mark confusingly similar to the Marks;
 - (c) Settle all accounts and pay all sums due to us or our Affiliates or which we have guaranteed;
 - (d) Stop using and return the Manual and all other confidential or trade secret information, distinctive, proprietary or confidential Materials and information, production methods or other techniques, systems, software we furnished to you or know-how we disclosed to you;
 - (e) Remove all Bandag inventory, trade dress, and leasehold improvements from all Bandag Facilities operated by the Dealership to eliminate any similarity in design, structure, signage, trade dress, inventory, decor, color or layout to the distinctive appearance and functions of other Bandag Dealerships;

- (f) Immediately cease using Bandag equipment and machinery. At our request, by item, you agree to resell each item of Bandag equipment and machinery to us at an 8 year straight line depreciated value (with no residual) calculated from the date of original shipment, FOB your Dealership. If the equipment is older than 8 years, we may repurchase that equipment at a fair market value assessed by an independent equipment broker selected by us;
- (g) At our request, by type and description, resell to us for an amount equal to the actual amount paid by you, to us, any of the Materials and/or Products then in your possession, less any charges we incur for shipping, freight, packaging, restocking, and the like;
- (h) Provide appropriate skilled workers to properly disconnect and remove any leased and/or repurchased equipment from your facility for packaging and pickup by a freight company consigned by Bandag;
- (i) Assign to us each telephone, facsimile or similar number, electronic address, World Wide Web URL, or any similar access code used by you exclusively for your Bandag Dealership;
- (j) Remove the Marks from all letterhead, signs, directory listings, URLs, e-mail addresses, catalogs, vehicles and all other places you have used them; and
- (k) Cease use of all management systems and technology associated with the System and used by Bandag Dealers.

10.4 Operation After Termination or Expiration. In the event we terminate this Agreement for good cause, you agree that neither you nor your Owners will operate a competitive retread tire business at the premises of your Dealership for a period of one year following the date of termination. The intent of this provision is to protect Bandag's investment in your Dealership and prevent you from intentionally breaching your Agreement.

11. MISCELLANEOUS PROVISIONS

11.1 Interpretation. This Agreement, which includes your application and the Manual, is the entire and final agreement between you and us on its subject. This Agreement supersedes any other agreement or understanding previously made between you and us for the Dealership covered by this Agreement, except for (i) accrued obligations thereunder and/or (ii) a Right of First Refusal dated N/A which is incorporated herein by reference. Nothing in this or any related Agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. All rights and remedies provided herein or by law are cumulative. Section headings are for convenience of reference only and do not limit the meaning of this Agreement. Declaratory sentences herein constitute obligations of one or both parties as appropriate in the context.

11.2 Survival. Upon termination of this Agreement, all rights and obligations of the parties shall cease, except for your obligations under Sections 6.2, 7.3, 7.4, 7.11, 9, 11.3 and this Section 11.2, which obligations shall survive the termination of this Agreement.

- 11.3 Governing Law. This Agreement is made in Tennessee and, except as provided in Section 6.3 and 7.8, shall be governed by Tennessee law without regard to its conflict of law principles. This Agreement may be waived, modified or varied only by a written document prepared by us and signed by the parties (or by our changes to the Manual). Acquiescence in, or waiver of, any breach is not a waiver of another or subsequent breach. No custom, practice or course of dealing constitutes a waiver of any provision of this Agreement. Performance is suspended or deferred to the extent required by forces beyond a party's control, such as fire, storm, flood, war, civil unrest, or labor disputes.
- 11.4 Severability. If any provision of this Agreement (except Section 6.3), is held unenforceable, it shall be severed from the balance of this Agreement. If Section 6.3 is or becomes illegal or unenforceable, it shall be reformed to the least extent necessary to be lawful and enforceable in the opinion of the arbitrator or court.
- 11.5 Notice. Notices or other communications must be in writing and are given when delivered personally or one business day after being sent by certified mail, to us at our principal office in Nashville, Tennessee, or to you at the Dealership or at the office address shown in this Agreement. Notice also may be given electronically or by facsimile or overnight express.

Brady Fulton – Secretary of Bandag
200 4th Avenue South, Nashville, TN 37201
FultonBrady@bfusa.com

If transmitted electronically, such as by e-mail or by facsimile, such communication shall be deemed delivered the next business day after transmission (and the sender shall bear the burden of proof of delivery).

- 11.6 Relationships. You are an independent contractor, not the employee, agent, partner or joint venturer of Bandag. This Agreement does not create a fiduciary relationship. No person may acquire any interest in or under this Agreement except in accordance with Section 8. No other person, except our Affiliate, is intended to be a beneficiary of this Agreement. If Dealer is more than one person, all are jointly and severally liable hereunder.
- 11.7 Review. You have reviewed this Agreement, our FDD and other relevant information with legal counsel or a professional business advisor of your choosing before entering into this Agreement.
- 11.8 Acknowledgements. You acknowledge:
- (a) Your Dealership will operate in a highly competitive marketplace and that its financial results, including its ultimate success or failure, depend upon your personal management and resources, the competitive environment, and supply and market conditions;

- (b) We did not, cannot and do not guarantee or represent that your Dealership will achieve any particular level of sales or profit, or be profitable or successful; and
- (c) You have not relied upon any promise, assurance, understanding or agreement not expressly set forth herein or in our FDD.

SIGNATURES ARE ON THE NEXT PAGE.



DEALER:

BRIDGESTONE BANDAG, LLC
d/b/a BANDAG

Print Dealer Business Name:

Print Name of Person Signing:

~~Kurt A. Danielson~~

If Dealer is an entity:

Sign Name: _____

Type of entity: _____

Title: ~~Chairman and President~~ _____

Organized under laws of: _____

Print Office Address:

Date: _____

Print Name of Person Signing:

Sign Name: _____

Title _____

Date: _____

Print Name of Person Signing:

Sign Name: _____

Title _____

Date: _____

Effective Date: _____

OWNER’S COVENANTS

In consideration of, and as an inducement to, the execution of the Franchise Agreement with an Effective Date of _____ (the “Agreement”) by and between Bandag and Dealer and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, each of the undersigned Owners of an interest in Dealer hereby agrees personally to be bound by and personally liable for the breach of Sections 6.3 and 8 of the Agreement and subject to the provisions of Section 11 of the Agreement as if the undersigned were the “Dealer” thereunder. Each such Owner also agrees to provide prompt updates on the ownership information in Dealer’s Bandag dealer application and related information filed with Bandag in connection with the application process, so that Dealer’s ownership information on file with Bandag is at all times current, complete and accurate.

IN WITNESS THEREOF, each of the undersigned has hereunto affixed his signature, under seal, on the same day and year as the Agreement was executed.

Print Name of Person Signing:

Print Name of Person Signing:

(Print percentage of ownership)

(Print percentage of ownership)

By: _____
(Sign above)

By: _____
(Sign above)

Date: _____

Date: _____

Print Name of Person Signing:

Print Name of Person Signing:

(Print percentage of ownership)

(Print percentage of ownership)

By: _____
(Sign above)

By: _____
(Sign above)

Date: _____

Date: _____

Glossary of Selected Terms

“Affiliate” means any entity that controls, is controlled by, or is under common control with a referenced entity.

“Agreement” means this Bandag Dealer Franchise Agreement, which defines the general terms and conditions of the relationship between Bandag and its franchised Dealers.

“Bandag Facility” means any permanent or temporary facility or structure, owned or operated by Bandag or its Dealer, at which Bandag Products are manufactured, stored, offered for sale, or serviced.

“Bandag Alliance” means Bandag and Bandag Dealers working cooperatively to serve the tire management needs of commercial vehicle fleets.

“Bandag Alliance Council” means a council, comprised of representatives of Bandag and selected representatives of Bandag Dealers in the United States and Canada, which advises Bandag on issues affecting the Bandag business and network of Dealers in the United States and Canada, as they relate to Bandag franchisees, and develops strategies and tactics for the mutual success of Bandag and Bandag Dealers and franchisees.

“Bandag System” means the Process and the PSIP, together, as used and offered by Bandag Dealers.

“Confidential Information” means the (i) Process, Products and Bandag System; (ii) documentation in print or electronic form furnished at any time by Bandag to Dealer; (iii) terms and conditions of this Agreement; (iv) and other confidential information about Bandag, its business activities and operations, its technical information and trade secrets.

“Dealer” means a business or business entity that has established and operates a Bandag Dealership.

“Dealership Development Process” means engaging and working with Dealers to develop their capabilities to serve fleet customers following a defined process, and measuring performance against the Bandag Franchise Model.

“Dealership” means the Bandag Dealership you establish and operate under this Agreement.

“Effective Date” means the date on which we signed this Agreement.

“FDD” means Bandag’s franchise disclosure document provided to you in connection with the offer to you of the franchise represented by this Agreement.

“Franchise Territory” is a trading area to which a Dealer, or Dealers, is/are assigned. The Franchise Territory to which you are assigned appears in Exhibit A.

“Intellectual Property” means all intellectual property worldwide arising under statutory or common law, whether or not perfected, including all (i) developments, inventions, modifications, derivative works, patches, bridges, etc.; (ii) patents, patent applications and potential patent applications; (iii) rights associated with works of authorship, including copyrights, copyright applications and copyright registrations; (iv) rights associated with trademarks, service marks, trade dress, slogans and logos,

trademark applications, and trademark registrations; (v) rights relating to the protection of trade secrets and Confidential Information; (vi) any other proprietary rights relating to intangible property (e.g. trade dress, or service mark rights); and (vii) divisions, continuations, renewals, reissues and extensions of the foregoing (as and to the extent applicable) now existing, hereafter filed, issued or acquired.

“Licensed Marks” means those Marks you are authorized to use under this Agreement.

“Manual” means the Franchise System Manual which includes the Product Specifications & Manufacturing Requirements Manual. This manual is part of the franchise documents and an up-to-date source book that defines how a franchise is to operate within the Bandag Alliance and in accordance with the Bandag Dealer Franchise Agreement. Additional Guidelines and Programs are listed in the Franchise System Manual.

“Marks” means all BANDAG trademarks, service marks and logos.

“Materials” means Bandag tread, cushion gum, repair gum, repair units, and certain other proprietary materials we make or distribute, including certain equipment used in the Process.

“Owner” means any Person who has a direct or indirect legal or beneficial ownership interest in you if you are a business corporation, partnership, limited liability company, trust or other legal entity.

“Person” means an individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or association, or any other nongovernmental entity.

“Performance Expectations” means the mutually agreed upon Dealer performance in a defined Bandag Franchise Territory, for a specific time period.

“Process” means our proprietary method of retreading commercial vehicle tires using our materials and methods (certain of which may be the subject of one or more patents).

“Production Facility” means a Bandag Facility which produces Bandag Products under authority from Bandag, using the System and Materials purchased from Bandag.

“Products” means retreaded tires produced using the Materials and the Process

“PSIP” means Bandag programs, services, information and products.

“Sales Facility” means a Bandag Facility which sells, but does not produce, Bandag Products.

“We” (or “our”, etc.) means Bridgestone Bandag, LLC, d/b/a Bandag.

“You” (or “your”, etc.) means the Dealer named at the beginning of this Agreement.

EXHIBIT A

Franchise Territory



EXHIBIT B

Production Facilities



EXHIBIT B

BRIDGESTONE BANDAG FRANCHISING, LLC FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (WITH INDEPENDENT AUDITOR'S REPORT THEREON), AUDITED BRIDGESTONE BANDAG FRANCHISING, LLC FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 AN INDEPENDENT AUDITOR'S REPORT

~~AUDITED FINANCIAL STATEMENTS OF BRIDGESTONE BANDAG FRANCHISING, LLC AND GUARANTEE OF PERFORMANCE OF BRIDGESTONE BANDAG FRANCHISING, LLC~~



BRIDGESTONE BANDAG FRANCHISING, LLC

(A WHOLLY-OWNED SUBSIDIARY OF
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Financial Statements as of and for the years ended
December 31, 2024 and 2023

(With Independent Auditor's Report Thereon)



KPMG LLP
1201 Demonbreun Street
Suite 1100
Nashville, TN 37203

Independent Auditors' Report

Board of Managers and Member of
Bridgestone Bandag Franchising, LLC:

Opinion

We have audited the financial statements of Bridgestone Bandag Franchising, LLC (the Company), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of comprehensive income, changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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



In performing an audit in accordance with GAAS, we:

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

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

KPMG LLP

Nashville, Tennessee
March 24, 2025

BRIDGESTONE BANDAG FRANCHISING, LLC
(A WHOLLY-OWNED SUBSIDIARY OF
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Statements of Financial Position

December 31, 2024 and 2023
(U.S. dollars)

Assets	2024	2023
Cash and cash equivalents (note 2)	\$ 1,103,367	1,103,367
Note receivable - related party (note 2)	4,597,809	4,396,821
Total assets	\$ 5,701,176	5,500,188
Liabilities and Member's Equity		
Liabilities:		
Accrued liability - due to related party (note 2)	\$ 156,125	121,125
Total liabilities	156,125	121,125
Member's equity	5,545,051	5,379,063
Total liabilities and member's equity	\$ 5,701,176	5,500,188

See accompanying notes to the financial statements.

BRIDGESTONE BANDAG FRANCHISING, LLC
(A WHOLLY-OWNED SUBSIDIARY OF
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Statements of Comprehensive Income

Years ended December 31, 2024 and 2023
(U.S. dollars)

	<u>2024</u>	<u>2023</u>
Interest income (note 2)	\$ 200,988	157,946
Expenses:		
Audit fees (note 2)	<u>35,000</u>	<u>13,500</u>
Net income and total comprehensive income	<u>\$ 165,988</u>	<u>144,446</u>

See accompanying notes to the financial statements.

BRIDGESTONE BANDAG FRANCHISING, LLC
(A WHOLLY-OWNED SUBSIDIARY OF
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Statements of Changes in Member's Equity

Years ended December 31, 2024 and 2023
(U.S. dollars)

	<u>Member's Equity</u>
Balance, January 1, 2023	\$ 5,234,617
Net income	<u>144,446</u>
Balance, December 31, 2023	5,379,063
Net income	<u>165,988</u>
Balance, December 31, 2024	<u><u>\$ 5,545,051</u></u>

See accompanying notes to the financial statements.

BRIDGESTONE BANDAG FRANCHISING, LLC
(A WHOLLY-OWNED SUBSIDIARY OF
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Statements of Cash Flows

Years ended December 31, 2024 and 2023
(U.S. dollars)

	2024	2023
Cash flows from operating activities:		
Net income	\$ 165,988	144,446
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Note receivable - related party (note 2)	(200,988)	(146,821)
Accrued liability - due to related party (note 2)	35,000	2,375
Net cash provided by operating activities	—	—
Net increase in cash and cash equivalents	—	—
Cash and cash equivalents, beginning of year	1,103,367	1,103,367
Cash and cash equivalents, end of year	\$ 1,103,367	1,103,367

See accompanying notes to the financial statements.

BRIDGESTONE BANDAG FRANCHISING, LLC
(A WHOLLY-OWNED SUBSIDIARY OF
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Notes to the Financial Statements

December 31, 2024 and 2023

(1) Description of Business

On March 7, 2008, Bridgestone Bandag Franchising, LLC (“BSBF” or “Company”) was formed as a wholly-owned subsidiary of Bridgestone Americas, Inc. (“BSAM”). BSBF’s sole purpose is to guarantee the franchisor obligations of Bridgestone Bandag, LLC (“BSBD”), an affiliated company also wholly owned by BSAM. On March 20, 2008, BSBF was funded with \$5,005,000 of cash as an investment by BSAM. Effective June 1, 2008, BSAM transferred its membership interest in BSBF and BSBD to its wholly-owned subsidiary, Bridgestone Americas Tire Operations, LLC (“BATO”). The Company’s member’s equity is comprised of a single unit which is held by BATO. The Company’s registered office is at 200 4th Avenue South, Nashville, Tennessee 37201.

The businesses of BSBD include the (i) production and sale of pre-cured tread rubber, equipment and supplies used by its franchisees for the retreading of tires primarily for trucks; (ii) sale and maintenance of new and retread tires to principally commercial and industrial customers through a wholly-owned commercial distribution network; and (iii) providing of quick-service truck lubrication, routine tire service and light truck maintenance through BSBD majority-owned retail establishments.

BSBD, as a franchisor, must provide a Franchise Disclosure Document (“FDD”), including its audited financial statements, to prospective franchisees. Federal and state laws allow a franchisor to substitute in the FDD the audited financial statements of an affiliate that guarantees the franchisor’s obligations under its franchise agreement. Accordingly, BSBF’s sole purpose is to guarantee BSBD’s franchisor obligations, and has no distinct business operations.

(2) Significant Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared based on historical cost, except for items such as financial instruments that are measured at fair value as stated below. Further, the financial statements are presented in U.S. Dollars (USD), which is the functional currency of the Company.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and other highly liquid, interest-bearing, investments purchased with original maturities of three months or less.

(c) Credit Risk Management

The Company may be exposed to credit risk such as a counterparty’s default on contractual obligations resulting in financial losses to the Company. With respect to the note receivable, the Company monitors the financial position of the counterparty to promptly detect and minimize the risk of defaults resulting from the deterioration of the counterparty’s financial position.

BRIDGESTONE BANDAG FRANCHISING, LLC
(A WHOLLY-OWNED SUBSIDIARY OF
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Notes to the Financial Statements

December 31, 2024 and 2023

(d) Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents and notes receivable from related party approximate fair value because of the short-term nature of the instruments. At December 31, 2024 and 2023, the Company had no financial assets or liabilities that required fair value measurement.

(e) Guarantee

BSBF absolutely and unconditionally guarantees the performance of BSBD for all its franchisor obligations under its franchise registrations and dealer franchise agreements (“Franchise Documents”) that became effective after March 20, 2008. The guarantee has no limit and is in force until all franchisor obligations of BSBD under the Franchise Documents have been satisfied or until BSBD’s liability to its franchisees has been completely discharged.

There have been no claims filed against BSBD related to BSBD’s obligations under the Franchise Documents. Therefore, BSBF has recorded no liability on the balance sheets related to the guarantee.

(f) Related Party Services and Income Taxes

BSBF is the recipient of related party services from BSAM and BATO including legal, accounting and management. Additionally, BSBF’s operating results are included in BSAM’s consolidated federal and state tax returns. Based upon an agreement between BSAM, BATO and BSBF, costs excluding audit fees, beginning in 2010, will not be allocated or charged to BSBF. During 2024 and 2023, BSAM allocated audit fees to BSBF for professional services performed by our independent auditor amounting to \$35,000 and \$13,500, respectively. These allocated fees were charged to expense during 2024 and 2023 upon being invoiced by BSAM. As a result of this agreement, the accompanying financial statements of BSBF may not necessarily be indicative of the conditions that would have existed or the results of operations if BSBF had been operated as an unaffiliated company.

On March 21, 2017, the Company entered into an agreement with BSAM to transfer \$4,250,000 of cash from the Federated fund of BSBF to BSAM in exchange for an intercompany note for the same amount repayable in full on March 31, 2018, with an auto renewal option for one additional year unless specifically terminated per the terms of the agreement. In addition, this agreement would remain in full force and effect until the loan is paid in full.

On March 31, 2023, the Company entered into a Cash Pooling and Loan Agreement with BSAM which replaces the original agreement dated March 21, 2017. The amount of the cash pooling loan remained at \$4,250,000. On demand, BSAM shall pay the aggregate unpaid amount of all loans made by the Company. This note bears an interest obligation payable by BSAM, calculated by the variable rate (the one-month CME Term SOFR Rate as published by CME Group for the first day of each month rounded to the nearest 0.1%) minus 0.75% per annum, subject to a floor of 0%. The variable rate resets on the first day of each month. In 2024, interest receivable of \$200,988 was rolled into the principal balance.

The contractual terms of the note receivable give rise to cash flows that are solely payments of principal and interest on the outstanding amount. The note receivable is considered to be held within a held-to-collect business model and is measured at amortized cost. The Company recognizes loss

BRIDGESTONE BANDAG FRANCHISING, LLC
(A WHOLLY-OWNED SUBSIDIARY OF
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Notes to the Financial Statements

December 31, 2024 and 2023

allowances at an amount equal to lifetime expected credit losses (ECL). The loss allowance was immaterial as of December 31, 2024 and 2023.

(g) Subsequent Events

The Company has evaluated events and transactions that occurred after the balance sheet date for potential recognition or disclosure in the financial statements through March 24, 2025, the date the financial statements were authorized for issuance. No events or transactions occurred subsequent to December 31, 2024, that would require adjustment to, or disclosure in the financial statements.

(3) Recent IFRS Pronouncements

(a) Standards and Interpretations Adopted as of December 31, 2024

Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current

In the current year, the Company adopted the IAS 1 amendment which aims to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

The implementation of this standard did not have a significant impact on the Company's financial statements.

(b) Standards and Interpretations Not Yet Adopted as of December 31, 2024

Classification and Measurement of Financial Instruments

This amendment to IFRS 7 and 9 clarifies financial assets and financial liabilities that are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The amendment permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.

The amendment is effective for reporting periods beginning on or after January 1, 2026.

Presentation of Financial Statements

IFRS 18, to replace IAS 1, aims to promote clearer disclosure of recognized revenue and expenses between operating, investing, and financing sources as well as new presentation requirements for certain income and expenses on the consolidated statement of comprehensive income.

IFRS 18 is effective for reporting periods beginning on or after January 1, 2027.

While there are other newly issued or revised standards and interpretations that were issued on or before the date of approval of the financial statements but have not yet been early adopted, none of them are anticipated to have a significant impact on the Company's financial statements.



BRIDGESTONE BANDAG FRANCHISING, LLC

(A WHOLLY-OWNED SUBSIDIARY OF
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Financial Statements as of and for the years ended
December 31, 2023 and 2022

(With Independent Auditor's Report Thereon)



KPMG LLP
1201 Demonbreun Street
Suite 1100
Nashville, TN 37203

Independent Auditors' Report

Board of Managers and Member of
Bridgestone Bandag Franchising, LLC:

Opinion

We have audited the financial statements of Bridgestone Bandag Franchising, LLC (the Company), which comprise the statement of financial position as of December 31, 2023, and the related statements of comprehensive income, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Other Matter

The financial statements of the Company as of and for the year ended December 31, 2022 were audited by another auditor whose report, dated March 22, 2023, expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as issued by the IASB, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting



from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

KPMG LLP

Nashville, Tennessee
May 23, 2024

BRIDGESTONE BANDAG FRANCHISING, LLC
(A WHOLLY-OWNED SUBSIDIARY OF
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Statements of Financial Position

December 31, 2023 and 2022

(U.S. dollars)

	Assets	2023	2022
Cash and cash equivalents (note 2)	\$	1,103,367	1,103,367
Note receivable - related party (note 2)		4,396,821	4,250,000
Total assets	\$	<u>5,500,188</u>	<u>5,353,367</u>
Liabilities and Member's Equity			
Liabilities:			
Accrued liability - due to related party (note 2)	\$	121,125	118,750
Total liabilities		<u>121,125</u>	<u>118,750</u>
Member's equity		<u>5,379,063</u>	<u>5,234,617</u>
Total liabilities and equity	\$	<u>5,500,188</u>	<u>5,353,367</u>

See accompanying notes to the financial statements.

BRIDGESTONE BANDAG FRANCHISING, LLC
(A WHOLLY-OWNED SUBSIDIARY OF
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Statements of Comprehensive Income
Years ended December 31, 2023 and 2022
(U.S. dollars)

	<u>2023</u>	<u>2022</u>
Interest income (note 2)	\$ 157,946	—
Expenses:		
Audit fees (note 2)	<u>13,500</u>	<u>13,500</u>
Net income (loss) and total comprehensive income	<u>\$ 144,446</u>	<u>(13,500)</u>

See accompanying notes to the financial statements.

BRIDGESTONE BANDAG FRANCHISING, LLC
(A WHOLLY-OWNED SUBSIDIARY OF
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Statements of Changes in Member's Equity

Years ended December 31, 2023 and 2022

(U.S. dollars)

	Member's Equity
Balance, January 1, 2022	\$ 5,248,117
Net loss	<u>(13,500)</u>
Balance, December 31, 2022	5,234,617
Net income	<u>144,446</u>
Balance, December 31, 2023	<u>\$ 5,379,063</u>

See accompanying notes to the financial statements.

BRIDGESTONE BANDAG FRANCHISING, LLC
(A WHOLLY-OWNED SUBSIDIARY OF
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Statements of Cash Flows

Years ended December 31, 2023 and 2022

(U.S. dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Net income (loss)	\$ 144,446	(13,500)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Interest receivable - related party (note 2)	(146,821)	—
Accrued liability - due to related party (note 2)	2,375	21,235
Net cash provided by operating activities	<u>—</u>	<u>7,735</u>
Net increase in cash and cash equivalents	—	7,735
Cash and cash equivalents, beginning of year	<u>1,103,367</u>	<u>1,095,632</u>
Cash and cash equivalents, end of year	<u>\$ 1,103,367</u>	<u>1,103,367</u>

See accompanying notes to the financial statements.

BRIDGESTONE BANDAG FRANCHISING, LLC
(A WHOLLY-OWNED SUBSIDIARY OF
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Notes to the Financial Statements

December 31, 2023 and 2022

(1) Description of Business

On March 7, 2008, Bridgestone Bandag Franchising, LLC (“BSBF” or “Company”) was formed as a wholly-owned subsidiary of Bridgestone Americas, Inc. (“BSAM”). BSBF’s sole purpose is to guarantee the franchisor obligations of Bridgestone Bandag, LLC (“BSBD”), an affiliated company also owned by BSAM. On March 20, 2008, BSBF was funded with \$5,005,000 of cash as an investment by BSAM. Effective June 1, 2008, BSAM transferred its membership interest in BSBF and BSBD to its wholly-owned subsidiary, Bridgestone Americas Tire Operations, LLC (“BATO”). The Company’s member’s equity is comprised of a single unit which is held by BATO. The Company’s registered office is at 200 4th Avenue South, Nashville, Tennessee 37201.

The businesses of BSBD include the (i) production and sale of pre-cured tread rubber, equipment and supplies used by its franchisees for the retreading of tires primarily for trucks; (ii) sale and maintenance of new and retread tires to principally commercial and industrial customers through a wholly-owned commercial distribution network; and (iii) providing of quick-service truck lubrication, routine tire service and light truck maintenance through BSBD majority-owned retail establishments.

BSBD, as a franchisor, must provide a Franchise Disclosure Document (“FDD”), including its audited financial statements, to prospective franchisees. Federal and state laws allow a franchisor to substitute in the FDD the audited financial statements of an affiliate that guarantees the franchisor’s obligations under its franchise agreement. Accordingly, BSBF’s sole purpose is to guarantee BSBD’s franchisor obligations, and has no distinct business operations.

(2) Significant Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared based on historical cost, except for items such as financial instruments that are measured at fair value as stated below. Further, the financial statements are presented in U.S. Dollars (USD), which is the functional currency of the Company.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and other highly liquid, interest-bearing, investments purchased with original maturities of three months or less.

(c) Credit Risk Management

The Company may be exposed to credit risk such as a counterparty’s default on contractual obligations resulting in financial losses to the Company. With respect to the note receivable, the Company monitors the financial position of the counterparty to promptly detect and minimize the risk of defaults resulting from the deterioration of the counterparty’s financial position.

BRIDGESTONE BANDAG FRANCHISING, LLC
(A WHOLLY-OWNED SUBSIDIARY OF
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Notes to the Financial Statements

December 31, 2023 and 2022

(d) Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents and notes receivable from related party approximate fair value because of the short-term nature of the instruments. At December 31, 2023 and 2022, the Company had no financial assets or liabilities that required fair value measurement.

(e) Guarantee

BSBF absolutely and unconditionally guarantees the performance of BSBD for all its franchisor obligations under its franchise registrations and dealer franchise agreements (“Franchise Documents”) that became effective after March 20, 2008. The guarantee has no limit and is in force until all franchisor obligations of BSBD under the Franchise Documents have been satisfied or until BSBD’s liability to its franchisees has been completely discharged.

There have been no claims filed against BSBD related to BSBD’s obligations under the Franchise Documents. Therefore, BSBF has recorded no liability on the balance sheets related to the guarantee.

(f) Related Party Services and Income Taxes

BSBF is the recipient of related party services from BSAM and BATO including legal, accounting and management. Additionally, BSBF’s operating results are included in BSAM’s consolidated federal and state tax returns. Based upon an agreement between BSAM, BATO and BSBF, costs excluding audit fees, beginning in 2010, will not be allocated or charged to BSBF. During both 2023 and 2022, BSAM allocated \$13,500 of audit fees to BSBF for professional services performed by our independent auditor. These allocated fees were charged to expense during 2023 and 2022 upon being invoiced by BSAM. As a result of this agreement, the accompanying financial statements of BSBF may not necessarily be indicative of the conditions that would have existed or the results of operations if BSBF had been operated as an unaffiliated company.

On March 21, 2017, the Company entered into an agreement with BSAM to transfer \$4,250,000 of cash from the Federated fund of BSBF to BSAM in exchange for an intercompany note for the same amount repayable in full on March 31, 2018, with an auto renewal option for one additional year unless specifically terminated per the terms of the agreement. In addition, this agreement would remain in full force and effect until the loan is paid in full.

On March 31, 2023, the Company entered into a Cash Pooling and Loan Agreement with BSAM which replaces the original agreement dated March 21, 2017. The amount of the cash pooling loan remained at \$4,250,000. On demand, BSAM shall pay the aggregate unpaid amount of all loans made by the Company. This note bears an interest obligation payable by BSAM, calculated by the variable rate (the one-month CME Term SOFR Rate as published by CME Group for the first day of each month rounded to the nearest 0.1%) minus 0.75% per annum, subject to a floor of 0%. The variable rate resets on the first day of each month. In 2023, interest receivable of \$146,821 was rolled into the principal balance.

The contractual terms of the note receivable give rise to cash flows that are solely payments of principal and interest on the outstanding amount. The note receivable is considered to be held within a held-to-collect business model and is measured at amortized cost. The Company recognizes loss

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BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC)

Notes to the Financial Statements

December 31, 2023 and 2022

allowances at an amount equal to lifetime expected credit losses (ECL). The loss allowance was immaterial as of December 31, 2023 and 2022.

(g) Subsequent Events

The Company has evaluated events and transactions that occurred after the balance sheet date for potential recognition or disclosure in the financial statements through May 23, 2024, the date the financial statements were authorized for issuance. No events or transactions occurred subsequent to December 31, 2023, that would require adjustment to, or disclosure in the financial statements.

(3) Recent IFRS Pronouncements

(a) Standards and Interpretations Adopted as of December 31, 2023

Insurance Contracts

In the current year, the Company adopted the insurance contract amendment to IFRS 17. This amendment requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of January 1, 2023. The implementation of this standard did not have a significant impact on the Company's financial statements.

Disclosure of Accounting Policies

In the current year, the Company adopted the IAS 1 amendment requiring that an entity disclose its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. The implementation of this standard did not have a significant impact on the Company's financial statements.

Definition of Accounting Estimates

In the current year, the Company adopted the IAS 8 amendment to replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. The implementation of this standard did not have a significant impact on the Company's financial statements.

(b) Standards and Interpretations Not Yet Adopted as of December 31, 2023

Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

This IAS 1 amendment aims to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current clarifies the principles applied to classify liabilities as current or non-current. The

BRIDGESTONE BANDAG FRANCHISING, LLC
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Notes to the Financial Statements

December 31, 2023 and 2022

amendment is effective for reporting periods beginning on or after January 1, 2024. The implementation of this standard is not expected to have a significant impact on the Company's financial statements.

While there are other newly issued or revised standards and interpretations that were issued on or before the date of approval of the financial statements but have not yet been early adopted, none of them are anticipated to have a significant impact on the Company's financial statements.

GUARANTEE OF PERFORMANCE

GUARANTEE OF PERFORMANCE

For value received Bridgestone Bandag Franchising, LLC, an Iowa limited liability company located at 200 4th Avenue South, Nashville, Tennessee 37201, absolutely and unconditionally guarantees to assume the duties and obligations of Bridgestone Bandag, LLC, located at 200 4th Avenue South, Nashville, Tennessee 37201 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with 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 Nashville, Tennessee on the 24th day of March, 2025.

Guarantor:

BRIDGESTONE BANDAG FRANCHISING, LLC

By: _____



Name: Brian Douglas

Title: Chairman and President

EXHIBIT C
SECURITY AGREEMENT

SECURITY AGREEMENT

This **SECURITY AGREEMENT** (the "Agreement"), is made as of ___ day of _____, _____ between _____ (the "Debtor"), and **BRIDGESTONE BANDAG, LLC**, an Iowa limited liability company and successor in interest to Bandag, Incorporated, ("Secured Party"), on behalf of itself and as agent for its present and future parent, subsidiaries and affiliates (collectively, the "Bridgestone Companies").

RECITALS

Debtor has asked Secured Party to extend credit to Debtor from time to time. It is a condition precedent to any extension of credit by Secured Party to Debtor that Debtor execute and deliver to Secured Party a security agreement in substantially the form hereof. Debtor wishes to grant a security interest in favor of Secured Party as provided herein to induce Secured Party to extend credit to Debtor from time to time.

AGREEMENT

In consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **DEFINITIONS.** All terms defined in the Uniform Commercial Code ("UCC") of Iowa and used in this Agreement shall have the same meanings in this Agreement as specified therein, unless otherwise expressly defined in this Agreement. If a term is defined in Article 9 of the UCC of Iowa differently than in another Article of the UCC of Iowa, the term for purposes of this Agreement shall have the meaning specified in Article 9. In addition, the following terms have the following meanings in this Agreement, unless specifically indicated otherwise:

(a) "Business Day" means any day other than a Saturday, Sunday, or other day on which national banks are required or authorized to be closed for business in Iowa.

(b) "Event of Default" means the occurrence of any of the following: (a) the failure of Debtor to pay or perform any of the Obligations as and when due to be paid or performed; (b) the dissolution, liquidation, or insolvency of Debtor, or the commencement of any Insolvency Proceedings, or the inability of Debtor to pay its debts as they mature, or; (c) any recital, representation, or warranty made by Debtor in this Agreement or hereafter provided to Secured Party by Debtor pursuant to this Agreement is incorrect or fails to state a material fact that is necessary to make the recital, representation, or warranty not misleading; or (d) Debtor fails to comply with any provision of this Agreement or any other Related Agreement.

(c) "Franchise Agreement" means any existing or future franchise agreement, license agreement or similar agreement between Debtor and Secured Party.

(d) "Guarantor" means any one or more individuals or entities that have executed, or that may hereafter execute, any guaranty agreement or indemnity agreement in favor of Secured Party (or any Bridgestone Company) with respect to some or all of the Obligations.

(e) "Insolvency Proceedings" any bankruptcy, liquidation, reorganization, debt arrangement, receivership, assignment for the benefit of creditors or other insolvency proceedings instituted by or against Debtor or any Guarantors under any federal, state or foreign laws.

(f) "Obligations" means (i) all indebtedness, obligations, and liabilities of every kind and nature of Debtor to Secured Party or any of the Bridgestone Companies, however evidenced, whether now existing or hereafter created or arising, directly or indirectly, primary or secondary, absolute or

contingent, joint or several, and however owned, held, or acquired, whether on open account, through discount, overdraft, purchase, direct loan or as collateral, or otherwise (including all purchase-money obligations); and (ii) the timely and full performance by Debtor of each and every duty, agreement, covenant, warranty, undertaking, and indemnity on the part of Debtor contained herein or in any other Related Agreement.

(g) “Related Agreement” means this Security Agreement, any Franchise Agreement and any existing or future contracts, subcontracts, documents, instruments or other agreements to which Debtor and Secured Party (or any Bridgestone Company) are parties, or as to which Debtor may otherwise be obligated to Secured Party (or any Bridgestone Company), including all modifications, supplements, amendments, and replacements thereto or thereof.

2. GRANT OF SECURITY INTEREST. To secure the payment and performance in full of all the Obligations, Debtor grants to Secured Party a security interest in, and pledges and assigns to Secured Party all rights of the Debtor in and to the following property, wherever located, whether now owned or hereafter acquired or arising (collectively, the “Collateral”): (a) all goods (including software) manufactured or sold by Secured Party or any Bridgestone Company, or bearing a brand, name or mark at any time owned by or registered or licensed to Secured Party or any Bridgestone Company (“Bridgestone Goods”), (b) all inventory of pre-cast and pre-cured tread rubber, cushion gum, repair materials, curing tubes, envelopes, stock tire casings (before and after retreading) and other retreading goods, materials and supplies, all whether or not provided by Secured Party or any Bridgestone Company, together with all retreaded tires produced by Debtor (“Inventory”), (c) all tire retreading equipment and other equipment (including fixtures) provided to Debtor by Secured Party or any Bridgestone Company for use by Debtor in the business of retreading tires, whether under a Franchise Agreement, sale, lease, license, bailment or otherwise (“Equipment”), (d) all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, insurance proceeds, and all other rights to payment of every kind, in each case arising from the ownership, use, sale, lease, bailment or other use or disposition of any Bridgestone Goods, Inventory or Equipment (“Accounts”), (e) all amounts and obligations at any time owed or to be owed or performed by Secured Party or any Bridgestone Company to or for the benefit of Debtor or its affiliates, whether in connection with any Franchise Agreement, any of the Bridgestone Goods, Inventory or Equipment or otherwise, including credits, debits, incentives, price reductions, commissions, and set-off and recoupment rights (regardless of whether such debts are matured), (f) all additions, substitutions, replacements extensions, amendments, attachments and accessions to and of any of the foregoing, and all computer records, databases, programs, ledgers, books of account and records relating to any or all of the foregoing and (g) all cash and non-cash proceeds of any of the foregoing.

3. PURCHASE-MONEY SECURITY INTEREST. The Obligations include Debtor’s purchase-money obligations and other obligations to pay Secured Party in connection with Debtor’s acquisition and/or use of the Inventory and Equipment, and the security interest granted by Debtor to Secured Party constitutes a purchase-money security interest, to the extent it qualifies as purchase-money collateral under Section 9-103 of the UCC, in the Bridgestone Goods, Inventory, Equipment and proceeds thereof.

4. AUTHORIZATION TO FILE FINANCING STATEMENTS. Debtor irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any UCC jurisdiction any financing statements, continuation statements, information statements and amendments with respect to the Collateral. Debtor also ratifies its authorization of Secured Party’s filing of any such financing statements or amendments filed prior to the date hereof.

5. OTHER ACTIONS. Debtor agrees to take the following actions at Debtor’s expense:

5.1 Collateral in the Possession of a Bailee. If any Collateral is at any time in the possession of a third-party bailee, Debtor shall promptly notify Secured Party thereof and, at Secured Party’s request and option, shall promptly obtain an acknowledgement from the bailee, in form and substance satisfactory to

Secured Party, that the bailee holds such Collateral for the benefit of Secured Party, and that such bailee agrees to comply, without further consent of Debtor, with instructions from Secured Party as to such Collateral. Secured Party shall not give any such instructions unless an Event of Default has occurred and is continuing or would occur after taking into account any action by Debtor with respect to the bailee.

5.2 Further Assurances; Financial Information. At the request and option of Secured Party, Debtor shall take any and all other actions Secured Party may determine to be necessary or useful for the attachment, perfection, and first priority of, and the ability of Secured Party to enforce, Secured Party's security interest in any and all of the Collateral, including, without limitation: (a) executing, delivering, and, where appropriate, filing financing statements and amendments relating thereto under the UCC of Iowa or any other jurisdiction, to the extent, if any, that Debtor's signature thereon is required therefor; (b) causing Secured Party's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection, or priority of, or the ability of Secured Party to enforce, Secured Party's security interest in such Collateral; (c) complying with any provision of any statute, regulation, or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection, or priority of, or the ability of Secured Party to enforce, Secured Party's security interest in such Collateral; (d) obtaining governmental and other third party waivers, consents and approvals in form and substance satisfactory to Secured Party, including, without limitation, any consent of any licensor, lessor, or other person obligated on Collateral; (e) obtaining waivers from mortgagees and landlords in form and substance satisfactory to Secured Party; and (f) taking all actions under any earlier versions of the UCC of Iowa or under any other law, as reasonably determined by Secured Party to be applicable in Iowa or any other jurisdiction, including any foreign jurisdiction. Debtor shall provide Secured Party such information regarding the business affairs and financial condition of Debtor as Secured Party may reasonably request from time to time.

6. ALLOCATION OF PAYMENTS. Payments received by Secured Party from or on behalf of Debtor in respect of purchase-money obligations relating to any Collateral shall be allocated as follows: (a) in accordance with the express provisions of a written agreement between the parties with respect to each item of purchase-money collateral; (b) in the absence of a written agreement or a written agreement without any express allocation of payments, in the order and manner in which Secured Party has applied such payment in the ordinary course of its business; or (c) in all other cases, first to items of purchase-money collateral that have been sold by the Debtor in the order in which such items were sold. Secured Party's security interest shall continue in each item of purchase-money collateral after payment of the purchase-money obligation with respect to such item to secure payment of performance of all other Obligations.

7. REPRESENTATIONS AND WARRANTIES CONCERNING DEBTOR'S LEGAL STATUS. Debtor represents and warrants to Secured Party that set forth on the signature page of this Agreement is an accurate statement of: (a) Debtor's exact legal name; (b) Debtor's organization type and the jurisdiction in which Debtor is organized; (c) Debtor's organizational identification number or a statement that Debtor has none; and (d) Debtor's place of business or, if more than one, its chief executive office, as well as Debtor's mailing address, if different.

8. COVENANTS CONCERNING DEBTOR'S LEGAL STATUS. Debtor covenants with Secured Party as follows: (a) without providing at least 30 days' prior written notice to Secured Party, Debtor will not change its name, its place of business or, if more than one, chief executive office, or its mailing address or organizational identification number if it has one; (b) if Debtor does not have an organizational identification number and later obtains one, Debtor shall immediately notify Secured Party of such organizational identification number; and (c) Debtor will not change its type of organization, jurisdiction of organization, or other legal structure.

9. REPRESENTATIONS AND WARRANTIES CONCERNING COLLATERAL. Debtor further represents and warrants to Secured Party as follows: (a) Debtor is the owner of or has other rights in the Collateral, free from any right or claim of any person or any adverse lien, security interest, or other encumbrance, except for the

security interest created by this Agreement and those security interests identified or described on Schedule A; (b) the current locations of the Collateral are listed on Schedule B; and (c) Debtor has at all times operated its business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended, and with all applicable provisions of federal, state, and local statutes and ordinances dealing with the control, shipment, storage, or disposal of hazardous materials or substances.

10. COVENANTS CONCERNING COLLATERAL. Debtor further covenants with Secured Party as follows: (a) the Collateral will be kept at those locations listed on Schedule B; (b) Debtor shall be the owner of or have other rights in the Collateral free from any right or claim of any other person, lien, security interest, or other encumbrance, and Debtor shall defend the same against all claims and demands of all persons at any time claiming the same or any interests therein adverse to Secured Party, except for the security interests identified or described on Schedule A; (c) except for the security interests identified or described on Schedule A, Debtor shall not pledge, mortgage, create, or suffer to exist any right of any person in or claim by any person to the Collateral, or any security interest, lien, or encumbrance in the Collateral in favor of any person, other than Secured Party; (d) Debtor will keep the Collateral in good order and repair and will not use the same in violation of law or any policy of insurance thereon; (e) Debtor will permit Secured Party, or its designee, to inspect the Collateral at any reasonable time, wherever located; (f) Debtor will pay promptly when due all taxes, assessments, governmental charges, and levies upon the Collateral or incurred in connection with the use or operation of such Collateral or incurred in connection with this Agreement; (g) Debtor will continue to operate its business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended, and with all applicable provisions of federal, state, and local statutes and ordinances dealing with the control, shipment, storage, or disposal of hazardous materials or substances; and (h) Debtor will not sell or otherwise dispose, or offer to sell or otherwise dispose, of the Collateral or any interest therein, except for sales and leases of inventory in the ordinary course of business.

11. INSURANCE.

11.1 Maintenance of Insurance. Debtor will maintain with financially sound and reputable insurers insurance with respect to its properties and business against such casualties and contingencies as shall be in accordance with general practices of businesses engaged in similar activities in similar geographic areas. Such insurance shall be in such minimum amounts that Debtor will not be deemed a co-insurer under applicable insurance laws, regulations, and policies and otherwise shall be in such amounts, contain such terms, be in such forms, and be for such periods as may be reasonably satisfactory to Secured Party. In addition, all such insurance shall be payable to Secured Party as loss payee. Without limiting the foregoing, Debtor will: (a) keep all its physical property insured with casualty or physical hazard insurance on an "all risks" basis, with broad form flood and earthquake coverages and electronic data processing coverage, with a full replacement cost endorsement and an "agreed amount" clause in an amount equal to 100 percent of the full replacement cost of such property; (b) maintain all such workers' compensation or similar insurance as may be required by law; and (c) maintain, in amounts and with deductibles equal to those generally maintained by businesses engaged in similar activities in similar geographic areas, Commercial General Liability Insurance (including Products, Completed Operations, Independent Contractors Liability, and Contractual Liability coverages) with limits of at least \$2,000,000 combined single limit per occurrence of bodily injury, death, or property damage.

11.2 Insurance Proceeds. The proceeds of any casualty insurance in respect of any casualty loss of any of the Collateral shall, subject to the rights, if any, of other parties with an interest having priority in the property covered thereby: (a) so long as no Event of Default has occurred and is continuing and to the extent that the amount of such proceeds is less than \$50,000, be disbursed to Debtor for direct application by Debtor solely to the repair or replacement of Debtor's property so damaged or destroyed; and (b) in all other circumstances, be held by Secured Party as cash collateral for the Obligations. Secured Party may, at its sole option, disburse from time to time all or any part of such proceeds so held as cash collateral, upon such terms and conditions as Secured Party may reasonably prescribe, for direct application by Debtor solely to the repair

or replacement of Debtor's property so damaged or destroyed, or Secured Party may apply all or any part of such proceeds to the Obligations.

11.3 Continuation of Insurance. All policies of insurance shall provide for at least 30 days' prior written cancellation notice to Secured Party. In the event of failure by Debtor to provide and maintain insurance as herein provided, Secured Party may, at its option, provide such insurance and charge the amount thereof to Debtor. Debtor shall furnish Secured Party with certificates of insurance and policies evidencing compliance with this Section as requested by Secured Party from time to time.

12. COLLATERAL PROTECTION EXPENSES; PRESERVATION OF COLLATERAL.

12.1 Expenses Incurred by Secured Party. In Secured Party's discretion, if Debtor fails to do so, Secured Party may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral, maintain any of the Collateral, make repairs thereto, and pay any necessary filing fees or insurance premiums. Debtor agrees to reimburse Secured Party on demand for all expenditures so made. Secured Party shall have no obligation to Debtor to make any such expenditures, and the making thereof shall not be construed as the waiver or cure of any Event of Default.

12.2 Secured Party's Obligations and Duties. Notwithstanding any contrary provision in this Agreement, Debtor shall remain obligated and liable under each contract or agreement included in the Collateral to be observed or performed by Debtor thereunder. Secured Party shall not have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by Secured Party of any payment relating to any of the Collateral, and Secured Party shall not be obligated in any manner to perform any of the obligations of Debtor under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by Secured Party in respect of the Collateral, or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to Secured Party or to which Secured Party may be entitled at any time or times. Secured Party's sole duty with respect to the custody, safe keeping, and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC of Iowa or otherwise, shall be to deal with such Collateral in the same manner as Secured Party deals with similar property for its own account.

13. NOTIFICATION TO ACCOUNT DEBTORS AND OTHER PERSONS OBLIGATED ON COLLATERAL. If an Event of Default occurs and is continuing, Debtor shall, at the request and option of Secured Party, notify account debtors and other persons obligated on any of the Collateral of the security interest of Secured Party in any account, chattel paper, general intangible, instrument, or other Collateral, and that payment thereof is to be made directly to Secured Party or to any financial institution designated by Secured Party as Secured Party's agent therefor; and Secured Party may itself, if an Event of Default shall have occurred and be continuing, without notice to or demand on Debtor, so notify account debtors and other persons obligated on any of the Collateral. After the making of such a request or the giving of any such notification, Debtor shall hold any proceeds of collection of accounts, chattel paper, general intangibles, instruments, and other Collateral received by Debtor as trustee for Secured Party without commingling the same with other funds of Debtor and shall turn the same over to Secured Party in the identical form received, together with any necessary endorsements or assignments. Secured Party shall apply the proceeds of collection of accounts, chattel paper, general intangibles, instruments, and other Collateral received by Secured Party to the Obligations, such proceeds to be immediately credited after final payment in cash or other immediately available funds of the items giving rise to them.

14. SET OFFS. Secured Party, either before or after an Event of Default, may withhold, set off, recoup, or deduct from any amount otherwise due to Debtor from Secured Party and credit such withholding, set off, recoupment, or deduction to the Obligations.

15. POWER OF ATTORNEY.

15.1 Appointment and Powers of Secured Party. Debtor irrevocably constitutes and appoints Secured Party and any of its officers or agents, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Debtor or in Secured Party's own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, gives such attorneys the power and right, on behalf of Debtor, without notice to or assent by Debtor, to do the following:

(a) On the occurrence and during the continuance of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to, or otherwise dispose of or deal with any of the Collateral in such manner as is consistent with the UCC of Iowa and as fully and completely as though Secured Party were the absolute owner thereof for all purposes; and to do, at Debtor's expense, at any time, or from time to time, all acts and things which Secured Party deems necessary or useful to protect, preserve, or realize upon the Collateral and Secured Party's security interest therein; to carry out the intent of this Agreement, all at least as fully and effectively as Debtor might do, including, without limitation, the execution, delivery, and recording, in connection with any sale or other disposition of any Collateral, of the endorsements, assignments, or other instruments of conveyance or transfer with respect to such Collateral; and

(b) To the extent that Debtor's authorization given in Section 4 is not sufficient, to file such financing statements with respect to the Collateral, with or without Debtor's signature, or a photocopy of this Agreement in substitution for a financing statement, as Secured Party may deem appropriate and to execute in Debtor's name such financing statements and amendments thereto and continuation statements which may require Debtor's signature.

15.2 Ratification by Debtor. To the extent permitted by law, Debtor ratifies all that such attorneys shall do or cause to be done pursuant to this Section 15. This power of attorney is a power coupled with an interest and is irrevocable.

15.3 No Duty on Secured Party. The powers conferred on Secured Party in this Agreement are solely to protect its interests in the Collateral and shall not impose any duty on it to exercise any such powers. Secured Party shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees, or agents shall be responsible to Debtor for any act or failure to act, except for Secured Party's own gross negligence or willful misconduct.

16. RIGHTS AND REMEDIES. If an Event of Default occurs and is continuing, Secured Party, without any other notice to or demand upon Debtor, shall have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the UCC of Iowa and any additional rights and remedies which may be provided to a secured party in any jurisdiction in which Collateral is located, including, without limitation, the right to take possession of the Collateral, and for that purpose Secured Party may, so far as Debtor can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. Secured Party may in its discretion require Debtor to assemble all or any part of the Collateral at such location or locations within the jurisdiction(s) of Debtor's principal office(s) or at such other locations as Secured Party may reasonably designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party shall give to Debtor at least ten Business Days' prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. Debtor acknowledges that ten Business Days' prior written notice of such sale or sales shall be reasonable notice. In addition, Debtor waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of Secured Party's rights and remedies hereunder, including, without limitation, its

right following an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto.

17. STANDARDS FOR EXERCISING RIGHTS AND REMEDIES. To the extent that applicable law imposes duties on Secured Party to exercise remedies in a commercially reasonable manner, Debtor acknowledges and agrees that it is not commercially unreasonable for Secured Party to: (a) fail to incur expenses reasonably deemed significant by Secured Party to prepare Collateral for disposition or otherwise to fail to complete raw material or work in process into finished goods or other finished products for disposition; (b) fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of; (c) fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to fail to remove liens or encumbrances on or any adverse claims against Collateral; (d) exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists; (e) advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature; (f) contact other persons, whether or not in the same business as Debtor, for expressions of interest in acquiring all or any portion of the Collateral; (g) hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature; (h) dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets; (i) dispose of assets in wholesale rather than retail markets, (j) disclaim disposition warranties; (k) purchase insurance or credit enhancements to insure Secured Party against risks of loss, collection, or disposition of Collateral or to provide to Secured Party a guaranteed return from the collection or disposition of Collateral; or (l) to the extent deemed appropriate by Secured Party, obtain the services of other brokers, investment bankers, consultants, and other professionals to assist Secured Party in the collection or disposition of any of the Collateral. Debtor acknowledges that the purpose of this Section 17 is to provide non-exhaustive indications of what actions or omissions by Secured Party would fulfill Secured Party's duties under the UCC of Iowa or other law of the state of Iowa or any other relevant jurisdiction in Secured Party's exercise of remedies against the Collateral and that other actions or omissions by Secured Party shall not be deemed to fail to fulfill such duties solely on account of not being specified in this Section 17. Without limiting the foregoing, nothing contained in this Section 17 shall be construed to grant any rights to Debtor or to impose any duties on Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 17.

18. NO WAIVER BY SECURED PARTY. Secured Party shall not be deemed to have waived any of its rights or remedies in respect of the Obligations or the Collateral unless such waiver shall be in writing and signed by Secured Party. No delay or omission on the part of Secured Party in exercising any right or remedy shall operate as a waiver of such right or remedy or any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All rights and remedies of Secured Party with respect to the Obligations or the Collateral, whether evidenced by this Agreement or by any other instrument, document, or agreement, shall be cumulative and may be exercised singularly, alternatively, successively, or concurrently at such time or times as Secured Party deems expedient.

19. SURETYSHIP WAIVERS BY DEBTOR. Debtor waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered, or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, Debtor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange, or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising, or adjusting of any thereof, all in such manner and at such time or times as Secured Party may deem advisable. Secured Party shall have no duty as to the collection or protection of the Collateral or any income therefrom, the preservation of rights against prior

parties, or the preservation of any rights pertaining thereto beyond the safe custody thereof as set forth in Subsection 12.2. Debtor further waives all other suretyship defenses.

20. MARSHALLING. Secured Party shall not be required to marshal any present or future collateral (including the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral or other assurances of payment in any particular order, and all of Secured Party's rights and remedies hereunder and in respect of such collateral and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the maximum extent permitted by law, Debtor irrevocably waives the provisions of any law relating to the marshalling of collateral (including the Collateral).

21. PROCEEDS OF DISPOSITIONS; EXPENSES. Debtor shall pay to Secured Party on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by Secured Party in protecting, preserving, or enforcing Secured Party's rights and remedies under or in respect of any of the Obligations or any of the Collateral. After deducting all of such expenses, the residue of any proceeds of collection or sale or other disposition of the Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as Secured Party may determine, proper allowance and provision being made for any Obligations not then due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Sections 9-608(a)(1)(C) or 9-615(a)(3) of the UCC of Iowa, any excess shall be returned to Debtor. In the absence of final payment and satisfaction in full of all the Obligations, Debtor shall remain liable for any deficiency.

22. OVERDUE AMOUNTS. Until paid, all amounts due and payable by Debtor under this Agreement which are not paid or performed when due shall bear, both before and after judgment, interest at the rate of interest equal to the lesser of eighteen percent per annum or the maximum rate permitted by applicable law. All such interest shall constitute a debt secured by the Collateral.

23. GOVERNING LAW; CONSENT TO JURISDICTION. THIS AGREEMENT IS INTENDED TO AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF IOWA, EXCEPT FOR IOWA LAW WITH RESPECT TO CONFLICTS OF LAW. Debtor agrees that any action or claim arising out of, or any dispute in connection with, this Agreement, any rights, remedies, obligations, or duties hereunder, or the performance or enforcement hereof or thereof, may be brought in the courts of the state of Iowa or any federal court sitting in Iowa and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon Debtor by mail at the address set forth on the signature page of this Agreement. Debtor waives any objection that it may now or in the future have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

24. WAIVER OF JURY TRIAL AND CONSEQUENTIAL DAMAGES. DEBTOR WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS, REMEDIES, OBLIGATIONS, OR DUTIES HEREUNDER, OR THE PERFORMANCE OR ENFORCEMENT HEREOF OR THEREOF. Except as prohibited by law, Debtor waives any right which it may have to claim or recover in any litigation mentioned in the preceding sentence any special, exemplary, punitive, indirect, incidental, or consequential damages or any damages other than, or in addition to, actual direct damages. Debtor (a) certifies that neither Secured Party nor any representative, agent, or attorney of Secured Party has represented, expressly or otherwise, that Secured Party would not, in the event of litigation, seek to enforce the foregoing waivers or other waivers contained in this Agreement; and (b) acknowledges that by extending credit to Debtor from time to time, Secured Party is relying upon the waivers and certifications contained in this Section 24, among other things.

25. SEVERABILITY. If any clause or portion of a clause contained in this Agreement is finally determined by a court of competent authority to be contrary to the provisions of applicable federal, state, or local law, such clause or portion of a clause shall be invalidated only to the extent required by such law, and all remaining

clauses or portions of a clause contained in this Agreement shall continue to be in full force and effect to the maximum extent not prohibited by applicable law.

26. NOTICES. All notices, requests, and other communications with respect to this Agreement shall be in writing and shall be deemed to have been duly given, made, and received only when personally delivered as documented by a courier's receipt; or upon actual receipt of registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below (or at such other addresses as may be stated in notices similarly given).

27. AMENDMENT. This Agreement may be amended only by a writing executed by an authorized officer of each of the parties to this Agreement.

28. BRIDGESTONE COMPANIES. To the extent that any of the Obligations may be owed at any time to any of the Bridgestone Companies other than Secured Party (whether directly, indirectly, by assignment or otherwise), Debtor acknowledges that Secured Party is acting as agent for such Bridgestone Companies with respect to the security interest granted herein, including without limitation exercising the Secured Party's rights and remedies, and enforcing any of Debtor's obligations, under this Agreement.

29. MISCELLANEOUS. The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions hereof. This Agreement and all rights and obligations hereunder shall be binding on Debtor and its respective successors and permitted assigns, and shall inure to the benefit of Secured Party and its successors and assigns. Debtor may not assign its rights or obligations under this Agreement without prior written approval by the Secured Party. In this Agreement, words and defined terms or phrases importing the singular include the plural and vice versa, and the use of any pronoun includes the corresponding masculine, feminine, and neuter forms. The word "including" is deemed to be followed by the words "without limitation". Nothing in this Agreement shall obligate Secured Party to extend any credit to Debtor at any time or limit Secured Party's sole and absolute discretion to determine timing or amount of any extension of credit to Debtor. All schedules identified in this Agreement are attached and incorporated by reference. The failure to attach or complete any schedule referred to herein shall not be construed to limit, impair, derogate from, or alter any of the provisions of this Agreement.

[Signatures are on following pages]

Debtor has caused this Agreement to be duly executed as of the date stated in the introductory paragraph.

DEBTOR: Exact legal name of Debtor and type of organization

By _____

Name: _____

Title: _____

Mailing Address:

State of organization of Debtor: _____

Accepted by: **BRIDGESTONE BANDAG, LLC**

State of organization of Debtor:

By _____

Name: Katharine A. Payne

Organizational number of Debtor or, if none,

Title: Director Order to Cash

state "none": _____

ADDRESS OF SECURED PARTY (FROM WHICH INFORMATION CONCERNING THE SECURITY INTEREST MAY BE OBTAINED):

Bridgestone Bandag, LLC
200 4th Ave South, Suite 100
Nashville, TN 37201

STATE OF _____, _____ COUNTY, ss.

On _____, 20____, _____ appeared personally before the undersigned Notary Public and, being duly sworn, stated that (s)he is the President of the corporation that executed the preceding document, the document was signed on behalf of the corporation by authority of its member/manager(s), and such official acknowledged the voluntary execution of the document by him/her and by the corporation.

Notary Public in and for the State of _____

(Affix Notarial Seal)

Commission expires: _____

SCHEDULE A
OTHER SECURITY INTERESTS IN COLLATERAL

SCHEDULE B

LOCATIONS OF COLLATERAL

1. The following are all locations in the United States of America in which Debtor maintains any books or records relating to any of the Collateral:

ADDRESS	COUNTY	STATE
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2. The following are all locations in the United States of America where any of the Collateral is located:

ADDRESS	COUNTY	STATE
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3. The following are all other places of business of Debtor in the United States of America:

ADDRESS	COUNTY	STATE
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EXHIBIT C-1
INDIVIDUAL GUARANTY

C-1-1

INDIVIDUAL GUARANTY

This **GUARANTY** (“Guaranty”) is executed as of _____, _____, by _____ (“Guarantor”), an individual residing in _____, in favor of **BRIDGESTONE BANDAG, LLC**, an Iowa limited liability company, (“Bandag”), on behalf of itself and as agent for its present and future parent, subsidiaries and affiliates (collectively, the “Bridgestone Companies”). Bandag and the Bridgestone Companies are referred to collectively and individually as “Creditor”.

RECITALS

SOUTHSIDE TIRE OF NEBRASKA LLC (“Dealer”) is or may become an authorized dealer of Bandag pursuant to one or more existing or future franchise agreements, license agreements or similar agreements between Dealer and Bandag (collectively, the “Franchise Agreement”). Dealer has requested Creditor to extend credit to Dealer to enable Dealer to acquire goods, equipment, materials, software, products, or services from Creditor from time to time, pursuant to the Franchise Agreement or otherwise. It is a condition precedent to any extension of credit by Creditor to Dealer that Guarantor execute and deliver to Creditor a guaranty in substantially the form hereof. To induce the Creditor to supply goods, equipment, materials, software, products; or services to Dealer on credit, Guarantor has agreed to guarantee payment and performance of Dealer’s obligations to Creditor. Guarantor has a direct or indirect beneficial or financial interest in Dealer and will benefit from any extension of credit by Creditor to Dealer.

GUARANTY

In consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by Guarantor, Guarantor irrevocably, continually, and unconditionally, jointly and severally, agrees as follows:

1. Guarantor guarantees, as primary obligor and not merely as surety, the punctual performance and payment of (i) all indebtedness, obligations, and liabilities of every kind and nature of Dealer to Bandag or any of the Bridgestone Companies, however evidenced, whether now existing or hereafter created or arising, directly or indirectly, primary or secondary, absolute or contingent, joint or several, and however owned, held, or acquired, whether on open account, through discount, overdraft, purchase, direct loan or as collateral, or otherwise (including all purchase-money obligations); and (ii) the timely and full performance by Dealer of each and every duty, agreement, covenant, warranty, undertaking, and indemnity on the part of Dealer contained herein or in the Franchise Agreement or any existing or future contracts, subcontracts, documents, instruments or other agreements to which Dealer and Bandag (or any Bridgestone Company) are parties, or as to which Dealer may otherwise be obligated to Bandag (or any Bridgestone Company), including all modifications, supplements, amendments, and replacements thereto or thereof (collectively, including the Franchise Agreement, the “Related Agreements”), together with interest thereon on the unpaid principal amount from the date of demand on Guarantor at a rate equal to the lesser of eighteen percent per annum or the highest rate permitted by applicable law (collectively, the “Obligations”). The amount of this Guaranty is unlimited. If Dealer fails to perform any of the Obligations when performance is due (including payment), all Obligations shall, at Creditor’s option, immediately become due and payable by Guarantor to Creditor without notice.

2. Guarantor waives: (a) any right to notice of the creation of the Obligations; (b) any rights Guarantor may have by reason of any forbearance, modification, waiver, renewal, or extension that Creditor may grant, or to which Creditor and Dealer may agree, with respect to the Obligations; (c) notice of acceptance of this Guaranty; (d) presentment, demand, notice, or protest of any kind; and (e) all defenses, offsets, and counterclaims based on impairment of collateral, suretyship, or on Guarantor’s status as guarantor of the

Obligations (other than the defense of prior full, final, and indefeasible payment and performance of all Obligations).

3. All payments by Guarantor to Creditor shall be paid in lawful money of the United States of America and shall be payable without set-off, deduction, or counterclaim.

4. Guarantor's obligations under this Guaranty shall not be affected by any bankruptcy, liquidation, reorganization, debt arrangement, receivership, trusteeship, assignment for the benefit of creditors or other insolvency proceedings ("Insolvency Proceedings") instituted by or against Dealer or its property under any applicable federal, state or foreign bankruptcy, reorganization, arrangement, insolvency, receivership, or similar laws ("Insolvency Laws"), or any discharge of any of the Obligations in any such Insolvency Proceedings. This Guaranty shall remain in full force and effect until: (a) all Obligations have been indefeasibly paid in full to Creditor; (b) all obligations and indemnifications of Dealer to Creditor have been fulfilled; and (c) all sums received by Creditor from Dealer or Guarantor are not subject to rescission, disgorgement, avoidance or repayment in connection with any Insolvency Proceedings. Guarantor's obligations hereunder shall be absolute, unconditional, and irrevocable, regardless of whether the Obligations are created before or after the commencement of any Insolvency Proceedings. Guarantor's obligations under this Guaranty shall include, but not be limited to, any interest, late charges, attorneys' fees, or other sums coming due under the terms of any document or agreement creating or evidencing any of the Obligations (without reference to the effect of Insolvency Laws) after the commencement of any Insolvency Proceedings regardless of whether applicable Insolvency Laws permit such sums to be collected from Dealer or to accrue with respect to Dealer.

5. Guarantor waives to the fullest extent possible any and all claims that Guarantor may have against Dealer arising out of any payment by Guarantor to Creditor of any of the obligations under this Guaranty, including, but not limited to, all such claims arising out of any right of subrogation, indemnity, reimbursement, contribution, exoneration, payment, or any other claim, cause of action, right, or remedy against Dealer, whether such claim arises at law, in equity, or out of any written or oral agreement between Guarantor and Dealer or otherwise.

6. The obligations of Guarantor under this Guaranty shall be unconditional and irrevocable, irrespective of any of the following: (a) any lack of legality, validity, or enforceability of any of the documents or agreements creating or evidencing any of the Obligations; (b) any limitation of liability of the Dealer, or its constituent shareholders or members, contained in any document or agreement creating or evidencing any of the Obligations; (c) the existence of any security given to secure any of the Obligations; (d) impossibility or the illegality of performance on the part of Dealer of any of its Obligations; (e) the sale or other transfer of all or any portion of any collateral securing performance of any of the Obligations; (f) Insolvency Proceedings involving Dealer; (g) any stay, disaffirmance, or other action in Dealer's Insolvency Proceedings; (h) any defense that may arise by reason of the incapacity or lack of authority of Dealer or Guarantor or the failure of Creditor to file or enforce a claim against the estate of Dealer in any Insolvency Proceedings; or (i) any other circumstances, occurrence, or condition, whether similar or dissimilar to any of the foregoing, that might otherwise constitute a legal or equitable defense, discharge, or release of a guarantor or surety. If Dealer defaults under any document or agreement creating or evidencing any of the Obligations and Creditor is prevented from accelerating or collecting payment or performance of any of the Obligations (whether because of Dealer's Insolvency Proceedings or any other reason), Creditor shall be entitled to receive from Guarantor, upon demand by Creditor, the sums that would have otherwise been due and payable had such acceleration occurred and had Creditor been permitted to collect such sums from Dealer.

7. Guarantor agrees that Creditor may at any time and from time to time, with or without consideration, release any one or more guarantors of the Obligations, and/or release Dealer from all or any

of the Obligations and/or agree to the substitution, exchange or release of all or any part of the collateral or security for the performance of the Obligations, in each case without notice to, or further consent from, Guarantor. Any such action shall not in any way affect or diminish the liability of Guarantor under this Guaranty. Guarantor waives all claims and defenses against Creditor based on principles of suretyship, including impairment of recourse and impairment of collateral.

8. If any or all of the Obligations are not duly paid or performed by Dealer and are not paid or performed under Section 1 for any reason, Guarantor agrees, as a separate and distinct obligation, to indemnify and hold harmless Creditor from and against all losses (including reasonable attorneys' fees) resulting from the failure of Dealer to pay or perform its Obligations.

9. If Guarantor advances any sums to Dealer or its successors or assigns, or if the Dealer or its successors or assigns are now or hereafter become indebted to Guarantor, such sums or indebtedness shall be subordinate in payment, collection and all other respects to the Obligations. If Guarantor collects any of such sums or indebtedness from Dealer at any time, such collected funds shall be deemed collected and received by Guarantor in trust for Creditor and shall be paid over to Creditor, upon demand by Creditor, for application on account of Dealer's Obligations.

10. Guarantor represents and warrants that: (a) Guarantor has the full power, authority, and legal right to enter into, execute, and deliver this Guaranty; (b) this Guaranty is a valid and binding legal obligation of Guarantor and is fully enforceable against Guarantor in accordance with its terms; (c) the execution, delivery, and performance by Guarantor of this Guaranty will not violate or constitute a default under any indenture, note, loan, or credit agreement or any other agreement or instrument to which Guarantor is a party or is bound; (d) Guarantor has a direct or indirect beneficial or financial interest in Dealer; and (e) if Guarantor or Dealer has delivered to Creditor financial statements of Guarantor, such financial statements were true and correct as of the date prepared, and there has been no material adverse change in the financial condition of Guarantor from the financial condition of Guarantor shown on such financial statements delivered to Creditor.

11. Guarantor agrees that Creditor has no duty to inform Guarantor, now or at any time hereafter, as to any facts concerning Dealer or the Obligations and that Guarantor is fully responsible for being and remaining informed by the Dealer of all circumstances bearing on the status of Dealer and the existence or creation or the risk of nonpayment of the Obligations. Credit may be granted or continued from time to time by Creditor to Dealer without notice to or authorization from Guarantor, regardless of the financial or other condition of the Dealer at the time of any such grant or continuation. Creditor shall have no obligation to disclose or discuss with Guarantor its assessment of the financial condition of Dealer. Guarantor acknowledges that no representations of any kind whatsoever have been made by Creditor to Guarantor.

12. Notwithstanding anything contained in this Guaranty or in any document or agreement creating or evidencing any of the Obligations to the contrary, Guarantor shall be in default under this Guaranty if Insolvency Proceedings are instituted by or against Guarantor or its property under any Insolvency Laws; or if any representation or warranty made by Guarantor in this Guaranty is incorrect or fails to state a material fact that is necessary to make the representation or warranty not misleading; or if Guarantor fails to perform any of its obligations under this Guaranty or breaches any of its covenants under this Guaranty; or if Guarantor causes or incurs a material adverse change in its financial condition from its financial condition shown on its financial statements delivered to Creditor before the date of the Guaranty. Upon the occurrence of any such default, or in the event of the death of Guarantor, Creditor may, at its option, accelerate the date payment or performance of the Obligations is due as to Guarantor.

13. All notices, requests, and other communications with respect to this Guaranty shall be in writing and shall be deemed to have been duly given, made, and received only when personally delivered as

documented by a courier's receipt, or upon actual receipt of registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below (or at such other addresses as may be stated in notices similarly given):

If to Creditor: Bridgestone Bandag, LLC
Attn: Director of Credit
200 4TH Avenue South, Suite 100
Nashville, TN 37201

If to Guarantor: At Guarantor's address set forth on the signature page of this Guaranty.

14. All rights and remedies of Creditor under this Guaranty, any document or agreement creating or evidencing the Obligations, or by law are separate and cumulative, and the exercise of one shall not limit or prejudice the exercise of any other such rights or remedies. The enumeration in this Guaranty of any waivers or consents by Guarantor shall not be deemed exclusive of any additional waivers or consents by Guarantor that may be deemed to exist in law or equity. No delay or omission by Creditor in exercising any such right or remedy shall operate as a waiver of that right. No waiver of any rights and remedies under this Guaranty and no modification or amendment of this Guaranty shall be deemed made by Creditor unless in writing and duly signed by Creditor. Any such written waiver shall apply only to the particular instance specified therein and shall not impair the further exercise of such right or remedy or of any other right or remedy of Creditor, and no single or partial exercise of any right or remedy under this Guaranty shall preclude any other or further exercise thereof or any other right or remedy.

15. Guarantor shall pay to Creditor on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by Creditor in protecting, preserving, or enforcing Creditor's rights and remedies under this Guaranty or in respect of any of the Obligations. If Creditor employs counsel to enforce this Guaranty by suit or otherwise, Guarantor will reimburse Creditor, upon demand, for all expenses incurred in connection therewith (including, without limitation, reasonable attorneys' fees) whether or not suit is actually instituted.

16. Creditor shall have, to the fullest extent permitted by law, the right of set-off in respect of all money, credits or other property of Guarantor at any time in the possession of Creditor for all obligations of Guarantor under this Guaranty. After the occurrence of a default under this Guaranty, every such right of set-off may be exercised without notice to Guarantor.

17. This Guaranty shall be binding on Guarantor and Guarantor's successors and permitted assigns. Guarantor may not assign Guarantor's obligations under this Guaranty without a prior written consent signed by an authorized officer of Creditor, which consent may be withheld for any reason. No consent to any assignment shall release Guarantor from any of its obligations under this Guaranty, except to the extent that the written consent of Creditor expressly provides for such release. This Guaranty shall be binding upon Guarantor's heirs, executors, and legal representatives.

18. Nothing contained in this Guaranty is intended to supersede, modify, or otherwise affect any other guaranty or suretyship agreement from Guarantor to Creditor.

19. Guarantor will deliver to Creditor, within ninety (90) days after the end of each calendar year, a financial statement of Guarantor and such other financial information as Creditor may reasonably require, all in reasonable detail and prepared in accordance with accounting principles consistently applied.

20. If Guarantor consists of more than one person, the obligations and liabilities under this Guaranty of those persons shall be joint and several, and the word "Guarantor" shall mean all, some or any of them. In this Guaranty, words and defined terms or phrases importing the singular include the plural and vice versa, the use of any pronoun includes the corresponding masculine, feminine, and neuter forms, and the word "including" is deemed to be followed by the words "without limitation".

21. This Guaranty may be signed in several counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, all of which counterparts will together constitute this Guaranty. Each such counterpart shall be valid and enforceable against the party and/or parties by whom it is signed, even if fewer than all of the individuals or entities who are intended to sign this Guaranty or a counterpart of this Guaranty actually sign this Guaranty or a counterpart thereof. Facsimile or other mechanically reproduced signatures shall have the same effect as handwritten signatures for all purposes of this Guaranty.

22. GUARANTOR KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT GUARANTOR MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, ARISING OUT OF, OR RELATING TO THIS GUARANTY, THE GUARANTEED OBLIGATIONS, ANY AGREEMENTS IN RESPECT OF THE GUARANTEED OBLIGATIONS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER ORAL OR WRITTEN), OR ACTION OF GUARANTOR, DEALER, OR CREDITOR WITH RESPECT TO ANY OF THE FOREGOING. THIS PROVISION IS A MATERIAL INDUCEMENT FOR ANY EXTENSION OF CREDIT TO DEALER BY CREDITOR.

23. This Guaranty and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed according to the laws of the State of Iowa, excluding Iowa law with respect to conflicts of law. Guarantor consents and submits to personal jurisdiction of the federal and state courts located in Iowa for purposes of any litigation arising under or relating to this Guaranty and agrees that service of process may be made and personal jurisdiction over Guarantor obtained in accordance with the applicable laws of Iowa. Guarantor further agrees that any action, suit, or proceeding to enforce this Guaranty may be brought in any state or federal court in Iowa and waives any objection which Guarantor may have to the venue of any such court in any such action, suit, or proceeding. Nothing in this Guaranty shall prevent Creditor from bringing any action, suit, or proceeding to enforce this Guaranty or from exercising any right against any security for the performance of Dealer's Obligations or against any property of Guarantor in any other jurisdiction or state. Initiating such action, suit, or proceeding or taking such action in any other jurisdiction or state shall not, however, constitute a waiver of the provision contained in this section that the laws of Iowa shall govern the rights and obligations of Guarantor and Creditor under this Guaranty.

24. Guarantor: (a) acknowledges that Guarantor has received a copy of the Franchise Agreement; (b) represents to Creditor that Guarantor has read the Franchise Agreement; and (c) agrees to comply with and be bound by the conflicts of interest provisions contained in Section 6, the intellectual property provisions contained in Section 7, and the franchise transfer and succession planning provisions contained in Section 8 of the Franchise Agreement to the same extent and for the same period of time as Dealer and as if Guarantor were named as the dealer or franchisee in the Franchise Agreement.

25. To the extent that any of the Obligations may be owed at any time to any of the Bridgestone Companies other than Bandag, Guarantor acknowledges that Bandag is acting as agent for such Bridgestone Companies with respect to this Guaranty, including the exercise of Creditor's rights and remedies under this Guaranty.

26. This Guaranty contains the entire understanding between Creditor and Guarantor with respect to Guarantor's obligations in connection with the Obligations and any agreement creating or evidencing any of the Obligations, and supersedes all prior and contemporaneous agreements, understandings, inducements, conditions, express or implied, oral or written, except as contained in the Guaranty. Guarantor intends that all provisions of this Guaranty be enforced to the maximum extent permitted by applicable law.

Guarantor has duly executed this Guaranty as of the date stated in the introductory paragraph.

Guarantor:

Address:

Name: _____

Street

Social Security Number _____

City State Zip

Date of Birth _____

NOTARY ACKNOWLEDGMENT FORMS ON FOLLOWING PAGES

ACKNOWLEDGEMENT FOR INDIVIDUAL:

STATE OF _____, _____ COUNTY ss.

On _____, 20____, _____ appeared personally before the undersigned Notary Public and, being duly sworn, stated that (s)he is the identical person named in and who executed the preceding document and acknowledged its voluntary execution.

Notary Public in and for the State of _____

EXHIBIT C-2
ENTITY GUARANTY

C-2-1

ENTITY GUARANTY

This GUARANTY (“Guaranty”), is executed as of _____, _____, by _____ (“Guarantor”), in favor of BRIDGESTONE BANDAG, LLC, an Iowa limited liability company, (“Bandag”), on behalf of itself and as agent for its present and future parent, subsidiaries and affiliates (collectively, the “Bridgestone Companies”). Bandag and the Bridgestone Companies are referred to collectively and individually as “Creditor”.

Recitals

_____ (“Dealer”) is or may become an authorized dealer of Bandag pursuant to one or more existing or future franchise agreements, license agreements or similar agreements between Dealer and Bandag (collectively, the “Franchise Agreement”). Dealer has requested Creditor to extend credit to Dealer to enable Dealer to acquire goods, equipment, materials, software, products, or services from Creditor from time to time, pursuant to the Franchise Agreement or otherwise. It is a condition precedent to any extension of credit by Creditor to Dealer that Guarantor execute and deliver to Creditor a guaranty in substantially the form hereof. To induce the Creditor to supply goods, equipment, materials, software, products; or services to Dealer on credit, Guarantor has agreed to guarantee payment and performance of Dealer’s obligations to Creditor. Guarantor has a direct or indirect beneficial or financial interest in Dealer and will benefit from any extension of credit by Creditor to Dealer.

Guaranty

In consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by Guarantor, Guarantor irrevocably, continually, and unconditionally, jointly and severally, agrees as follows:

1. Guarantor guarantees, as primary obligor and not merely as surety, the punctual performance and payment of (i) all indebtedness, obligations, and liabilities of every kind and nature of Dealer to Bandag or any of the Bridgestone Companies, however evidenced, whether now existing or hereafter created or arising, directly or indirectly, primary or secondary, absolute or contingent, joint or several, and however owned, held, or acquired, whether on open account, through discount, overdraft, purchase, direct loan or as collateral, or otherwise (including all purchase-money obligations); and (ii) the timely and full performance by Dealer of each and every duty, agreement, covenant, warranty, undertaking, and indemnity on the part of Dealer contained herein or in the Franchise Agreement or any existing or future contracts, subcontracts, documents, instruments or other agreements to which Dealer and Bandag (or any Bridgestone Company) are parties, or as to which Dealer may otherwise be obligated to Bandag (or any Bridgestone Company), including all modifications, supplements, amendments, and replacements thereto or thereof (collectively, including the Franchise Agreement, the “Related Agreements”), together with interest thereon on the unpaid principal amount from the date of demand on Guarantor at a rate equal to the lesser of eighteen percent per annum or the highest rate permitted by applicable law (collectively, the “Obligations”). The amount of this Guaranty is unlimited. If Dealer fails to perform any of the Obligations when performance is due (including payment), all Obligations shall, at Creditor’s option, immediately become due and payable by Guarantor to Creditor without notice.
2. Guarantor waives: (a) any right to notice of the creation of the Obligations; (b) any rights Guarantor may have by reason of any forbearance, modification, waiver, renewal, or extension that Creditor may grant, or to which Creditor and Dealer may agree, with respect to the Obligations; (c) notice of acceptance of this Guaranty; (d) presentment, demand, notice, or protest of any kind; and (e) all defenses, offsets, and counterclaims based on impairment of collateral, suretyship, or on Guarantor’s status as guarantor of the Obligations (other than the defense of prior full, final, and infeasible payment and performance of all Obligations).
3. All payments by Guarantor to Creditor shall be paid in lawful money of the United States of America and shall be payable without set-off, deduction, or counterclaim.

4. Guarantor's obligations under this Guaranty shall not be affected by any bankruptcy, liquidation, reorganization, debt arrangement, receivership, trusteeship, assignment for the benefit of creditors or other insolvency proceedings ("Insolvency Proceedings") instituted by or against Dealer or its property under any applicable federal, state or foreign bankruptcy, reorganization, arrangement, insolvency, receivership, or similar laws ("Insolvency Laws"), or any discharge of any of the Obligations in any such Insolvency Proceedings. This Guaranty shall remain in full force and effect until: (a) all Obligations have been indefeasibly paid in full to Creditor; (b) all obligations and indemnifications of Dealer to Creditor have been fulfilled; and (c) all sums received by Creditor from Dealer or Guarantor are not subject to rescission, disgorgement, avoidance or repayment in connection with any Insolvency Proceedings. Guarantor's obligations hereunder shall be absolute, unconditional, and irrevocable, regardless of whether the Obligations are created before or after the commencement of any Insolvency Proceedings. Guarantor's obligations under this Guaranty shall include, but not be limited to, any interest, late charges, attorneys' fees, or other sums coming due under the terms of any document or agreement creating or evidencing any of the Obligations (without reference to the effect of Insolvency Laws) after the commencement of any Insolvency Proceedings regardless of whether applicable Insolvency Laws permit such sums to be collected from Dealer or to accrue with respect to Dealer.

5. Guarantor waives to the fullest extent possible any and all claims that Guarantor may have against Dealer arising out of any payment by Guarantor to Creditor of any of the obligations under this Guaranty, including, but not limited to, all such claims arising out of any right of subrogation, indemnity, reimbursement, contribution, exoneration, payment, or any other claim, cause of action, right, or remedy against Dealer, whether such claim arises at law, in equity, or out of any written or oral agreement between Guarantor and Dealer or otherwise.

6. The obligations of Guarantor under this Guaranty shall be unconditional and irrevocable, irrespective of any of the following: (a) any lack of legality, validity, or enforceability of any of the documents or agreements creating or evidencing any of the Obligations; (b) any limitation of liability of the Dealer, or its constituent shareholders or members, contained in any document or agreement creating or evidencing any of the Obligations; (c) the existence of any security given to secure any of the Obligations; (d) impossibility or the illegality of performance on the part of Dealer of any of its Obligations; (e) the sale or other transfer of all or any portion of any collateral securing performance of any of the Obligations; (f) Insolvency Proceedings involving Dealer; (g) any stay, disaffirmance, or other action in Dealer's Insolvency Proceedings; (h) any defense that may arise by reason of the incapacity or lack of authority of Dealer or Guarantor or the failure of Creditor to file or enforce a claim against the estate of Dealer in any Insolvency Proceedings; or (i) any other circumstances, occurrence, or condition, whether similar or dissimilar to any of the foregoing, that might otherwise constitute a legal or equitable defense, discharge, or release of a guarantor or surety. If Dealer defaults under any document or agreement creating or evidencing any of the Obligations and Creditor is prevented from accelerating or collecting payment or performance of any of the Obligations (whether because of Dealer's Insolvency Proceedings or any other reason), Creditor shall be entitled to receive from Guarantor, upon demand by Creditor, the sums that would have otherwise been due and payable had such acceleration occurred and had Creditor been permitted to collect such sums from Dealer.

7. Guarantor agrees that Creditor may at any time and from time to time, with or without consideration, release any one or more guarantors of the Obligations and/or release Dealer from all or any of the Obligations; and/or agree to the substitution, exchange or release of all or any part of the collateral or security for the performance of the Obligations, in each case without notice to, or further consent from, Guarantor. Any such action shall not in any way affect or diminish the liability of Guarantor under this Guaranty. Guarantor waives all claims and defenses against Creditor based on principles of suretyship, including impairment of recourse and impairment of collateral.

8. If any or all of the Obligations are not duly paid or performed by Dealer and are not paid or performed under Section 1 for any reason, Guarantor agrees, as a separate and distinct obligation, to indemnify and hold harmless Creditor from and against all losses (including reasonable attorneys' fees) resulting from the failure of Dealer to pay or perform its Obligations.

9. If Guarantor advances any sums to Dealer or its successors or assigns, or if the Dealer or its successors or assigns are now or hereafter become indebted to Guarantor, such sums or indebtedness shall be subordinate in payment, collection and all other respects to the Obligations. If Guarantor collects any of such sums or indebtedness from Dealer at any time, such collected funds shall be deemed collected and received by Guarantor in trust for Creditor and shall be paid over to Creditor, upon demand by Creditor, for application on account of Dealer's Obligations.

10. Guarantor represents and warrants that: (a) Guarantor has the full power, authority, and legal right to enter into, execute, and deliver this Guaranty; (b) this Guaranty is a valid and binding legal obligation of Guarantor and is fully enforceable against Guarantor in accordance with its terms; (c) the execution, delivery, and performance by Guarantor of this Guaranty will not violate or constitute a default under any indenture, note, loan, or credit agreement or any other agreement or instrument to which Guarantor is a party or is bound; (d) Guarantor has a direct or indirect beneficial or financial interest in Dealer; and (e) if Guarantor or Dealer has delivered to Creditor financial statements of Guarantor, such financial statements were true and correct as of the date prepared, and there has been no material adverse change in the financial condition of Guarantor from the financial condition of Guarantor shown on such financial statements delivered to Creditor.

11. Guarantor agrees that Creditor has no duty to inform Guarantor, now or at any time hereafter, as to any facts concerning Dealer or the Obligations and that Guarantor is fully responsible for being and remaining informed by the Dealer of all circumstances bearing on the status of Dealer and the existence or creation or the risk of nonpayment of the Obligations. Credit may be granted or continued from time to time by Creditor to Dealer without notice to or authorization from Guarantor, regardless of the financial or other condition of the Dealer at the time of any such grant or continuation. Creditor shall have no obligation to disclose or discuss with Guarantor its assessment of the financial condition of Dealer. Guarantor acknowledges that no representations of any kind whatsoever have been made by Creditor to Guarantor.

12. Notwithstanding anything contained in this Guaranty or in any document or agreement creating or evidencing any of the Obligations to the contrary, Guarantor shall be in default under this Guaranty if Insolvency Proceedings are instituted by or against Guarantor or its property under any Insolvency Laws; or if any representation or warranty made by Guarantor in this Guaranty is incorrect or fails to state a material fact that is necessary to make the representation or warranty not misleading; or if Guarantor fails to perform any of its obligations under this Guaranty or breaches any of its covenants under this Guaranty; or if Guarantor causes or incurs a material adverse change in its financial condition from its financial condition shown on its financial statements delivered to Creditor before the date of the Guaranty. Upon the occurrence of any such default, Creditor may, at its option, accelerate the date payment or performance of the Obligations is due as to Guarantor.

13. All notices, requests, and other communications with respect to this Guaranty shall be in writing and shall be deemed to have been duly given, made, and received only when personally delivered as documented by a courier's receipt, or upon actual receipt of registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below (or at such other addresses as may be stated in notices similarly given):

If to Creditor: Bridgestone Bandag, LLC
Director of Credit
200 4th Avenue South Suite 100
Nashville, TN 37201

If to Guarantor: At Guarantor's address set forth on the signature page of this Guaranty.

14. All rights and remedies of Creditor under this Guaranty, any document or agreement creating or evidencing the Obligations, or by law are separate and cumulative, and the exercise of one shall not limit or prejudice the exercise of any other such rights or remedies. The enumeration in this Guaranty of any waivers or consents by Guarantor shall not be deemed exclusive of any additional waivers or consents by Guarantor that may be deemed to exist in law or equity. No delay or omission by Creditor in exercising any such right or remedy

shall operate as a waiver of that right. No waiver of any rights and remedies under this Guaranty and no modification or amendment of this Guaranty shall be deemed made by Creditor unless in writing and duly signed by Creditor. Any such written waiver shall apply only to the particular instance specified therein and shall not impair the further exercise of such right or remedy or of any other right or remedy of Creditor, and no single or partial exercise of any right or remedy under this Guaranty shall preclude any other or further exercise thereof or any other right or remedy.

15. Guarantor shall pay to Creditor on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by Creditor in protecting, preserving, or enforcing Creditor's rights and remedies under this Guaranty or in respect of any of the Obligations. If Creditor employs counsel to enforce this Guaranty by suit or otherwise, Guarantor will reimburse Creditor, upon demand, for all expenses incurred in connection therewith (including, without limitation, reasonable attorneys' fees) whether or not suit is actually instituted.

16. Creditor shall have, to the fullest extent permitted by law, the right of set-off in respect of all money, credits or other property of Guarantor at any time in the possession of Creditor for all obligations of Guarantor under this Guaranty. After the occurrence of a default under this Guaranty, every such right of set-off may be exercised without notice to Guarantor.

17. This Guaranty shall be binding on Guarantor and Guarantor's successors and permitted assigns. Guarantor may not assign Guarantor's obligations under this Guaranty without a prior written consent signed by an authorized officer of Creditor, which consent may be withheld for any reason. No consent to any assignment shall release Guarantor from any of its obligations under this Guaranty, except to the extent that the written consent of Creditor expressly provides for such release.

18. Nothing contained in this Guaranty is intended to supersede, modify, or otherwise affect any other guaranty or suretyship agreement from Guarantor to Creditor.

19. Guarantor will not dissolve or liquidate and will not sell, transfer or otherwise dispose of all or a substantial part of its assets to, or consolidate with, or merge into, any person or entity or permit any other person or entity to merge into Guarantor, without the prior written consent of Creditor, which consent may be withheld for any reason.

20. Guarantor will deliver to Creditor, within ninety (90) days after the end of each fiscal year of Guarantor, a consolidated financial statement of Guarantor and such other financial information as Creditor may reasonably require, all in reasonable detail and prepared in accordance with accounting principles consistently applied.

21. If Guarantor consists of more than one partnership, corporation, or other entity, the obligations and liabilities under this Guaranty of those firms and corporations shall be joint and several, and the word "Guarantor" shall mean all, some or any of them. In this Guaranty, words and defined terms or phrases importing the singular include the plural and vice versa, the use of any pronoun includes the corresponding masculine, feminine, and neuter forms, and the word "including" is deemed to be followed by the words "without limitation".

22. This Guaranty may be signed in several counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, all of which counterparts will together constitute this Guaranty. Each such counterpart shall be valid and enforceable against the party and/or parties by whom it is signed, even if fewer than all of the individuals or entities who are intended to sign this Guaranty or a counterpart of this Guaranty actually sign this Guaranty or a counterpart thereof. Facsimile or other mechanically reproduced signatures shall have the same effect as handwritten signatures for all purposes of this Guaranty.

23. GUARANTOR KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT GUARANTOR MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, ARISING OUT OF, OR RELATING TO THIS GUARANTY, THE GUARANTEED OBLIGATIONS, ANY AGREEMENTS IN RESPECT OF THE GUARANTEED OBLIGATIONS, OR ANY COURSE OF CONDUCT,

COURSE OF DEALING, STATEMENT (WHETHER ORAL OR WRITTEN), OR ACTION OF GUARANTOR, DEALER, OR CREDITOR WITH RESPECT TO ANY OF THE FOREGOING. THIS PROVISION IS A MATERIAL INDUCEMENT FOR ANY EXTENSION OF CREDIT TO DEALER BY CREDITOR.

24. This Guaranty and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed according to the laws of the State of Iowa, excluding Iowa law with respect to conflicts of law. Guarantor consents and submits to personal jurisdiction of the federal and state courts located in Iowa for purposes of any litigation arising under or relating to this Guaranty and agrees that service of process may be made and personal jurisdiction over Guarantor obtained in accordance with the applicable laws of Iowa. Guarantor further agrees that any action, suit, or proceeding to enforce this Guaranty may be brought in any state or federal court in Iowa and waives any objection which Guarantor may have to the venue of any such court in any such action, suit, or proceeding. Nothing in this Guaranty shall prevent Creditor from bringing any action, suit, or proceeding to enforce this Guaranty or from exercising any right against any security for the performance of Dealer's Obligations or against any property of Guarantor in any other jurisdiction or state. Initiating such action, suit, or proceeding or taking such action in any other jurisdiction or state shall not, however, constitute a waiver of the provision contained in this section that the laws of Iowa shall govern the rights and obligations of Guarantor and Creditor under this Guaranty.

25. Guarantor: (a) acknowledges that Guarantor has received a copy of the Franchise Agreement; (b) represents to Creditor that Guarantor has read the Franchise Agreement; and (c) agrees to comply with and be bound by the conflicts of interest provisions contained in Section 6, the intellectual property provisions contained in Section 7, and the franchise transfer and succession planning provisions contained in Section 8 of the Franchise Agreement to the same extent and for the same period of time as Dealer and as if Guarantor were named as the dealer or franchisee in the Franchise Agreement.

28. To the extent that any of the Obligations may be owed at any time to any of the Bridgestone Companies other than Bandag, Guarantor acknowledges that Bandag is acting as agent for such Bridgestone Companies with respect to this Guaranty, including the exercise of Creditor's rights and remedies under this Guaranty.

26. This Guaranty contains the entire understanding between Creditor and Guarantor with respect to Guarantor’s obligations in connection with the Obligations and any agreement creating or evidencing any of the Obligations, and supersedes all prior and contemporaneous agreements, understandings, inducements, conditions, express or implied, oral or written, except as contained in the Guaranty. Guarantor intends that all provisions of this Guaranty be enforced to the maximum extent permitted by applicable law.

Guarantor has duly executed this Guaranty as of the date stated in the introductory paragraph.

Guarantor:

Address:

By: _____

Street

Name: _____

City State Zip

Title: _____

NOTARY ACKNOWLEDGMENT FORMS ON FOLLOWING PAGES

ACKNOWLEDGEMENT FOR CORPORATION:

STATE OF _____, _____ COUNTY ss.

On _____, 20____, _____ appeared personally before the undersigned Notary Public and, being duly sworn, stated that (s)he is the President of the corporation which executed the preceding document, (the corporation has no seal) (the corporate seal is affixed), and the document was signed (and sealed) on the corporation's behalf by authority of its Board of Directors; and such officer acknowledged the voluntary execution of the document by him/her and by the corporation.

Notary Public in and for the State of _____

ACKNOWLEDGEMENT FOR LLC:

STATE OF _____, _____ COUNTY ss.

On _____, 2____, _____ appeared personally before the undersigned Notary Public and, being duly sworn, stated that (s)he is the _____ of the limited liability company that executed the preceding document, the document was signed on behalf of the limited liability company by authority of its member/manager(s), and such official acknowledged the voluntary execution of the document by him/her and by the limited liability company.

Notary Public in and for the State of _____

ACKNOWLEDGEMENT FOR LIMITED PARTNERSHIP:

STATE OF _____, _____ COUNTY ss.

On _____, 2____, _____ appeared personally before the undersigned Notary Public and, being duly sworn, stated that (s)he is the _____ of _____, a corporation, the General Partner of the limited partnership which executed the preceding document, (the corporation has no seal) (the corporate seal is affixed), and the document was signed (and sealed) on the corporation's behalf as General Partner by authority of the corporation's Board of Directors; and such officer acknowledged the voluntary execution of the document by him/her, by the corporation as General Partner, and by the limited partnership.

Notary Public in and for the State of _____

ACKNOWLEDGEMENT FOR GENERAL PARTNERSHIP:

STATE OF _____, _____ COUNTY ss.

On _____, 2____, _____ appeared personally before the undersigned Notary Public and, being duly sworn, stated that (s)he is a partner of the partnership which executed the preceding document and that the document was signed on behalf of the partnership by the authority of its partners; and such partner acknowledged the voluntary execution of the document by him/her and by the partnership.

Notary Public in and for the State of _____

EXHIBIT D

**BASYS PRODUCT PROGRAM REQUEST FORM AND MASTER PURCHASE AGREEMENT FOR
BASYS SUITE OF PRODUCTS**

Bandag Franchise System Manual

CONFIDENTIAL INFORMATION FOR BRIDGESTONE BANDAG DEALERS ONLY

This Franchise System Manual, and all information contained within it, is the property of Bridgestone Bandag, LLC (hereinafter referred to as “Bandag”) and is subject to confidentiality provisions of other agreements. It is confidential and given for a limited purpose only and must be returned upon request. Neither the Manual nor any information within it or concerning it may be copied, exhibited or furnished to a third party without the express written permission of Bandag. Information within or concerning the Manual is to be provided to your employees on a need-to-know basis only. Unauthorized recipients of this Manual must contact the Bandag Law Department, Nashville, Tennessee, (615) 937-1000, and are prohibited from using, reproducing or distributing all or any part of this Manual.

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STRICTLY CONFIDENTIAL

EXPRESSLY AUTHORIZED USE BY BANDAG DEALERS ONLY; UNAUTHORIZED RECIPIENTS MUST CONTACT BANDAG LAW DEPARTMENT, NASHVILLE, TENNESSEE, (615) 937-1000 AND ARE PROHIBITED FROM USING, REPRODUCING OR DISTRIBUTING ANY PART OF THIS MANUAL.

The logo for Bandag, featuring the word "bandag" in a bold, lowercase, sans-serif font. The letters "a" and "g" are stylized with a thick horizontal line underneath them, extending across the width of the letters.



PREAMBLE

Bandag designed its Franchise Agreement to meet the needs of independent business people who compete for the opportunity to profitably serve the needs of commercial tire customers. The Bandag Franchise Agreement centers on the Bandag Process, which traditionally was a retreading process, but evolved into a wide range of Programs, Services, Information and Products (PSIP). It is the Bandag Process and the associated PSIP that give every Bandag franchisee a distinct and differentiated opportunity to make profits by satisfying commercial vehicle operators' needs to minimize operating costs while maximizing fleet reliability.

While the basic tenets of the Bandag Process include recommending the best possible replacement tires, optimizing those tire investments through retreading and repairing, and providing a full range of tire-related maintenance services, the forward leading concepts of the Franchise Agreement revolve around PSIP available to no one else in the world but Bandag franchisees.

However compelling the Bandag Franchise Agreement offering may be, its greatest strength comes from the Alliance among Bandag franchisees and Bandag. Bandag wants to have the best distributors, both in terms of capabilities and coverage. Bandag franchisees desire a reasonable opportunity to make a profit and a means of building equity. The Obligations of the Alliance (Section S100 of the Manual) outlines the commitments needed for building a more successful franchise relationship in order to achieve all parties' objectives. Furthermore, franchisees will have a formal voice in the Alliance, so that Bandag will be better able to offer consistently high quality PSIP. In this way all franchisees benefit from the customer preference for Bandag branded solutions to tire-related problems.

The Franchise Agreement describes the accountabilities, which the Bandag franchisee agrees to accept in order to enjoy the business opportunity. These accountabilities relate to the Bandag Process, materials, levels of skills and services, compliance to standards, and systems for handling tire and business information. Likewise, the Franchise System Manual describes the means by which Bandag and its franchisees will support one another by providing access to, or supply of materials, processes, systems, information, and standards necessary to fulfill their Franchise Agreements.

BANDAG FRANCHISE SYSTEM MANUAL TABLE OF CONTENTS

SYSTEM MANUAL SECTION NUMBER	SYSTEM MANUAL SECTION NAME
S100	General Purposes and Obligations
S110	By-Laws of the Bandag Alliance Council
S120	Bandag Logo and Trademark Usage
S130	Minimum Requirements of Bandag Franchisees
S140	Bandag Product Specifications and Manufacturing Requirements
S150	Standard Form of Security Agreement
S160	Purchase Order Terms and Conditions
S170	Equipment Terms
S180	Bandag Dealer National Warranty Program
S190	Retread Manufacturer's DOT Code





S100 – General Purposes and Obligations

BANDAG

- Maintain quality, state-of-the-art programs, services, information and training.
- Create opportunities for Bandag dealerships to grow.
- Include Bandag dealers in developing strategies and tactics for mutual success.
- Protect and enhance the value of the Bandag franchise.
- Conduct an ongoing forum for sharing and acting upon Bandag dealers' concerns.
- Provide quality, state-of-the-art products, competitively differentiated and priced to achieve measurable value.
- Reinvest profits in building Bandag capabilities to serve the Bandag Strategic Alliance.
- Hire good people, train them well and develop their capabilities for optimal performance.

BANDAG DEALERS

- Be the best tire dealer in your franchise territory and optimize Bandag market share in that area.
- Be profitable and reinvest profits in building capabilities to grow your businesses and the Bandag Strategic Alliance.
- Maintain capabilities to meet the needs of all customers, regardless of buying phase, in your area of opportunity.
- Represent Bandag exclusively and in a manner consistent with the obligations of the Bandag Strategic Alliance.
- Protect and enhance the value of the Bandag franchise.
- Achieve and maintain strategic, operational and financial health.
- Hire good people, train them well and develop their capabilities for optimal performance.



S110 -- BY-LAWS OF THE BANDAG ALLIANCE COUNCIL

These by-laws are adopted effective January 1st, 2023 by the current members of the Bandag Alliance Council (the “BAC”). These by-laws are intended to provide support and guidance to reinforce the intent and purpose outlined in the original Bandag Alliance Council Charter established in May 1996.

The purpose of the BAC is to express dealer views with input from all dealers. It is designed to receive feedback and responses to dealer concerns from Bridgestone Bandag, LLC and its parent company, Bridgestone Americas Tire Operations, LLC (collectively “Bandag”) with a desire for Bandag to use input from the BAC as the voice of the entire Bandag dealer network in our franchise relationship.

The BAC assists in developing strategies and tactics for the success of the Bandag System. The BAC serves as a forum for sharing ideas and determining potential courses of action to improve the Bandag franchised dealer network, as well as bringing to light concerns raised by Bandag franchised dealers across North America.

Expectations include two-way communication, both a strategy to solicit information from, and provide a response to, all Bandag franchised dealers. The BAC, with Bandag support, will provide regular updates to, and be available to engage and discuss ideas and concerns raised by all Bandag franchised dealers.

Bandag Alliance Council Charter

The Bandag Alliance Council exists to provide a voice for Bandag dealers and a forum for meaningful dialog in our Bandag franchise relationship on issues and situations common to our shared commitment to exceeding our customers’ expectations and needs.

The BAC will meet at least twice annually (usually in the Spring and Fall) for meetings of a length that allows all identified topics to be discussed and any necessary course of action to be determined.

The structure for the BAC meetings includes attendance by Bandag decision-makers and a minimum of eight dealers selected to reflect the geographic and demographic makeup of the Bandag dealer network. The staggered terms for each of the BAC members will be four years. The four year terms are intended to promote continuity and will result in three of the twelve BAC members rotating out and three new members rotating in each year, unless otherwise agreed upon by the majority of the BAC. Bandag will provide one member who acts to provide insight into Bandag’s dealer strategy and operational support capabilities.

To qualify for membership on the BAC, the dealer must be:

- Willing to serve in this capacity and meet the obligations as outlined to regularly communicate with fellow Bandag franchised dealers.
- Fleet focused within their daily operations, providing some consistency of perspective and direction with the broader Bandag dealer network.



- In good franchise and financial standing with Bandag.

Dealer selection for the BAC will be made from nominations by Bandag and the sitting BAC members, with the only restriction being no consecutive terms by the same dealer.

Sitting members of the BAC must approve those nominations and are free to add to the nomination list from the floor, provided the dealers they nominate meet the qualifications listed above.

The primary agenda items for BAC meetings should be developed based on input provided across the entirety of the Bandag dealer network. Several weeks before each meeting, all dealers will be asked to participate by submitting topics of concern to BAC members. The agenda should focus on retreading but it is acknowledged that TBR and service are integral parts of the commercial business and may also be discussed during BAC meetings if BAC so chooses.

Bandag will also develop its own additional agenda items to present to the BAC for the purpose of obtaining dealers' perspectives on planned programs, policies, products and services.

The BAC meeting format is as follows:

- During the first few hours of the first day, the dealer members will meet without Bandag participation to discuss and prioritize the dealer input.
- After that initial dealer meeting, BAC members and the Bandag team will meet jointly to address the issues as prioritized by the BAC members.
- At the conclusion of the session, there will be an opportunity provided to hold an additional meeting, for the dealer BAC members only, to draft a newsletter to fellow dealers.

Within 30 days of the BAC meeting, a letter, highlighting action items as well as major issues of discussion will be sent to all dealers.

Bandag Alliance Council Chairman

Members of the BAC will nominate and elect a Chairman who shall serve in this capacity for a term of one year. Duties of the Chairman shall include, but not be limited to:

- Leadership of the independent dealer only meetings that open and close the BAC meetings.
- Creation and distribution of communication to the dealer network. It is the responsibility of Bandag to supply the resources and tools necessary to effectively craft the communication and support distribution through available methods (Bandagram, Digital Media, etc).
- Perform duties as the representative of the BAC at Bandag events, such as the Executive Symposium. These could include dealer addresses, coordination of interactive meetings in expo areas and other such activities.



S120 -- BANDAG'S LOGO AND TRADEMARK USAGE REQUIREMENTS AND POLICY

(a) Bridgestone Bandag, LLC, d/b/a Bandag, or any of its affiliates (collectively referred to as "BANDAG") shall have the exclusive right to register any of its trademarks, service marks and logos (collectively, the "Marks") with governmental authorities. BANDAG shall allow Franchisees to use certain of the Marks set forth in Exhibit A (the "Licensed Marks").

(b) Franchisee recognizes and acknowledges BANDAG's ownership in the Marks and will not, directly or indirectly, contest, challenge, or attack BANDAG's rights in the Marks, or any federal, state or foreign applications or registrations filed or obtained by BANDAG or its related companies for the Marks.

(c) All use of the Licensed Marks by Franchisee and goodwill arising therefrom shall inure exclusively to BANDAG's benefit. Franchisee shall assign to BANDAG any rights acquired in the Marks or Licensed Marks or any registration thereof. Franchisee's use of Licensed Marks is subject to the terms and conditions set forth in this Policy and in the Bandag Dealer Franchise Agreement between BANDAG and Franchisee (the "Franchise Agreement"). For purposes of this Policy, Territory shall mean the Franchise Territory as specified in your Franchise Agreement.

(d) Franchisee shall: (i) not impair the value of the Marks, whether registered or not; (ii) use only the Licensed Marks designated by BANDAG; (iii) not use trademarks, service marks, symbols, slogans, logos or the like that are confusingly similar to the Marks; (iv) not use the Marks, or any word, name or other symbol tending to be confusingly similar to the Marks, in the name of any bank account of Franchisee or use the Marks in any other way that would create liability to BANDAG; (v) not use the Marks other than in connection with BANDAG's proprietary method of retreading commercial vehicle tires using BANDAG material and methods (the "BANDAG Method") and the sale of tires retreaded by the BANDAG Method; and (vi) immediately cease any use of the Marks that conflicts with the terms of this Policy or the Franchise Agreement.

(e) Franchisee shall promptly report any unauthorized use of the Marks by Franchisee or any third party to BANDAG. If a Franchisee, who has not been previously authorized to do so, wants to include the Mark "BANDAG" in its corporate or trade name, and use such name in the business of making and selling tires retreaded by the BANDAG Method, then Franchisee must make such request to BANDAG in writing. BANDAG, in its sole discretion, will determine whether any Franchisee will be permitted to include the Mark "BANDAG" in its corporate or trade name and use such name in the business of making and selling tires retreaded by the BANDAG Method, and such consent will only be valid if provided by BANDAG in writing. If BANDAG, in its sole discretion, permits Franchisee to use the name BANDAG in its corporate or trade name, Franchisee shall not: (1) use the word BANDAG as the first word in its corporate name (e.g., "BANDAG Retreads, Inc." is prohibited), (2) use the name BANDAG in a corporate name with the name of any state, province, county, city, governmental or political unit or subdivision, (e.g., "San



Francisco BANDAG, Inc.”, “Texas BANDAG”, etc. would be prohibited), or (3) use the name BANDAG in a corporate name being used by any other BANDAG franchisee (wherever located). In addition, Franchisee must comply with all policies and procedures adopted by BANDAG from time to time regarding use of the mark BANDAG in the names of its franchisees.

(f) Franchisee shall display the name “BANDAG” in its Territory on its buildings, signs and trucks used in the business of retreading tires by the BANDAG Method, and shall reasonably advertise and promote the name “BANDAG” in connection with such business subject, however, at all times, to the restrictions set forth herein. Every use of the name “BANDAG” in any display, advertisement, promotion or otherwise by Franchisee shall be in a form and character approved by BANDAG. BANDAG encourages Franchisees to use the BANDAG logo for all kinds of approved advertising and identification within its Territory. However, to protect the integrity of BANDAG’s Marks, BANDAG restricts the usage of the Marks by areas. Franchisee acknowledges, however, that others may have the right to use various Licensed Marks within its Territory at BANDAG’s sole discretion.

(g) Like other franchise violations, any violations regarding this Policy may be grounds for termination of Franchisee’s Franchise Agreement.

(h) The following is a list of authorized uses of the BANDAG Marks within the Territory:

1. Building and standing signs on property used by Franchisee.
2. Vehicles used in Franchisee’s business.
3. Yellow-page advertising.
4. Newspaper advertising.
5. Electronic media advertising (subject to Internet policy below).
6. Envelope and letterhead.
7. Business cards.
8. Collateral materials (leaflets, handouts, price lists, calendars etc.)
9. Billboards.
10. Community service program sponsorship.

(i) The following is a listing of unauthorized uses of the BANDAG Marks unless expressly permitted in writing by BANDAG:

1. Building and/or standing signs located outside of the Territory.
2. Vehicles used exclusively outside the Territory.
3. Yellow-page advertising which does not cover part of the Territory.
4. Newspapers not generally distributed within the Territory.
5. Envelope and letterheads having addresses outside the Territory.
6. Business cards having an address outside the Territory.
7. Sales and informational materials using an address outside the Territory.



8. Billboards located outside the Territory.
9. Community service program sponsorship of groups not utilized by the citizens within the Territory.
10. Any other use that BANDAG may, from time to time, prohibit.

(j) Further, given the widespread use of the Internet for advertising, and its global scope, the following restrictions are placed on all Internet Advertising:

1. Franchisee may operate a website using its corporate name as the domain name address (i.e., johndoeretreads.com).
2. Franchisee may not register an address that uses any of the Marks, or any other Licensed Mark, alone, or as the first word in a domain name address (i.e., bandag.com, bandagofkentucky.com, or megatrek.com would be prohibited).
3. Franchisee may operate websites for promotion, information, and advertising, but may not offer on-line purchases of any BANDAG products or services without prior written approval from BANDAG Legal Department.
4. Franchisee may only use Licensed Marks within the contents of its site.
5. Franchisee may not use any Marks (Licensed or otherwise), or the names of other BANDAG franchisees, as metatags imbedded in any webpage code. However, Franchisee may use its own name as a metatag, even when such name includes a Mark (i.e., "John Doe Dealer BANDAG").
6. Franchisee must advertise the territories in which it is authorized to serve on the first page of any website.
7. If Franchisee is uncertain regarding a proposed domain name address or website content, it should address all inquires with the Legal Department of Bridgestone Bandag, LLC prior to registration of a domain name or activation of an address.
8. All general trademark use restrictions described throughout this Policy, the Franchise Agreement, and the Trademark Brochure apply to Internet uses.
9. BANDAG reserves the right to object to any unforeseen uses of the Internet not specifically addressed herein which exceed the rights otherwise given to a Franchisee regarding its use of Licensed Marks, and to require immediate correction or disabling of the website in question.
10. Any pre-existing Internet uses of the Marks or Licensed Marks, which violate any terms of this policy, must be corrected within 60 days of receipt of this Policy.
11. Upon termination of any Franchise Agreement between BANDAG and Franchisee, Franchisee must immediately cease all use of Licensed Marks on its website, and cease all use of any Licensed Marks in other Internet advertising. If Franchisee's domain name address includes the use of any of the Marks, it must cease use of that domain name upon termination, and transfer the name to BANDAG within 60 days of termination.



(k) BANDAG grants nonexclusive, limited permission ("Permission") to Franchisee to place a hypertext link containing BANDAG's domain name on Franchisees site to develop a link between Franchisee's site and <http://www.bandag.com>.

(l) The following restrictions are placed on all Linking:

1. Franchisee may link to, but not replicate, content contained in BANDAG's site;
2. Franchisee shall not create a border environment, frame or browser around content contained in BANDAG's site;
3. Franchisee is strictly prohibited from deep-linking to BANDAG's site;
4. Franchisee shall not present misleading or false information about BANDAG's services or products;
5. Franchisee shall not misrepresent BANDAG's relationship with Franchisee;
6. Franchisee shall not use BANDAG's logos or trade dress without prior written permission from BANDAG;
7. Franchisee's web site shall not contain content that could be construed as obscene, libelous, defamatory, pornographic, or inappropriate; and
8. Franchisee's web site shall not contain materials that would violate any laws.

(m) BANDAG reserves the right to cancel the Permission at any time and for any reason. Upon receipt of such notification, use of the domain name must cease and the link between the web sites must terminate. BANDAG shall not be responsible for any loss, damage, liability or expense that may accompany or result from Franchisee's use of the hyperlink or domain name, including but not limited to any computer virus; technical, hardware or software failures of any kind; lost or unavailable network connections; or failed, incomplete or delayed computer transmissions. The granting of this Permission to Franchisee does not indicate nor should it be construed in any way to represent an endorsement by BANDAG of any materials on a web site containing BANDAG's domain name.



**EXHIBIT A
LICENSED MARKS**



BANDAG
D4300
D4310
R4200
T4100
FUELTECH
MEGATREK
MICRO-SIPE
MILEDGES
RETREADUCATOR
MAXTREAD
DR 5.3
DR 4.3
FCR-T2
BLSS
BRSS
VALUES+ PROGRAM
OPTICURE
BRM3
BUILT FOR BETTER
*INSIGHT
*TIRE MANAGEMENT SOLUTIONS
*TMS
*ECLIPSE

*These Licensed Marks may only be used if you are enrolled in the related programs, use the related equipment, or offer the related products and services.



S130 -- MINIMUM REQUIREMENTS OF BANDAG FRANCHISEES

Manufacturing Plant

- Attain and maintain Bandag Dealer manufacturing certification for all manufacturing plants in accordance with the requirements of the Franchise Compliance Audit (FCA) or most current quality evaluation system.
- Have fully qualified operators to meet Bandag quality standards as measured by our most current evaluation system and specifications.
- Maintain minimum appearance, cleanliness, and safety standards as outlined in the Bandag Facilities Guide, which is available upon request.
- Comply with all applicable municipal, state, and federal OSHA and safety rules and regulations.

People

- Comply and maintain compliance with all federal, state, county, and local employment rules, regulations, laws, ordinances, etc.
- Comply and maintain compliance with all federal state, county, and local safety rules, regulations, laws, ordinances, etc..
- Comply and maintain compliance with all federal EPA requirements and laws; and all state, county, and local environmental regulations, laws, ordinances, etc.
- Comply with all contractual requirements and all other applicable laws, rules, regulations and ordinances.

Sales

- Manufacture and sell Bandag retreading **exclusively** and in a manner consistent with the aims of the Bandag Franchise System Manual and the Franchise Agreement.
- Do not sell Bandag retread materials and ancillary product to non-Bandag Dealers.
- Regularly attend major communication events (Business Conference, Region Meetings).
- Support and service national fleet customers who have entered into a Bridgestone Americas Tire Operations, LLC National Fleet Customer Agreement in accordance with the terms and conditions of the Bandag Dealer Fleet Subcontract.

Credit

- Sign Security Agreement(s).
- Provide an annual financial statement in the prescribed format (see System Manual).
- Pay account on time.



Other

- Protect and enhance the value of the Bandag Franchise.
- Conduct the commercial tire business in a manner consistent with the Franchise System Manual and the Franchise Agreement.
- Maintain minimum liability insurance requirements.
- Abide by the rules and guidelines for use of the Bandag trademark when promoting Bandag products.
- Comply with minimum identification requirements for facilities, service trucks, etc.
- Purchase ancillary products from Bandag.
- Maintain service and delivery vehicles in accordance with DOT, NHTSA, OSHA and/or all other applicable local, state and federal laws, as well as industry standards.
- Conduct the business planning process annually with a Bandag representative.
- Comply in all respects with the terms and provisions of your Bandag Dealer Franchise Agreement.



S140 -- BANDAG PRODUCT SPECIFICATIONS AND MANUFACTURING REQUIREMENTS

BANDAG® Franchise System Manual
DATE: AUGUST 2013 SUPERSEDES: VER 02
©2013 Bridgestone Bandag, LLC

SECTION S140 Doc 01 VER 03
WRITTEN/UPDATED BY: CLAY TIMMONS
MARKETING

STRICTLY CONFIDENTIAL
EXPRESSLY AUTHORIZED USE BY BANDAG DEALERS ONLY; UNAUTHORIZED RECIPIENTS MUST
CONTACT BANDAG LAW DEPARTMENT, NASHVILLE, TENNESSEE, (615) 937-1000 AND ARE
PROHIBITED FROM USING, REPRODUCING OR DISTRIBUTING ANY PART OF THIS MANUAL.

Franchise Compliance Audit - Retread Quality

Version 23.1

All criteria are based on the Bandag Product Specification and Manufacturing Requirements (PSMR) and meet the requirements of the latest version of DSE Archive Document #16101.

10 - FRANCHISE AND QUALITY DOCUMENTATION				
PROCESS QUALITY CHECKS		Y	N	Found Statements
10-4	Percentage and causes of manufacturing adjustments and in-shop failures are being summarized and reviewed with documented action plan in place (Section 7.10)			
10-5	Dealer can access PSMR via Bridgestonemarketing.com (Section 7.1)			
10-6	The dealer has up-to-date Program Guides for all Contract Accounts (Section 7.1C and PSMR)			
10-7	Overall appearance of retread plant is clean and organized. (Section 6.1C, 7.1A and 7.1C)			
10-8	Equipment repairs and maintenance are properly performed & meet original equipment design specifications. (Section 7.1C)			
10-9	Equipment that has been designated Obsolete is not being used in day-to-day production. (Section 7.1C and 7.6)			
10-11	Proper lighting throughout the working areas of the plant with at least 50 Foot Candles at 30" above the floor and atleast 150 Foot Candles at the top 1/2 of tires (task lighting). (Section 6.1C, 7.1A and 7.1C)			
10-12	The plant floor is painted as recommended by the Bandag Facilities Guide, or sealed and finished. (Section 6.1C, 7.1A and 7.1C)			
10-13	All employee restrooms and break areas are clean. Hand cleaner and towels or dryers are available and toilets are all operational. (Section 6.1C, 7.1A and 7.1C)			
10-14	Plant manager refers to and uses the WIP Inspection to Chamber Out report regularly (Section 7.10)			
10-15	BASys Plant Production Dashboard is displayed (Section7.10)			

15 - MATERIAL AND TRAINING.				
PROCESS QUALITY CHECKS		Y	N	Found Statements
15-1	All tread, cushion and tire repair materials must be supplied by Bridgestone Commercial Solutions and are within expiration date. (Section 7.1)			
15-3	100% of shearography technicians are certified (Section 3.5)			
15-7	In areas where cool room storage is required (See PSMR Doc.# 19101, Material Storage) material is stored per requirements or as stated on label.			
15-8	Every plant employs a Bandag Certified Retreading Technician (Section 3.5)			
15-9	All Plant employees have completed the CRTAP program (Section 3.5), excluding temporary technicians and technicians in training.			
15-10	100% of repair technicians are repair certified (Section 3.5), excluding temporary technicians and technicians in training.			
15-11	Any employee who is responsible for tire adjustments has completed an ATA class (Section 3.5)			

Casing inspection complete		Buffer Equipment Serial Numbers										Total Marked Incon	✓/✘	Found Statements	Notes:		
30-1	Machine setting for buffed radius conforms to profile data for the casing. (See Section 6 of this Operation)													0			
30-3	Buff texture must be RMA 3 or RMA 4.													0			
30-6	Tires are buffed so correct tread width can be applied centered with beads within 5 mm as measured from design feature or beads.													0			
30-7	Undertread thickness after buff is 2 to 4 mm (2 to 5/32nd) as measured in the center of the crown. Note: Refer to Tire Facts publication for other buffing notes.													0			
30-12	Additional injuries uncovered in the Buff Casing operation are marked for repair.													0			
30-13	Buffed and trimmed crown width is 2 mm less than or equal to the base width of the tread to be used on the casing. (See Section 6 of this Operation)													0			
30-15	Trim angle length not to exceed 20 mm (as measured from edge of buffed crown surface down the sidewall).													0			
30-17	Maximum allowable shoulder trim is 8 mm per shoulder (as measured across buffed crown surface).													0			
30-18	ECL Only: Texturize shoulders (RMA 2 maximum) a minimum distance of 6mm above the bottom edge of the tread skirt tip. All casings: shoulders must be free of contaminants to a design feature or a maximum of 25mm down each sidewall from the buffed crown surface													0			

30-Buffer Checks

Check when complete:		Buffer Equipment Serial Numbers										Total Marked Incon	✓/✘	Found Statements	Notes:		
30-5	Measured shoulder circumferences do not differ more than 6 mm (1/4").																
	Measurements:																
30-8	Radial run-out of buffed surface does not exceed 3/32" (2 mm) as measured from the center of the crown. See Section 8 of DSE Archive System Document 11103.																
	Measurements:																
30-9	Lateral run-out of trimmed shoulders does not exceed 3/32" (2 mm) as measured on the outer shoulder edge. See Section 8 of DSE Archive System Document 11103.																
	Measurements:																

45-Repairs

- ✓ Within Specifications
- X Out of Specifications

Repair Technicians

Repair Inspection Complete	Repair Technicians																Total Marked Incorrect	✓/✗	Found Statements	Notes
	Repair1	Repair2	Repair1	Repair2	Repair1	Repair2	Repair1	Repair2	Repair1	Repair2	Repair1	Repair2	Repair1	Repair2	Repair1	Repair2				
45-2	All damage in injury area is removed from casing when installing tire repair materials.																0			
45-5	Repair units are selected in accordance with Section 6 of DSE Archive Documents I2101 and I2201. Section 6 information will reveal the smallest repair unit that may be used. A larger repair unit may be substituted if it is listed for use in the application.																0			
45-6	Repair units must be stitched to the buffed and cemented area of the liner, leaving no loose edges or signs of trapped air.																0			
45-7	Tires with injuries that will require repair units to overlap must be rejected. However, a single repair unit may be used to repair multiple injuries provided that an outline of the prepared (skived) injuries does not exceed the maximum size limit specifications of the repair unit, and all other specifications are met.																0			
45-8	Repair units are aligned and installed in accordance with markings on repair unit.																0			
45-9	All repair materials installed, must be supplied by Bridgestone Bandag Tire Solutions. Previously applied non-Bandag repairs that are sound may remain.																0			
45-10	A repair unit shall be replaced if it is found to be unsound through visual or shearographic inspection. Examples of unsound repairs are a repair unit: with loose edges, incorrectly positioned, dimpled in center (indicating injury was not plugged or completely filled with repair gum), and an injury that is plugged or filled but without a repair unit installed. An injury that is filled with tire "scalant" is not to be considered a sound repair, and must be repaired to meet this specification.																0			
45-11	Liner buffed texture is RMA 1 to 2, a minimum 6 mm larger than the repair unit and cemented prior to repair unit installation.																0			
45-12	One section repair maximum for each radial body ply cable damaged.																0			
45-13	Bead injuries with exposed or damaged radial ply cannot be repaired and the casing must be rejected.																0			
45-14	Repair gum that will be covered by tread and cushion on a retreaded tire is flush to 2 mm maximum above surrounding surface.																0			
45-15	Liner around the injury area is clean before buffing the liner in an area larger than the repair unit to be installed.																0			
45-16	The repair person must initial, date and enter the dealer identification code on each repair unit with permanent marker.																0			
45-17	Repair gum is flush to 3 mm maximum above the cleaned and textured liner of the casing.																0			
45-18	Rotate area cemented for tire repair to 12:00 position to dry.																0			
45-19	Cement is allowed to dry prior to repair unit installation. Actual drying time is dependent on temperature and humidity. 45 minute maximum dry time.																0			
45-20	All repairs are cured within 72 hours.																0			
45-21	Any tire repair made with Black Universal Cement must be cured with a pressure chamber.																0			
45-22	Casing and repair materials are at or above 65.1 F (18.1 C) at time of installation.																0			
45-23	Bead repairs are filled a minimum of 3 mm above the surrounding surface.																0			
45-24	Liner injuries uncovering or damaging the radial ply must be repaired with a repair unit.																0			
45-25	Damage to radial ply is not repairable if damage is located within 76 mm from bead toe for light trucks or 90 mm from the bead toe for larger tires. Note: the distance from the bead toe to the injury is measured on the surface contour of the inner liner.																0			
45-26	Texturize, fill, and cure any radial liner splits in the crown (S-S) area.																0			
45-27	A combination patch/plug repair unit does not need to be chamber cured when properly installed using chemical vulcanizing cement.																0			
45-28	Any injury filled with repair gum or cushion gum must be cured. The gum may be cured with a vulcanizer clamp or in a curing chamber using an outside envelope.																0			

70-Finished Product

✓ Within Specifications
 X Out of Specifications

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25

Total Marked Incorrect

✓/X

Found Statements

Notes

Casing inspection complete	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	Total Marked Incorrect	✓/X	Found Statements	Notes
70-3 No loose edges on repair units.																										0	✓		
70-4 Bead repairs are smooth (RMA 2 or less) and even with surrounding surface																										0	✓		
70-5 No radial or diagonal cracking on casing sidewall																										0	✓		
70-8 Tread bondline must exhibit good flow of cushion. No squared edges or diamond imprint in cushion. Continuous flow on both sides extending a minimum of 1/8 inch (3 mm) beyond tread edge.																										0	✓		
70-10 No more than 1/2 inch (13mm) of void will be allowed under the tread edge on bias casings.																										0	✓		
70-11 No gapped splices greater than 0.030 inch (1 mm).																										0	✓		
70-10 Tread size is consistent with the tread size determined in Section 6 of the Buff Tire operation (For radial tires see DSE Archive System Document #11103, and for bias tires see Document #14102).																										0	✓		
70-15 Tread centered within 3/16 inch (5 mm) measured from design feature.																										0	✓		
70-17 Contracted Account Tires Only - Correct tread design per Program Guide.																										0	✓		
70-18 Contracted Account Tires Only - Correct number of repairs for application.																										0	✓		
70-19 Contracted Account Tires Only - Correct repair type per location on tire.																										0	✓		
70-20 Contracted Account Tires Only - Retread casing age per Program Guide.																										0	✓		
70-21 No open liner splices.																										0	✓		
70-22 No liner cracks.																										0	✓		
70-23 Repairs to tread area have tread pattern restored.																										0	✓		
70-24 No loose cushion on casing, including bondline cushion and repair gum on spot repairs.																										0	✓		
70-25 Full material in sidewall is 0 to 1/8 inch (0 to 3 mm) above surrounding surface.																										0	✓		
70-26 Repair units do not display dimple or hump more than 1/8 inch (3 mm) over repaired injury.																										0	✓		
70-27 Tires free of foreign material inside and out. (Nails, staples, stones, metal tags, repair supports, etc.)																										0	✓		
70-28 No visible tread design distortion greater than 1/8 inch (3 mm) out of normal position, such as lug pitching, void/splice closing, or undertread distortion.																										0	✓		
70-29 Tires for steer axle comply with the appropriate special finished product specifications based on industry standards and customer requirements.																										0	✓		
70-30 Lateral and Radial run-out does not exceed 3/32 inch (2 mm) when a random sample is checked mounted, inflated, and rotated. (See DSE Archive System Document #11103, Section 8)																										0	✓		
70-31 ECL™ tires only - No exposed buff texture exceeding RMA 2.																										0	✓		
70-32 ECL™ tires only - All ECL™ tires are painted.																										0	✓		
70-33 Repair units are installed with their edges at least 3/8 inch (10 mm) from bead toe.																										0	✓		
70-35 Tire inner liner is free of bubbles and blisters.																										0	✓		
70-37 No liner vent hole or fabric imprint on bond line.																										0	✓		
70-38 All bias tires are vented. Full treaded tires are re-vented in the shoulders after cure.																										0	✓		
70-39 Tread splice offset is not more than 1/16 inch (2 mm).																										0	✓		
70-40 Bulge in tread under exhaust valve not to exceed 1/16" height.																										0	✓		
70-41 The current date and dealer identification code (dealer DOT number for US dealers) are clearly and permanently marked on the sidewall of all retreaded tires.																										0	✓		

<u>In-Shop Failure Reason</u>	<u>Cost</u>	<u>CoQ</u>
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<u>Adjustment Reason</u>	<u>Cost</u>	<u>CoQ</u>
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S150 -- STANDARD FORM OF SECURITY AGREEMENT

- Each Franchisee will be required to complete the BANDAG Standard Form of Security Agreement, a copy of which is attached hereto as **Appendix A.**
- Depending on several factors, including but not limited to, the legal structure of the Franchisee company, the credit history of the Franchisee company, and the credit history of the owners of the Franchisee company, the Franchisee company and/or its owners may also, at BANDAG's sole discretion, be required to complete an Individual Guaranty like the one attached as **Appendix B.**

S150 -- APPENDIX A

SECURITY AGREEMENT

This **SECURITY AGREEMENT** (the "Agreement"), is made as of ___ day of _____ between _____ (the "Debtor"), and **BRIDGESTONE BANDAG, LLC**, an Iowa limited liability company and successor in interest to Bandag, Incorporated, ("Secured Party"), on behalf of itself and as agent for its present and future parent, subsidiaries and affiliates (collectively, the "Bridgestone Companies").

RECITALS

Debtor has asked Secured Party to extend credit to Debtor from time to time. It is a condition precedent to any extension of credit by Secured Party to Debtor that Debtor execute and deliver to Secured Party a security agreement in substantially the form hereof. Debtor wishes to grant a security interest in favor of Secured Party as provided herein to induce Secured Party to extend credit to Debtor from time to time.

AGREEMENT

In consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. DEFINITIONS. All terms defined in the Uniform Commercial Code ("UCC") of Iowa and used in this Agreement shall have the same meanings in this Agreement as specified therein, unless otherwise expressly defined in this Agreement. If a term is defined in Article 9 of the UCC of Iowa differently than in another Article of the UCC of Iowa, the term for purposes of this Agreement shall have the meaning specified in Article 9. In addition, the following terms have the following meanings in this Agreement, unless specifically indicated otherwise:

(a) "Business Day" means any day other than a Saturday, Sunday, or other day on which national banks are required or authorized to be closed for business in Iowa.

(b) "Event of Default" means the occurrence of any of the following: (a) the failure of Debtor to pay or perform any of the Obligations as and when due to be paid or performed; (b) the dissolution, liquidation, or insolvency of Debtor, or the commencement of any Insolvency Proceedings, or the inability of Debtor to pay its debts as they mature, or; (c) any recital, representation, or warranty made by Debtor in this Agreement or hereafter provided to Secured Party by Debtor pursuant to this Agreement is incorrect or fails to state a material fact that is necessary to make the recital, representation, or warranty not misleading; or (d) Debtor fails to comply with any provision of this Agreement or any other Related Agreement.

(c) "Franchise Agreement" means any existing or future franchise agreement, license agreement or similar agreement between Debtor and Secured Party.

(d) "Guarantor" means any one or more individuals or entities that have executed, or that may hereafter execute, any guaranty agreement or indemnity agreement in favor of Secured Party (or any Bridgestone Company) with respect to some or all of the Obligations.

(e) "Insolvency Proceedings" any bankruptcy, liquidation, reorganization, debt arrangement, receivership, assignment for the benefit of creditors or other insolvency proceedings instituted by or against Debtor or any Guarantors under any federal, state or foreign laws.

(f) “Obligations” means (i) all indebtedness, obligations, and liabilities of every kind and nature of Debtor to Secured Party or any of the Bridgestone Companies, however evidenced, whether now existing or hereafter created or arising, directly or indirectly, primary or secondary, absolute or contingent, joint or several, and however owned, held, or acquired, whether on open account, through discount, overdraft, purchase, direct loan or as collateral, or otherwise (including all purchase-money obligations); and (ii) the timely and full performance by Debtor of each and every duty, agreement, covenant, warranty, undertaking, and indemnity on the part of Debtor contained herein or in any other Related Agreement.

(g) “Related Agreement” means this Security Agreement, any Franchise Agreement and any existing or future contracts, subcontracts, documents, instruments or other agreements to which Debtor and Secured Party (or any Bridgestone Company) are parties, or as to which Debtor may otherwise be obligated to Secured Party (or any Bridgestone Company), including all modifications, supplements, amendments, and replacements thereto or thereof.

2. GRANT OF SECURITY INTEREST. To secure the payment and performance in full of all the Obligations, Debtor grants to Secured Party a security interest in, and pledges and assigns to Secured Party all rights of the Debtor in and to the following property, wherever located, whether now owned or hereafter acquired or arising (collectively, the “Collateral”): (a) all goods (including software) manufactured or sold by Secured Party or any Bridgestone Company, or bearing a brand, name or mark at any time owned by or registered or licensed to Secured Party or any Bridgestone Company (“Bridgestone Goods”), (b) all inventory of pre-cast and pre-cured tread rubber, cushion gum, repair materials, curing tubes, envelopes, stock tire casings (before and after retreading) and other retreading goods, materials and supplies, all whether or not provided by Secured Party or any Bridgestone Company, together with all retreaded tires produced by Debtor (“Inventory”), (c) all tire retreading equipment and other equipment (including fixtures) provided to Debtor by Secured Party or any Bridgestone Company for use by Debtor in the business of retreading tires, whether under a Franchise Agreement, sale, lease, license, bailment or otherwise (“Equipment”), (d) all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, insurance proceeds, and all other rights to payment of every kind, in each case arising from the ownership, use, sale, lease, bailment or other use or disposition of any Bridgestone Goods, Inventory or Equipment (“Accounts”), (e) all amounts and obligations at any time owed or to be owed or performed by Secured Party or any Bridgestone Company to or for the benefit of Debtor or its affiliates, whether in connection with any Franchise Agreement, any of the Bridgestone Goods, Inventory or Equipment or otherwise, including credits, debits, incentives, price reductions, commissions, and set-off and recoupment rights (regardless of whether such debts are matured), (f) all additions, substitutions, replacements extensions, amendments, attachments and accessions to and of any of the foregoing, and all computer records, databases, programs, ledgers, books of account and records relating to any or all of the foregoing and (g) all cash and non-cash proceeds of any of the foregoing.

3. PURCHASE-MONEY SECURITY INTEREST. The Obligations include Debtor’s purchase-money obligations and other obligations to pay Secured Party in connection with Debtor’s acquisition and/or use of the Inventory and Equipment, and the security interest granted by Debtor to Secured Party constitutes a purchase-money security interest, to the extent it qualifies as purchase-money collateral under Section 9-103 of the UCC, in the Bridgestone Goods, Inventory, Equipment and proceeds thereof.

4. AUTHORIZATION TO FILE FINANCING STATEMENTS. Debtor irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any UCC jurisdiction any financing statements, continuation statements, information statements and amendments with respect to the Collateral. Debtor also ratifies its authorization of Secured Party’s filing of any such financing statements or amendments filed prior to the date hereof.

5. OTHER ACTIONS. Debtor agrees to take the following actions at Debtor’s expense:

5.1 Collateral in the Possession of a Bailee. If any Collateral is at any time in the possession of a third-party bailee, Debtor shall promptly notify Secured Party thereof and, at Secured Party's request and option, shall promptly obtain an acknowledgement from the bailee, in form and substance satisfactory to Secured Party, that the bailee holds such Collateral for the benefit of Secured Party, and that such bailee agrees to comply, without further consent of Debtor, with instructions from Secured Party as to such Collateral. Secured Party shall not give any such instructions unless an Event of Default has occurred and is continuing or would occur after taking into account any action by Debtor with respect to the bailee.

5.2 Further Assurances; Financial Information. At the request and option of Secured Party, Debtor shall take any and all other actions Secured Party may determine to be necessary or useful for the attachment, perfection, and first priority of, and the ability of Secured Party to enforce, Secured Party's security interest in any and all of the Collateral, including, without limitation: (a) executing, delivering, and, where appropriate, filing financing statements and amendments relating thereto under the UCC of Iowa or any other jurisdiction, to the extent, if any, that Debtor's signature thereon is required therefor; (b) causing Secured Party's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection, or priority of, or the ability of Secured Party to enforce, Secured Party's security interest in such Collateral; (c) complying with any provision of any statute, regulation, or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection, or priority of, or the ability of Secured Party to enforce, Secured Party's security interest in such Collateral; (d) obtaining governmental and other third party waivers, consents and approvals in form and substance satisfactory to Secured Party, including, without limitation, any consent of any licensor, lessor, or other person obligated on Collateral; (e) obtaining waivers from mortgagees and landlords in form and substance satisfactory to Secured Party; and (f) taking all actions under any earlier versions of the UCC of Iowa or under any other law, as reasonably determined by Secured Party to be applicable in Iowa or any other jurisdiction, including any foreign jurisdiction. Debtor shall provide Secured Party such information regarding the business affairs and financial condition of Debtor as Secured Party may reasonably request from time to time.

6. ALLOCATION OF PAYMENTS. Payments received by Secured Party from or on behalf of Debtor in respect of purchase-money obligations relating to any Collateral shall be allocated as follows: (a) in accordance with the express provisions of a written agreement between the parties with respect to each item of purchase-money collateral; (b) in the absence of a written agreement or a written agreement without any express allocation of payments, in the order and manner in which Secured Party has applied such payment in the ordinary course of its business; or (c) in all other cases, first to items of purchase-money collateral that have been sold by the Debtor in the order in which such items were sold. Secured Party's security interest shall continue in each item of purchase-money collateral after payment of the purchase-money obligation with respect to such item to secure payment of performance of all other Obligations.

7. REPRESENTATIONS AND WARRANTIES CONCERNING DEBTOR'S LEGAL STATUS. Debtor represents and warrants to Secured Party that set forth on the signature page of this Agreement is an accurate statement of: (a) Debtor's exact legal name; (b) Debtor's organization type and the jurisdiction in which Debtor is organized; (c) Debtor's organizational identification number or a statement that Debtor has none; and (d) Debtor's place of business or, if more than one, its chief executive office, as well as Debtor's mailing address, if different.

8. COVENANTS CONCERNING DEBTOR'S LEGAL STATUS. Debtor covenants with Secured Party as follows: (a) without providing at least 30 days' prior written notice to Secured Party, Debtor will not change its name, its place of business or, if more than one, chief executive office, or its mailing address or organizational identification number if it has one; (b) if Debtor does not have an organizational identification number and later obtains one, Debtor shall immediately notify Secured Party of such organizational identification number; and (c) Debtor will not change its type of organization, jurisdiction of organization, or other legal structure.

9. REPRESENTATIONS AND WARRANTIES CONCERNING COLLATERAL. Debtor further represents and warrants to Secured Party as follows: (a) Debtor is the owner of or has other rights in the Collateral, free from any right or claim of any person or any adverse lien, security interest, or other encumbrance, except for the security interest created by this Agreement and those security interests identified or described on Schedule A; (b) the current locations of the Collateral are listed on Schedule B; and (c) Debtor has at all times operated its business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended, and with all applicable provisions of federal, state, and local statutes and ordinances dealing with the control, shipment, storage, or disposal of hazardous materials or substances.

10. COVENANTS CONCERNING COLLATERAL. Debtor further covenants with Secured Party as follows: (a) the Collateral will be kept at those locations listed on Schedule B; (b) Debtor shall be the owner of or have other rights in the Collateral free from any right or claim of any other person, lien, security interest, or other encumbrance, and Debtor shall defend the same against all claims and demands of all persons at any time claiming the same or any interests therein adverse to Secured Party, except for the security interests identified or described on Schedule A; (c) except for the security interests identified or described on Schedule A, Debtor shall not pledge, mortgage, create, or suffer to exist any right of any person in or claim by any person to the Collateral, or any security interest, lien, or encumbrance in the Collateral in favor of any person, other than Secured Party; (d) Debtor will keep the Collateral in good order and repair and will not use the same in violation of law or any policy of insurance thereon; (e) Debtor will permit Secured Party, or its designee, to inspect the Collateral at any reasonable time, wherever located; (f) Debtor will pay promptly when due all taxes, assessments, governmental charges, and levies upon the Collateral or incurred in connection with the use or operation of such Collateral or incurred in connection with this Agreement; (g) Debtor will continue to operate its business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended, and with all applicable provisions of federal, state, and local statutes and ordinances dealing with the control, shipment, storage, or disposal of hazardous materials or substances; and (h) Debtor will not sell or otherwise dispose, or offer to sell or otherwise dispose, of the Collateral or any interest therein, except for sales and leases of inventory in the ordinary course of business.

11. INSURANCE.

11.1 Maintenance of Insurance. Debtor will maintain with financially sound and reputable insurers insurance with respect to its properties and business against such casualties and contingencies as shall be in accordance with general practices of businesses engaged in similar activities in similar geographic areas. Such insurance shall be in such minimum amounts that Debtor will not be deemed a co-insurer under applicable insurance laws, regulations, and policies and otherwise shall be in such amounts, contain such terms, be in such forms, and be for such periods as may be reasonably satisfactory to Secured Party. In addition, all such insurance shall be payable to Secured Party as loss payee. Without limiting the foregoing, Debtor will: (a) keep all its physical property insured with casualty or physical hazard insurance on an "all risks" basis, with broad form flood and earthquake coverages and electronic data processing coverage, with a full replacement cost endorsement and an "agreed amount" clause in an amount equal to 100 percent of the full replacement cost of such property; (b) maintain all such workers' compensation or similar insurance as may be required by law; and (c) maintain, in amounts and with deductibles equal to those generally maintained by businesses engaged in similar activities in similar geographic areas, Commercial General Liability Insurance (including Products, Completed Operations, Independent Contractors Liability, and Contractual Liability coverages) with limits of at least \$2,000,000 combined single limit per occurrence of bodily injury, death, or property damage.

11.2 Insurance Proceeds. The proceeds of any casualty insurance in respect of any casualty loss of any of the Collateral shall, subject to the rights, if any, of other parties with an interest having priority in the property covered thereby: (a) so long as no Event of Default has occurred and is continuing and to the extent that the amount of such proceeds is less than \$50,000, be disbursed to Debtor for direct application by Debtor solely to the repair or replacement of Debtor's property so damaged or destroyed; and (b) in all other circumstances, be held by Secured Party as cash collateral for the Obligations. Secured Party may, at its sole

option, disburse from time to time all or any part of such proceeds so held as cash collateral, upon such terms and conditions as Secured Party may reasonably prescribe, for direct application by Debtor solely to the repair or replacement of Debtor's property so damaged or destroyed, or Secured Party may apply all or any part of such proceeds to the Obligations.

11.3 Continuation of Insurance. All policies of insurance shall provide for at least 30 days' prior written cancellation notice to Secured Party. In the event of failure by Debtor to provide and maintain insurance as herein provided, Secured Party may, at its option, provide such insurance and charge the amount thereof to Debtor. Debtor shall furnish Secured Party with certificates of insurance and policies evidencing compliance with this Section as requested by Secured Party from time to time.

12. COLLATERAL PROTECTION EXPENSES; PRESERVATION OF COLLATERAL.

12.1 Expenses Incurred by Secured Party. In Secured Party's discretion, if Debtor fails to do so, Secured Party may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral, maintain any of the Collateral, make repairs thereto, and pay any necessary filing fees or insurance premiums. Debtor agrees to reimburse Secured Party on demand for all expenditures so made. Secured Party shall have no obligation to Debtor to make any such expenditures, and the making thereof shall not be construed as the waiver or cure of any Event of Default.

12.2 Secured Party's Obligations and Duties. Notwithstanding any contrary provision in this Agreement, Debtor shall remain obligated and liable under each contract or agreement included in the Collateral to be observed or performed by Debtor thereunder. Secured Party shall not have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by Secured Party of any payment relating to any of the Collateral, and Secured Party shall not be obligated in any manner to perform any of the obligations of Debtor under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by Secured Party in respect of the Collateral, or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to Secured Party or to which Secured Party may be entitled at any time or times. Secured Party's sole duty with respect to the custody, safe keeping, and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC of Iowa or otherwise, shall be to deal with such Collateral in the same manner as Secured Party deals with similar property for its own account.

13. NOTIFICATION TO ACCOUNT DEBTORS AND OTHER PERSONS OBLIGATED ON COLLATERAL. If an Event of Default occurs and is continuing, Debtor shall, at the request and option of Secured Party, notify account debtors and other persons obligated on any of the Collateral of the security interest of Secured Party in any account, chattel paper, general intangible, instrument, or other Collateral, and that payment thereof is to be made directly to Secured Party or to any financial institution designated by Secured Party as Secured Party's agent therefor; and Secured Party may itself, if an Event of Default shall have occurred and be continuing, without notice to or demand on Debtor, so notify account debtors and other persons obligated on any of the Collateral. After the making of such a request or the giving of any such notification, Debtor shall hold any proceeds of collection of accounts, chattel paper, general intangibles, instruments, and other Collateral received by Debtor as trustee for Secured Party without commingling the same with other funds of Debtor and shall turn the same over to Secured Party in the identical form received, together with any necessary endorsements or assignments. Secured Party shall apply the proceeds of collection of accounts, chattel paper, general intangibles, instruments, and other Collateral received by Secured Party to the Obligations, such proceeds to be immediately credited after final payment in cash or other immediately available funds of the items giving rise to them.

14. SET OFFS. Secured Party, either before or after an Event of Default, may withhold, set off, recoup, or deduct from any amount otherwise due to Debtor from Secured Party and credit such withholding, set off, recoupment, or deduction to the Obligations.

15. POWER OF ATTORNEY.

15.1 Appointment and Powers of Secured Party. Debtor irrevocably constitutes and appoints Secured Party and any of its officers or agents, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Debtor or in Secured Party's own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, gives such attorneys the power and right, on behalf of Debtor, without notice to or assent by Debtor, to do the following:

(a) On the occurrence and during the continuance of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to, or otherwise dispose of or deal with any of the Collateral in such manner as is consistent with the UCC of Iowa and as fully and completely as though Secured Party were the absolute owner thereof for all purposes; and to do, at Debtor's expense, at any time, or from time to time, all acts and things which Secured Party deems necessary or useful to protect, preserve, or realize upon the Collateral and Secured Party's security interest therein; to carry out the intent of this Agreement, all at least as fully and effectively as Debtor might do, including, without limitation, the execution, delivery, and recording, in connection with any sale or other disposition of any Collateral, of the endorsements, assignments, or other instruments of conveyance or transfer with respect to such Collateral; and

(b) To the extent that Debtor's authorization given in Section 4 is not sufficient, to file such financing statements with respect to the Collateral, with or without Debtor's signature, or a photocopy of this Agreement in substitution for a financing statement, as Secured Party may deem appropriate and to execute in Debtor's name such financing statements and amendments thereto and continuation statements which may require Debtor's signature.

15.2 Ratification by Debtor. To the extent permitted by law, Debtor ratifies all that such attorneys shall do or cause to be done pursuant to this Section 15. This power of attorney is a power coupled with an interest and is irrevocable.

15.3 No Duty on Secured Party. The powers conferred on Secured Party in this Agreement are solely to protect its interests in the Collateral and shall not impose any duty on it to exercise any such powers. Secured Party shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees, or agents shall be responsible to Debtor for any act or failure to act, except for Secured Party's own gross negligence or willful misconduct.

16. RIGHTS AND REMEDIES. If an Event of Default occurs and is continuing, Secured Party, without any other notice to or demand upon Debtor, shall have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the UCC of Iowa and any additional rights and remedies which may be provided to a secured party in any jurisdiction in which Collateral is located, including, without limitation, the right to take possession of the Collateral, and for that purpose Secured Party may, so far as Debtor can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. Secured Party may in its discretion require Debtor to assemble all or any part of the Collateral at such location or locations within the jurisdiction(s) of Debtor's principal office(s) or at such other locations as Secured Party may reasonably designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party shall give to Debtor at least ten Business Days' prior written notice of the time and place

of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. Debtor acknowledges that ten Business Days' prior written notice of such sale or sales shall be reasonable notice. In addition, Debtor waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of Secured Party's rights and remedies hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto.

17. STANDARDS FOR EXERCISING RIGHTS AND REMEDIES. To the extent that applicable law imposes duties on Secured Party to exercise remedies in a commercially reasonable manner, Debtor acknowledges and agrees that it is not commercially unreasonable for Secured Party to: (a) fail to incur expenses reasonably deemed significant by Secured Party to prepare Collateral for disposition or otherwise to fail to complete raw material or work in process into finished goods or other finished products for disposition; (b) fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of; (c) fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to fail to remove liens or encumbrances on or any adverse claims against Collateral; (d) exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists; (e) advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature; (f) contact other persons, whether or not in the same business as Debtor, for expressions of interest in acquiring all or any portion of the Collateral; (g) hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature; (h) dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets; (i) dispose of assets in wholesale rather than retail markets, (j) disclaim disposition warranties; (k) purchase insurance or credit enhancements to insure Secured Party against risks of loss, collection, or disposition of Collateral or to provide to Secured Party a guaranteed return from the collection or disposition of Collateral; or (l) to the extent deemed appropriate by Secured Party, obtain the services of other brokers, investment bankers, consultants, and other professionals to assist Secured Party in the collection or disposition of any of the Collateral. Debtor acknowledges that the purpose of this Section 17 is to provide non-exhaustive indications of what actions or omissions by Secured Party would fulfill Secured Party's duties under the UCC of Iowa or other law of the state of Iowa or any other relevant jurisdiction in Secured Party's exercise of remedies against the Collateral and that other actions or omissions by Secured Party shall not be deemed to fail to fulfill such duties solely on account of not being specified in this Section 17. Without limiting the foregoing, nothing contained in this Section 17 shall be construed to grant any rights to Debtor or to impose any duties on Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 17.

18. NO WAIVER BY SECURED PARTY. Secured Party shall not be deemed to have waived any of its rights or remedies in respect of the Obligations or the Collateral unless such waiver shall be in writing and signed by Secured Party. No delay or omission on the part of Secured Party in exercising any right or remedy shall operate as a waiver of such right or remedy or any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All rights and remedies of Secured Party with respect to the Obligations or the Collateral, whether evidenced by this Agreement or by any other instrument, document, or agreement, shall be cumulative and may be exercised singularly, alternatively, successively, or concurrently at such time or times as Secured Party deems expedient.

19. SURETYSHIP WAIVERS BY DEBTOR. Debtor waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered, or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, Debtor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange, or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance

of partial payment thereon and the settlement, compromising, or adjusting of any thereof, all in such manner and at such time or times as Secured Party may deem advisable. Secured Party shall have no duty as to the collection or protection of the Collateral or any income therefrom, the preservation of rights against prior parties, or the preservation of any rights pertaining thereto beyond the safe custody thereof as set forth in Subsection 12.2. Debtor further waives all other suretyship defenses.

20. MARSHALLING. Secured Party shall not be required to marshal any present or future collateral (including the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral or other assurances of payment in any particular order, and all of Secured Party's rights and remedies hereunder and in respect of such collateral and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the maximum extent permitted by law, Debtor irrevocably waives the provisions of any law relating to the marshalling of collateral (including the Collateral).

21. PROCEEDS OF DISPOSITIONS; EXPENSES. Debtor shall pay to Secured Party on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by Secured Party in protecting, preserving, or enforcing Secured Party's rights and remedies under or in respect of any of the Obligations or any of the Collateral. After deducting all of such expenses, the residue of any proceeds of collection or sale or other disposition of the Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as Secured Party may determine, proper allowance and provision being made for any Obligations not then due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Sections 9-608(a)(1)(C) or 9-615(a)(3) of the UCC of Iowa, any excess shall be returned to Debtor. In the absence of final payment and satisfaction in full of all the Obligations, Debtor shall remain liable for any deficiency.

22. OVERDUE AMOUNTS. Until paid, all amounts due and payable by Debtor under this Agreement which are not paid or performed when due shall bear, both before and after judgment, interest at the rate of interest equal to the lesser of eighteen percent per annum or the maximum rate permitted by applicable law. All such interest shall constitute a debt secured by the Collateral.

23. GOVERNING LAW; CONSENT TO JURISDICTION. THIS AGREEMENT IS INTENDED TO AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF IOWA, EXCEPT FOR IOWA LAW WITH RESPECT TO CONFLICTS OF LAW. Debtor agrees that any action or claim arising out of, or any dispute in connection with, this Agreement, any rights, remedies, obligations, or duties hereunder, or the performance or enforcement hereof or thereof, may be brought in the courts of the state of Iowa or any federal court sitting in Iowa and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon Debtor by mail at the address set forth on the signature page of this Agreement. Debtor waives any objection that it may now or in the future have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

24. WAIVER OF JURY TRIAL AND CONSEQUENTIAL DAMAGES. DEBTOR WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS, REMEDIES, OBLIGATIONS, OR DUTIES HEREUNDER, OR THE PERFORMANCE OR ENFORCEMENT HEREOF OR THEREOF. Except as prohibited by law, Debtor waives any right which it may have to claim or recover in any litigation mentioned in the preceding sentence any special, exemplary, punitive, indirect, incidental, or consequential damages or any damages other than, or in addition to, actual direct damages. Debtor (a) certifies that neither Secured Party nor any representative, agent, or attorney of Secured Party has represented, expressly or otherwise, that Secured Party would not, in the event of litigation, seek to enforce the foregoing waivers or other waivers contained in this Agreement; and (b) acknowledges that by extending credit to Debtor from time to time, Secured Party is relying upon the waivers and certifications contained in this Section 24, among other things.

25. SEVERABILITY. If any clause or portion of a clause contained in this Agreement is finally determined by a court of competent authority to be contrary to the provisions of applicable federal, state, or local law, such clause or portion of a clause shall be invalidated only to the extent required by such law, and all remaining clauses or portions of a clause contained in this Agreement shall continue to be in full force and effect to the maximum extent not prohibited by applicable law.

26. NOTICES. All notices, requests, and other communications with respect to this Agreement shall be in writing and shall be deemed to have been duly given, made, and received only when personally delivered as documented by a courier's receipt; or upon actual receipt of registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below (or at such other addresses as may be stated in notices similarly given).

27. AMENDMENT. This Agreement may be amended only by a writing executed by an authorized officer of each of the parties to this Agreement.

28. BRIDGESTONE COMPANIES. To the extent that any of the Obligations may be owed at any time to any of the Bridgestone Companies other than Secured Party (whether directly, indirectly, by assignment or otherwise), Debtor acknowledges that Secured Party is acting as agent for such Bridgestone Companies with respect to the security interest granted herein, including without limitation exercising the Secured Party's rights and remedies, and enforcing any of Debtor's obligations, under this Agreement.

29. MISCELLANEOUS. The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions hereof. This Agreement and all rights and obligations hereunder shall be binding on Debtor and its respective successors and permitted assigns, and shall inure to the benefit of Secured Party and its successors and assigns. Debtor may not assign its rights or obligations under this Agreement without prior written approval by the Secured Party. In this Agreement, words and defined terms or phrases importing the singular include the plural and vice versa, and the use of any pronoun includes the corresponding masculine, feminine, and neuter forms. The word "including" is deemed to be followed by the words "without limitation". Nothing in this Agreement shall obligate Secured Party to extend any credit to Debtor at any time or limit Secured Party's sole and absolute discretion to determine timing or amount of any extension of credit to Debtor. All schedules identified in this Agreement are attached and incorporated by reference. The failure to attach or complete any schedule referred to herein shall not be construed to limit, impair, derogate from, or alter any of the provisions of this Agreement.

[Signatures are on following pages]

Debtor has caused this Agreement to be duly executed as of the date stated in the introductory paragraph.

DEBTOR: Exact legal name of Debtor and type of organization

By _____

Name: _____

Title: _____

Mailing Address:

State of organization of Debtor: _____

Accepted by: **BRIDGESTONE BANDAG, LLC**

State of organization of Debtor:

By _____

Name: Katharine A. Payne

Organizational number of Debtor or, if none,

Title: Director Order to Cash

state "none": _____

ADDRESS OF SECURED PARTY (FROM WHICH INFORMATION CONCERNING THE SECURITY INTEREST MAY BE OBTAINED):

Bridgestone Bandag, LLC
200 4th Ave South, Suite 100
Nashville, TN 37201

STATE OF _____, _____ COUNTY, ss.

On _____, 20____, _____ appeared personally before the undersigned Notary Public and, being duly sworn, stated that (s)he is the President of the corporation that executed the preceding document, the document was signed on behalf of the corporation by authority of its member/manager(s), and such official acknowledged the voluntary execution of the document by him/her and by the corporation.

Notary Public in and for the State of _____

(Affix Notarial Seal)

Commission expires: _____

SCHEDULE A

OTHER SECURITY INTERESTS IN COLLATERAL

SCHEDULE B

LOCATIONS OF COLLATERAL

1. The following are all locations in the United States of America in which Debtor maintains any books or records relating to any of the Collateral:

ADDRESS

COUNTY

STATE

2. The following are all locations in the United States of America where any of the Collateral is located:

ADDRESS

COUNTY

STATE

3. The following are all other places of business of Debtor in the United States of America:

ADDRESS

COUNTY

STATE

S150 -- APPENDIX B

Individual Guaranty

This **GUARANTY** (“Guaranty”) is executed as of _____, by _____ (“Guarantor”), an individual residing in _____, in favor of **BRIDGESTONE BANDAG, LLC**, an Iowa limited liability company, (“Bandag”), on behalf of itself and as agent for its present and future parent, subsidiaries and affiliates (collectively, the “Bridgestone Companies”). Bandag and the Bridgestone Companies are referred to collectively and individually as “Creditor”.

Recitals

_____ (“Dealer”) is or may become an authorized dealer of Bandag pursuant to one or more existing or future franchise agreements, license agreements or similar agreements between Dealer and Bandag (collectively, the “Franchise Agreement”). Dealer has requested Creditor to extend credit to Dealer to enable Dealer to acquire goods, equipment, materials, software, products, or services from Creditor from time to time, pursuant to the Franchise Agreement or otherwise. It is a condition precedent to any extension of credit by Creditor to Dealer that Guarantor execute and deliver to Creditor a guaranty in substantially the form hereof. To induce the Creditor to supply goods, equipment, materials, software, products; or services to Dealer on credit, Guarantor has agreed to guarantee payment and performance of Dealer’s obligations to Creditor. Guarantor has a direct or indirect beneficial or financial interest in Dealer and will benefit from any extension of credit by Creditor to Dealer.

Guaranty

In consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by Guarantor, Guarantor irrevocably, continually, and unconditionally, jointly and severally, agrees as follows:

1. Guarantor guarantees, as primary obligor and not merely as surety, the punctual performance and payment of (i) all indebtedness, obligations, and liabilities of every kind and nature of Dealer to Bandag or any of the Bridgestone Companies, however evidenced, whether now existing or hereafter created or arising, directly or indirectly, primary or secondary, absolute or contingent, joint or several, and however owned, held, or acquired, whether on open account, through discount, overdraft, purchase, direct loan or as collateral, or otherwise (including all purchase-money obligations); and (ii) the timely and full performance by Dealer of each and every duty, agreement, covenant, warranty, undertaking, and indemnity on the part of Dealer contained herein or in the Franchise Agreement or any existing or future contracts, subcontracts, documents, instruments or other agreements to which Dealer and Bandag (or any Bridgestone Company) are parties, or as to which Dealer may otherwise be obligated to Bandag (or any Bridgestone Company), including all modifications, supplements, amendments, and replacements thereto or thereof (collectively, including the Franchise Agreement, the “Related Agreements”), together with interest thereon on the unpaid principal amount from the date of demand on Guarantor at a rate equal to the lesser of eighteen percent per annum or the highest rate permitted by applicable law (collectively, the “Obligations”). The amount of this Guaranty is unlimited. If Dealer fails to perform any of the Obligations when performance is due (including payment), all Obligations shall, at Creditor’s option, immediately become due and payable by Guarantor to Creditor without notice.

2. Guarantor waives: (a) any right to notice of the creation of the Obligations; (b) any rights Guarantor may have by reason of any forbearance, modification, waiver, renewal, or extension that Creditor may grant, or to which Creditor and Dealer may agree, with respect to the Obligations; (c) notice of acceptance of this Guaranty; (d) presentment, demand, notice, or protest of any kind; and (e) all defenses, offsets, and counterclaims based on impairment of collateral, suretyship, or on Guarantor’s status as guarantor of the

Obligations (other than the defense of prior full, final, and indefeasible payment and performance of all Obligations).

3. All payments by Guarantor to Creditor shall be paid in lawful money of the United States of America and shall be payable without set-off, deduction, or counterclaim.

4. Guarantor's obligations under this Guaranty shall not be affected by any bankruptcy, liquidation, reorganization, debt arrangement, receivership, trusteeship, assignment for the benefit of creditors or other insolvency proceedings ("Insolvency Proceedings") instituted by or against Dealer or its property under any applicable federal, state or foreign bankruptcy, reorganization, arrangement, insolvency, receivership, or similar laws ("Insolvency Laws"), or any discharge of any of the Obligations in any such Insolvency Proceedings. This Guaranty shall remain in full force and effect until: (a) all Obligations have been indefeasibly paid in full to Creditor; (b) all obligations and indemnifications of Dealer to Creditor have been fulfilled; and (c) all sums received by Creditor from Dealer or Guarantor are not subject to rescission, disgorgement, avoidance or repayment in connection with any Insolvency Proceedings. Guarantor's obligations hereunder shall be absolute, unconditional, and irrevocable, regardless of whether the Obligations are created before or after the commencement of any Insolvency Proceedings. Guarantor's obligations under this Guaranty shall include, but not be limited to, any interest, late charges, attorneys' fees, or other sums coming due under the terms of any document or agreement creating or evidencing any of the Obligations (without reference to the effect of Insolvency Laws) after the commencement of any Insolvency Proceedings regardless of whether applicable Insolvency Laws permit such sums to be collected from Dealer or to accrue with respect to Dealer.

5. Guarantor waives to the fullest extent possible any and all claims that Guarantor may have against Dealer arising out of any payment by Guarantor to Creditor of any of the obligations under this Guaranty, including, but not limited to, all such claims arising out of any right of subrogation, indemnity, reimbursement, contribution, exoneration, payment, or any other claim, cause of action, right, or remedy against Dealer, whether such claim arises at law, in equity, or out of any written or oral agreement between Guarantor and Dealer or otherwise.

6. The obligations of Guarantor under this Guaranty shall be unconditional and irrevocable, irrespective of any of the following: (a) any lack of legality, validity, or enforceability of any of the documents or agreements creating or evidencing any of the Obligations; (b) any limitation of liability of the Dealer, or its constituent shareholders or members, contained in any document or agreement creating or evidencing any of the Obligations; (c) the existence of any security given to secure any of the Obligations; (d) impossibility or the illegality of performance on the part of Dealer of any of its Obligations; (e) the sale or other transfer of all or any portion of any collateral securing performance of any of the Obligations; (f) Insolvency Proceedings involving Dealer; (g) any stay, disaffirmance, or other action in Dealer's Insolvency Proceedings; (h) any defense that may arise by reason of the incapacity or lack of authority of Dealer or Guarantor or the failure of Creditor to file or enforce a claim against the estate of Dealer in any Insolvency Proceedings; or (i) any other circumstances, occurrence, or condition, whether similar or dissimilar to any of the foregoing, that might otherwise constitute a legal or equitable defense, discharge, or release of a guarantor or surety. If Dealer defaults under any document or agreement creating or evidencing any of the Obligations and Creditor is prevented from accelerating or collecting payment or performance of any of the Obligations (whether because of Dealer's Insolvency Proceedings or any other reason), Creditor shall be entitled to receive from Guarantor, upon demand by Creditor, the sums that would have otherwise been due and payable had such acceleration occurred and had Creditor been permitted to collect such sums from Dealer.

7. Guarantor agrees that Creditor may at any time and from time to time, with or without consideration, release any one or more guarantors of the Obligations, and/or release Dealer from all or any of the Obligations and/or agree to the substitution, exchange or release of all or any part of the collateral or security for the performance of the Obligations, in each case without notice to, or further consent from, Guarantor. Any such action shall not in any way affect or diminish the liability of Guarantor under this Guaranty. Guarantor waives

all claims and defenses against Creditor based on principles of suretyship, including impairment of recourse and impairment of collateral.

8. If any or all of the Obligations are not duly paid or performed by Dealer and are not paid or performed under Section 1 for any reason, Guarantor agrees, as a separate and distinct obligation, to indemnify and hold harmless Creditor from and against all losses (including reasonable attorneys' fees) resulting from the failure of Dealer to pay or perform its Obligations.

9. If Guarantor advances any sums to Dealer or its successors or assigns, or if the Dealer or its successors or assigns are now or hereafter become indebted to Guarantor, such sums or indebtedness shall be subordinate in payment, collection and all other respects to the Obligations. If Guarantor collects any of such sums or indebtedness from Dealer at any time, such collected funds shall be deemed collected and received by Guarantor in trust for Creditor and shall be paid over to Creditor, upon demand by Creditor, for application on account of Dealer's Obligations.

10. Guarantor represents and warrants that: (a) Guarantor has the full power, authority, and legal right to enter into, execute, and deliver this Guaranty; (b) this Guaranty is a valid and binding legal obligation of Guarantor and is fully enforceable against Guarantor in accordance with its terms; (c) the execution, delivery, and performance by Guarantor of this Guaranty will not violate or constitute a default under any indenture, note, loan, or credit agreement or any other agreement or instrument to which Guarantor is a party or is bound; (d) Guarantor has a direct or indirect beneficial or financial interest in Dealer; and (e) if Guarantor or Dealer has delivered to Creditor financial statements of Guarantor, such financial statements were true and correct as of the date prepared, and there has been no material adverse change in the financial condition of Guarantor from the financial condition of Guarantor shown on such financial statements delivered to Creditor.

11. Guarantor agrees that Creditor has no duty to inform Guarantor, now or at any time hereafter, as to any facts concerning Dealer or the Obligations and that Guarantor is fully responsible for being and remaining informed by the Dealer of all circumstances bearing on the status of Dealer and the existence or creation or the risk of nonpayment of the Obligations. Credit may be granted or continued from time to time by Creditor to Dealer without notice to or authorization from Guarantor, regardless of the financial or other condition of the Dealer at the time of any such grant or continuation. Creditor shall have no obligation to disclose or discuss with Guarantor its assessment of the financial condition of Dealer. Guarantor acknowledges that no representations of any kind whatsoever have been made by Creditor to Guarantor.

12. Notwithstanding anything contained in this Guaranty or in any document or agreement creating or evidencing any of the Obligations to the contrary, Guarantor shall be in default under this Guaranty if Insolvency Proceedings are instituted by or against Guarantor or its property under any Insolvency Laws; or if any representation or warranty made by Guarantor in this Guaranty is incorrect or fails to state a material fact that is necessary to make the representation or warranty not misleading; or if Guarantor fails to perform any of its obligations under this Guaranty or breaches any of its covenants under this Guaranty; or if Guarantor causes or incurs a material adverse change in its financial condition from its financial condition shown on its financial statements delivered to Creditor before the date of the Guaranty. Upon the occurrence of any such default, or in the event of the death of Guarantor, Creditor may, at its option, accelerate the date payment or performance of the Obligations is due as to Guarantor.

13. All notices, requests, and other communications with respect to this Guaranty shall be in writing and shall be deemed to have been duly given, made, and received only when personally delivered as documented by a courier's receipt, or upon actual receipt of registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below (or at such other addresses as may be stated in notices similarly given):

If to Creditor: Bridgestone Bandag, LLC
Attn: Director of Credit

200 4TH Avenue South, Suite 100
Nashville, TN 37201

If to Guarantor: At Guarantor's address set forth on the signature page of this Guaranty.

14. All rights and remedies of Creditor under this Guaranty, any document or agreement creating or evidencing the Obligations, or by law are separate and cumulative, and the exercise of one shall not limit or prejudice the exercise of any other such rights or remedies. The enumeration in this Guaranty of any waivers or consents by Guarantor shall not be deemed exclusive of any additional waivers or consents by Guarantor that may be deemed to exist in law or equity. No delay or omission by Creditor in exercising any such right or remedy shall operate as a waiver of that right. No waiver of any rights and remedies under this Guaranty and no modification or amendment of this Guaranty shall be deemed made by Creditor unless in writing and duly signed by Creditor. Any such written waiver shall apply only to the particular instance specified therein and shall not impair the further exercise of such right or remedy or of any other right or remedy of Creditor, and no single or partial exercise of any right or remedy under this Guaranty shall preclude any other or further exercise thereof or any other right or remedy.

15. Guarantor shall pay to Creditor on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by Creditor in protecting, preserving, or enforcing Creditor's rights and remedies under this Guaranty or in respect of any of the Obligations. If Creditor employs counsel to enforce this Guaranty by suit or otherwise, Guarantor will reimburse Creditor, upon demand, for all expenses incurred in connection therewith (including, without limitation, reasonable attorneys' fees) whether or not suit is actually instituted.

16. Creditor shall have, to the fullest extent permitted by law, the right of set-off in respect of all money, credits or other property of Guarantor at any time in the possession of Creditor for all obligations of Guarantor under this Guaranty. After the occurrence of a default under this Guaranty, every such right of set-off may be exercised without notice to Guarantor.

17. This Guaranty shall be binding on Guarantor and Guarantor's successors and permitted assigns. Guarantor may not assign Guarantor's obligations under this Guaranty without a prior written consent signed by an authorized officer of Creditor, which consent may be withheld for any reason. No consent to any assignment shall release Guarantor from any of its obligations under this Guaranty, except to the extent that the written consent of Creditor expressly provides for such release. This Guaranty shall be binding upon Guarantor's heirs, executors, and legal representatives.

18. Nothing contained in this Guaranty is intended to supersede, modify, or otherwise affect any other guaranty or suretyship agreement from Guarantor to Creditor.

19. Guarantor will deliver to Creditor, within ninety (90) days after the end of each calendar year, a financial statement of Guarantor and such other financial information as Creditor may reasonably require, all in reasonable detail and prepared in accordance with accounting principles consistently applied.

20. If Guarantor consists of more than one person, the obligations and liabilities under this Guaranty of those persons shall be joint and several, and the word "Guarantor" shall mean all, some or any of them. In this Guaranty, words and defined terms or phrases importing the singular include the plural and vice versa, the use of any pronoun includes the corresponding masculine, feminine, and neuter forms, and the word "including" is deemed to be followed by the words "without limitation".

21. This Guaranty may be signed in several counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, all of which counterparts will together constitute this

Guaranty. Each such counterpart shall be valid and enforceable against the party and/or parties by whom it is signed, even if fewer than all of the individuals or entities who are intended to sign this Guaranty or a counterpart of this Guaranty actually sign this Guaranty or a counterpart thereof. Facsimile or other mechanically reproduced signatures shall have the same effect as handwritten signatures for all purposes of this Guaranty.

22. GUARANTOR KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT GUARANTOR MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, ARISING OUT OF, OR RELATING TO THIS GUARANTY, THE GUARANTEED OBLIGATIONS, ANY AGREEMENTS IN RESPECT OF THE GUARANTEED OBLIGATIONS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER ORAL OR WRITTEN), OR ACTION OF GUARANTOR, DEALER, OR CREDITOR WITH RESPECT TO ANY OF THE FOREGOING. THIS PROVISION IS A MATERIAL INDUCEMENT FOR ANY EXTENSION OF CREDIT TO DEALER BY CREDITOR.

23. This Guaranty and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed according to the laws of the State of Iowa, excluding Iowa law with respect to conflicts of law. Guarantor consents and submits to personal jurisdiction of the federal and state courts located in Iowa for purposes of any litigation arising under or relating to this Guaranty and agrees that service of process may be made and personal jurisdiction over Guarantor obtained in accordance with the applicable laws of Iowa. Guarantor further agrees that any action, suit, or proceeding to enforce this Guaranty may be brought in any state or federal court in Iowa and waives any objection which Guarantor may have to the venue of any such court in any such action, suit, or proceeding. Nothing in this Guaranty shall prevent Creditor from bringing any action, suit, or proceeding to enforce this Guaranty or from exercising any right against any security for the performance of Dealer's Obligations or against any property of Guarantor in any other jurisdiction or state. Initiating such action, suit, or proceeding or taking such action in any other jurisdiction or state shall not, however, constitute a waiver of the provision contained in this section that the laws of Iowa shall govern the rights and obligations of Guarantor and Creditor under this Guaranty.

24. Guarantor: (a) acknowledges that Guarantor has received a copy of the Franchise Agreement; (b) represents to Creditor that Guarantor has read the Franchise Agreement; and (c) agrees to comply with and be bound by the conflicts of interest provisions contained in Section 6, the intellectual property provisions contained in Section 7, and the franchise transfer and succession planning provisions contained in Section 8 of the Franchise Agreement to the same extent and for the same period of time as Dealer and as if Guarantor were named as the dealer or franchisee in the Franchise Agreement.

25. To the extent that any of the Obligations may be owed at any time to any of the Bridgestone Companies other than Bandag, Guarantor acknowledges that Bandag is acting as agent for such Bridgestone Companies with respect to this Guaranty, including the exercise of Creditor's rights and remedies under this Guaranty.

26. This Guaranty contains the entire understanding between Creditor and Guarantor with respect to Guarantor's obligations in connection with the Obligations and any agreement creating or evidencing any of the Obligations, and supersedes all prior and contemporaneous agreements, understandings, inducements, conditions, express or implied, oral or written, except as contained in the Guaranty. Guarantor intends that all provisions of this Guaranty be enforced to the maximum extent permitted by applicable law.

Guarantor has duly executed this Guaranty as of the date stated in the introductory paragraph.

Guarantor:

Address:

Name: _____

Street

Social Security Number _____

City State Zip

Date of Birth _____

NOTARY ACKNOWLEDGMENT FORMS ON FOLLOWING PAGES

Acknowledgement For Individual:

STATE OF _____, _____ COUNTY ss.

On _____, 20____, _____ appeared personally before the undersigned Notary Public and, being duly sworn, stated that (s)he is the identical person named in and who executed the preceding document and acknowledged its voluntary execution.

Notary Public in and for the State of _____



S160 -- PURCHASE ORDER TERMS AND CONDITIONS

The purchaser/buyer identified in this purchase order BRIDGESTONE BANDAG, LLC ("Bandag") agrees to purchase and the vendor/supplier identified in this purchase order ("Supplier") agrees to sell the goods, materials, equipment and machinery ("Goods") and/or provide the services ("Services") described in this purchase order including any document, drawing or schedule referred to or incorporated by reference in this purchase order (collectively, the "Order"), subject to the following:

- 1. ACCEPTANCE.** This Order shall be deemed to be accepted and shall be a binding contract for the sale of the Goods and/or the provision of the Services upon the first to occur of the following events: Supplier or its agent executing and delivering an acknowledgement accepting this Order to Bandag; Supplier shipping or delivering the Goods to Bandag; or Supplier commencing the performance of the Services.
- 2. GOVERNING TERMS AND CONDITIONS.** The terms and conditions set forth in this Order shall constitute the sole and exclusive agreement between Bandag and Supplier and this Order shall supersede all prior agreements or commitments regarding the subject matter of this Order, whether oral or written. Acceptance of this Order is expressly limited to acceptance of the terms and conditions set forth in this Order only. Bandag hereby gives notice that it objects to and rejects any terms or conditions contained in any document which has been or may in the future be supplied by Supplier to Bandag which are in addition to, different from, inconsistent with or attempt to vary any of the terms or conditions of this Order whether such terms or conditions are set forth in Supplier's tender, proposal, order acknowledgement, invoice or otherwise. Bandag's acceptance of the Goods and/or Services shall not be construed as an acceptance of any terms or conditions contained in any such document. If this Order is deemed to be an acceptance of a prior offer by Supplier, such acceptance is conditional on Supplier's assent to all the terms and conditions set forth in this Order.
- 3. MODIFICATIONS AND REVISIONS.** No revision or modification of the terms and conditions of this Order shall be binding on Bandag unless such revision or modification is expressly accepted in writing by an authorized officer of Bandag.
- 4. DELIVERY, TITLE, AND RISK.** Delivery of the Goods to Bandag shall take place at Bandag's business location ("Site") or such other shipping destination, specified in this Order. Notwithstanding any shipping arrangement specified in this Order, Supplier shall have the risk of loss for all Goods shipped under this Order until receipt of delivery and acceptance of such Goods by Bandag at the specified location, at which time title to and the risk of loss with respect to such Goods shall pass to Bandag. Partial shipments are not permitted unless otherwise agreed to in writing by Bandag. For the purpose of securing Supplier's performance of its obligations under this Order, Supplier hereby grants to Bandag a security interest in and to the completed or partially completed Goods covered by any progress payments by Bandag. All Goods must be packaged in the manner specified by Bandag and shipped in the manner and by the route and carrier designated by Bandag. If Bandag does not specify the manner in which the Goods must be packaged, Supplier shall package the Goods to avoid any damage in transit. If Bandag does not specify the manner of shipment, route or carrier, Supplier will ship the Goods at the lowest possible transportation rates. Any additional freight, cartage or other costs incurred directly or indirectly



as a result of Supplier's failure to observe the conditions set forth in this section will be for Supplier's account.

5. **TAXES.** All applicable sales, use, privilege, ad valorem or excise taxes payable by Bandag shall be separately identified in this Order. Any such taxes not so identified shall be deemed to be included in the price.

6. **PRICE.** Unless otherwise specified in this Order, the stated price is in United States currency and includes all duties, levies, freight charges, packing charges, insurance charges, installation charges and any other charges whatsoever in connection with the Goods and/or Services. Supplier shall provide all properly completed customs invoices, declarations and evidence of export/import as well as such operating and maintenance manuals as may be reasonably required by Bandag. Supplier warrants that the prices and terms for the Goods are not less favorable than those currently extended to any other similarly situated customer for the same or similar Goods in similar quantities. If Supplier reduces its price or grants more favorable terms for the Goods during the term of the Order, Supplier agrees to reduce the prices of the Goods or grant the more favorable terms to Bandag correspondingly.

7. **PAYMENT.** Unless otherwise specified in this Order, payment of Supplier's invoice shall be due 30 days after receipt by Bandag, provided that Bandag does not otherwise contest the amount of such invoice in good faith. In the case of Services performed at Bandag's Site, payment shall not be due until Supplier has delivered such releases or waivers of all claims for liens arising therefrom as Bandag may reasonably require.

8. **INSPECTION.** Bandag shall have the right to inspect the Goods at Supplier's plant or other place of manufacture. Notwithstanding any such inspection, all Goods are subject to Bandag's final inspection and acceptance on delivery. If rejected, the Goods will be held for disposal at Supplier's risk and expense. No inspection, acceptance of any part or all of the Goods or payment shall relieve Supplier from full responsibility for furnishing Goods conforming to the requirements of this Order, nor prejudice any claim, right or privilege Bandag may have for defective or unsatisfactory Goods, delays in delivery or other non-compliance with this Order.

9. **WARRANTY.** In addition to any other express or implied warranties, Supplier expressly warrants that: (a) it has good and marketable title to all Goods furnished under this Order and the right to transfer title to such Goods to Bandag free of all liens and encumbrances; (b) all Goods supplied and/or Services provided shall be performed in accordance with all applicable specifications, drawings, descriptions or samples furnished and in accordance with all other requirements of this Order and the representations of the Supplier; (c) all Goods shall be of new and first class material and workmanship, shall be fit and suited for the purpose and use contemplated by this Order, and shall be of merchantable quality; (d) all Goods and Services furnished shall be free from defects in material, design or workmanship; (e) all Services shall be performed in a workmanlike manner and in accordance with the highest standards for such Services in the commercial tire and tire retreading industries; and (f) all computer software, hardware and firmware supplied by the Supplier shall be free of any harmful programs or data that disrupt the proper operation thereof, and will perform the functions and meet or exceed the performance criteria for such hardware, software or firmware described in this Order. Supplier shall promptly repair, replace and correct defects in the Goods or Services not conforming to any warranty, without expense to Bandag, when notified of such non-conformity by Bandag.



10. **COMPLIANCE WITH LAWS AND SAFETY.** Supplier warrants and agrees that all Goods and Services furnished shall be produced in accordance and comply with all applicable federal, provincial, state and local laws, ordinances, codes, standards, orders, rules and regulations in force at the time of supply and/or performance including, without limitation, the Fair Labor Standards Act, and all occupational safety and health (including any hazardous communications rule) and environmental and hazardous materials laws and regulations. Supplier represents and warrants that any chemical (including any mixture) supplied to Bandag for resale, use or consumption in the United States, is listed by the United States Environmental Protection Agency pursuant to the Toxic Substances Control Act. Supplier shall have complete control and responsibility for the safety and health of its employees and agents while engaged in the performance of the Services at Bandag's Site. Supplier shall obtain all necessary permits and/or licenses and give all necessary notifications for the supply of the Goods and/or the performance of the Services.

11. **DELAY.** Time is of the essence of this Order. Supplier agrees that it will complete the delivery of the Goods and/or perform the Services in accordance with the times specified in this Order. Supplier shall furnish Bandag upon request a progress schedule showing the status of the manufacture of the Goods, the expected shipping date, and/or the progress in the performance of the Services. Supplier shall immediately notify Bandag in writing if the supply of the Goods and/or performance of the Services will be delayed, indicating the cause and extent of the delay, but this shall not relieve Supplier of its obligation to deliver and/or perform as required by this Order.

12. **CANCELLATION; WAIVER OF CONSEQUENTIAL DAMAGES.** In addition to any other rights and remedies which it may have, Bandag may cancel the supply of the Goods and/or the performance of the Services or any part thereof because of Supplier's failure to comply with any of the terms or conditions of this Order (including without limitation, for late delivery of Goods, late performance of Services, delivery of Goods or performance of Services which are defective or which do not conform with this Order, or failure to provide Bandag, upon request, with reasonable assurances of future performance). Furthermore, Bandag may cancel the supply of the Goods and/or the performance of the Services or any part thereof without cause at its sole option by giving written notice thereof to Supplier. Upon such cancellation without cause, Bandag shall reimburse Supplier for its actual direct costs incurred in respect of this Order prior to the effective date of notice of cancellation together with any actual direct costs resulting from such cancellation, less the reasonable recoverable value in respect of any Goods or partially completed Goods which Supplier could reasonably obtain from a third party. In no event shall Bandag be responsible or liable for Supplier's loss of actual or anticipated profits or loss of business nor for any other special, indirect or consequential damage arising out of or relating to this Order or from the performance, suspension, termination or breach thereof, whether based upon principles of equity, contract, tort (including but not limited to negligence) or otherwise. All claims for money due or to become due from Bandag will be subject to deduction or setoff against any claim by Bandag against Supplier arising out of the Order or any other transaction between Bandag and Supplier or its affiliates.

13. **PATENT INFRINGEMENT.** Supplier warrants that neither the Goods, Services nor use thereof shall infringe on any existing or pending patent, copyright, trademark, trade name, invention or process of manufacturing or other intellectual property right.



14. OWNERSHIP OF INTELLECTUAL PROPERTY. Supplier agrees to grant and assign, and does hereby irrevocably grant and assign to Bandag and its successors and assigns all worldwide right, title, and interest in any and all inventions, discoveries, computer programs, software, data, technologies, designs, innovations and improvements, and related patents, copyrights, trademarks and other industrial and intellectual property rights and applications therefor made or conceived by Supplier or its agents or employees in connection with the performance of this Order. Supplier acknowledges and agrees that anything which is capable of copyright protection made, designed or developed pursuant to this Order shall be a “work made for hire” for Bandag. Supplier agrees to: (a) provide all reasonable assistance to Bandag, at Bandag’s expense and without additional consideration, to secure, perfect, register, apply and defend for Bandag’s benefit all protectable intellectual property including patents, trademarks, trade secrets and copyrights; and (b) to disclose to Bandag any potentially protectable intellectual property that is made or conceived in connection with the performance of this Order. Supplier warrants that all of its agents or employees have agreed to assign and have assigned their rights to Bandag for any potentially protectable intellectual property that is developed in connection with the performance of this Order.

15. CONFIDENTIAL NATURE OF DESIGNS, ETC. Any specifications, designs, patterns, samples or other similar items or other technical, commercial or financial information relating to Bandag’s business (the “Information”) which Supplier may obtain or which Bandag may in any way disclose in writing or orally to Supplier in connection with this Order, shall remain the property of Bandag or its licensors and be deemed to be confidential and Supplier shall not use the Information for purposes other than those expressly permitted in this Order. Supplier shall use reasonable efforts to maintain the confidentiality of the Information and shall not disclose the Information to any person or entity except as may be specifically authorized by Bandag in writing.

16. TOOLING. All tools, dies, molds, patterns, jigs, masks, and other equipment (collectively, “Tooling”), and materials furnished by Bandag to Supplier or paid for by Bandag directly or indirectly, and any replacements thereof, shall be and remain Bandag’s property. Supplier shall safely store such property separately from Supplier’s property, shall plainly identify such property as Bandag’s property, and shall not use, in any other manner whatsoever, such property except in filling this Order for Bandag. All such property shall be held at Supplier’s risk, shall be insured by Supplier at its expense for an amount equal to its replacement cost with Bandag named as loss payee, and shall be returned promptly to Bandag or Bandag’s designee on the earlier of Bandag’s request or the termination or completion of the Order.

17. INFORMATION FURNISHED TO BANDAG. Bandag shall have the right to make copies of or otherwise use for its own purpose (including duplicating any components of the Goods for use as replacement or spare parts at Bandag’s Site), any drawings or other information provided by Supplier in the course of its performance under this Order.

18. WAIVERS. No waiver of any provision of this Order shall: (a) be binding unless given in writing and signed by an authorized officer or agent of the party to be bound thereby; or (b) imply a waiver of that provision for the future or of any other provisions in this Order unless the waiver expressly so states.

19. ASSIGNMENT AND SUBCONTRACTING. No part of this Order may be assigned or subcontracted by Supplier without the prior written consent of Bandag. No assignment or subcontracting of all or any part of this Order by Supplier will relieve Supplier from liability under this Order.



20. **GOVERNING LAW.** The laws of the State of Iowa, United States of America, shall apply to and govern the interpretation, validity, and enforceability of this Order excluding Iowa law with respect to conflicts of law. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Order. All disputes arising out of this Order shall be subject to the exclusive jurisdiction and venue of the state and federal courts located in the State of Iowa, United States of America, and Supplier and Bandag consent to the personal and exclusive jurisdiction and venue of these courts.

21. **SUPPLIER INDEMNITY.** Except as expressly prohibited by law, Supplier shall indemnify and hold Bandag harmless from and against any and all claims, demands, damages, losses, expenses, costs (including legal fees), fines and penalties sustained or incurred by or asserted against Bandag to the extent based upon, related to or arising out of: (a) any breach by the Supplier of any term, condition, covenant or warranty contained in this Order; (b) any defect in the Goods or Services furnished pursuant to this Order; or (c) any act or omission of Supplier or Supplier's agents, officers, employees or subcontractors in the course of furnishing the Goods and/or Services.

22. **SITE WORK.** When any aspect of this Order involves attendance at or the performance of Services at Bandag's Site, the following additional provisions shall apply: (a) Supplier and its agents, officers, employees and subcontractors shall comply with all Site rules and all safety and security regulations imposed by Bandag; (b) Supplier shall take all necessary precautions to prevent the occurrence of any injury to person or property during the performance of the Services; (c) Supplier shall maintain the following insurance during the performance of the Services, and shall provide Bandag with satisfactory proof of such insurance coverage: (i) general liability insurance covering all sums which Supplier shall become legally liable to pay as damages arising out of property damage, bodily injury, sickness or death; (ii) automobile liability insurance covering all sums which Supplier shall become legally liable to pay as damages arising out of bodily injury, sickness or death or property damage, arising out of the operation of owned or non-owned automobiles; (iii) Workers' Compensation Insurance to conform with the laws and limits in accordance with statutory requirements of the applicable jurisdiction and employer's liability insurance covering all sums which Supplier shall become legally liable to pay as damages arising out of bodily injury to or occupational disease of the employees of Supplier or employees of any subcontractor of Supplier; (iv) if the Services require any professional engineering, design, architectural or survey services, professional liability insurance covering all sums which Supplier shall become liable to pay as damages arising out of property damage or bodily injury, sickness or death (such policy shall be maintained for three years beyond final completion of the Services); (d) all of the foregoing required insurance coverage shall, except for Supplier's Workers' Compensation Insurance policy with respect to items (i) and (iii): (i) provide for combined single limit of liability for each occurrence of not less than \$1,000,000.00; (ii) include a waiver of subrogation clause in favor of Bandag; (iii) name Bandag as an additional insured with respect to the operations of Supplier; and (iv) provide that at least 30 days' written notice shall be given to Bandag prior to any material change or cancellation of any such policy or policies.

23. **SEVERABILITY.** If for any reason any provision of an Order shall be deemed by a court of competent jurisdiction to be legally invalid or unenforceable in any jurisdiction to which it applies, the validity of the remainder of the Order shall not be affected. Such provision shall be deemed modified to the minimum extent necessary to make such provision consistent with applicable law, and, in its modified form, such provision shall then be enforced.



24. **ENGLISH LANGUAGE.** The parties acknowledge having required that the Order as well as all notices, documents, and agreements related hereto be drawn up in English. For transactions involving Suppliers or the supply of Goods or Services in the Province of Quebec, Canada: les parties reconnaissent avoir exigé que la présente injonction ainsi que tous avis, documents ou contrats s'y rapportant soient rédigés en anglais.

25. **SURVIVAL OF OBLIGATIONS.** Notwithstanding the cancellation, expiration or termination of this Order for any reason whatsoever, all covenants and agreements to be performed and/or observed by Supplier under this Order after the cancellation, expiration or termination of this Order or by which their nature survive such cancellation, expiration or termination, shall survive any such cancellation, expiration or termination.



S170 -- EQUIPMENT TERMS

Cash Terms: New equipment may be sold on a 30-day invoice (10th and 25th prox).

Bandag Smart Resources: If checked "yes" on equipment order form, it is not necessary to send in a Bandag Smart Resources form for payment. This is considered cash and discounts are applicable.

Trade-ins: Used equipment trade-ins are no longer considered for down payment on new equipment financing. Used equipment trade-ins will be allowed, but processed as a credit the Dealer's trade account upon receipt of the "Return Goods Authorization Form". There is no discount on used equipment.



S180 -- Bandag Dealer National Warranty Program

To access the most current information pertaining to the Bandag Dealer National Warranty and Bandag National Warranty, log onto the Bandag Business Center with the following instructions:

Instructions for Accessing Bandag Dealer National Warranty Information:

- Go to www.bandag.com
- Click on Warranty under CAN WE HELP at the bottom of the page

- Or go to www.bridgestonemarketing.com
- Log in to your account
- Enter Warranty under search

If you experience issues with the web content or the site itself, please contact the IT Service Desk at 800-523-6366.



S190 -- RETREAD MANUFACTURE DOT CODES

To access the most current list of Retread Manufacturer DOT codes, log onto the Tire Retread & Repair Information Bureau (TRIB) with the following instructions:

Instructions for Accessing Retread Manuf. DOT Codes

- Go to www.retread.org
- Click on the button at the bottom of the page to be taken to the "Manufacture's Information Database (MID).
- At the bottom right of the page, select the checked box next to: "Equipment Plants (Tires, Brake Hoses and Glazing)".
- Click the "Equipment Type" dropdown and select "Retread"
- Enter the 3 letter DOT code in the box and then click "Search" in the lower left corner.

If you have any problems using the search tool or database, contact TRIB at 703-533-7667 or info@retread.org.

EXHIBIT E

NATIONAL ACCOUNT PROGRAM DESCRIPTION

DESCRIPTION OF NATIONAL ACCOUNT PROGRAMS**Set Program**

A program with set pricing agreed upon between BATO and the National Account. The National Account signs an agreement with BATO. In a Set Program, retread and repair process are negotiated between BATO and the National Account. Agreed upon prices are 'set' in the BATO billing system and the National Account customer will be invoiced at those agreed upon 'set' prices.

Dealer reimbursement will follow Standard Reimbursement policies for retreads and repairs unless otherwise informed.

Negotiated Program

A program with negotiated pricing between National Account locations and servicing dealer(s). On a Negotiated Program, ALL retreads and repairs are negotiated between the National Account and the local Bandag Dealer. An agreement is signed between BATO and the National Account to establish the program. Selected servicing BATO dealers submit agreed upon pricing to BATO. BATO loads and maintains 'negotiated' retread and repair pricing in the BATO billing system and the National Account will be invoiced at those 'negotiated' prices. Dealer reimbursement will be the same as the fleet price e.g. pass-through, unless otherwise informed.

All Other Factor / Off Factor

In addition to a Set or Negotiated retread/repair pricing program, an All Other Factor or Off Factor is applied to each National Account program. This allows the National Account to purchase products that are not 'set' or 'negotiated', in the event of an emergency or otherwise. An off factor is established and applied to the Suggested Truck/Light Truck Price list book in effect at the time of billing. Dealer reimbursement will follow Standard Reimbursement policies for retreads and repairs unless otherwise informed.

SERVICE PRICING**Standard Service and Labor Rates**

A National Account Standard Service and Labor Rate (SSLR) book is established by BATO for service pricing. The SSLR is typically updated annually, but may be updated more frequently. A fleet will pay SSLR unless a dealer chooses to bill less than SSLR. A dealer may not bill over SSLR. BATO will invoice a National Account at or below (if a dealer enters a lower price) SSLR.

Dealer reimbursement will be the same as the fleet price e.g. pass-through, minus a standard administrative fee, unless otherwise informed. A few service types are exempt the administrative fee.

Contract Service Pricing

Contract Service Pricing is when one or more service rates are negotiated between BATO and the National Account customer. In this case, BATO will load the agreed upon price for the Fleet's selected, primary, servicing dealer(s). When a selected, primary, or servicing dealer bills a Contract Service to a National Account, the contracted rate will be invoiced to the National Account. The National Account will be invoiced at SSLR for services billed through all other dealers (dealer not selected as primary).

Dealer reimbursement will be the same as the fleet price e.g. pass-through, minus a standard administrative fee, unless otherwise informed. A few service types are exempt the administrative fee.

EXHIBIT F
DEALER SUBCONTRACT



BANDAG DEALER SUBCONTRACT (UNITED STATES)

THIS BANDAG DEALER SUBCONTRACT is made as of _____, 20____, by and among **BRIDGESTONE BANDAG, LLC** ("Bandag"), an Iowa limited liability company, Bridgestone Americas Tire Operations, LLC ("BATO"), a Delaware limited liability company, and <<DEALER>> ("Dealer"), a <<DESCRIPTION>>, organized under the laws of <<BUSINESS LOCATION>>. Dealer is an authorized dealer of Bandag with the following Bandag Dealer No(s): _____.

RECITALS

Bandag and/or BATO have or may enter into agreements from time to time on their own behalf or as a subcontractor for certain of Bandag's Affiliates (as hereinafter defined) with respect to certain sales agreements (collectively, the "Sales Agreements"). The Sales Agreements are for the sale of BANDAG Retreads and other products and services by Bandag or its Affiliates to buyers of such BANDAG Retreads and other products and services and their respective affiliates (the "Customers"). Dealer desires to provide, on a non-exclusive subcontract basis, BANDAG Retreads and other products and services to Customers under the Sales Agreements as Bandag may direct from time to time.

Bandag, BATO and Dealer understand and agree that this Agreement relates solely to the appointment of Dealer as a non-exclusive subcontractor to provide BANDAG Retreads and products and services related to BANDAG Retreads to Customers from the Dealer Locations identified in Exhibit A in accordance with this Agreement (including the Manual) and the Franchise Agreement. Bandag, BATO and Dealer further understand and agree that this Agreement grants no rights, either directly or indirectly, to either market new tires, including, without limitation, Bridgestone, Firestone or Dayton brand new tires, or to provide related new tire services.

THEREFORE, in consideration of the mutual covenants set forth in this Agreement, the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.01 DEFINITIONS. In this Agreement, including the attached exhibits, unless specifically indicated otherwise, the following terms have the following meanings set forth in this Section 1.01:

- (a) "**Accounts**" has the meaning given in Section 5.01.
- (b) "**Administration Fees**" has the meaning given in Section 2.04.
- (c) "**Affiliates**" means with respect to any Person, any Person that directly or indirectly controls, is controlled by, or is under common control with such Person. As used in the preceding sentence, the term "control" means possession, directly or indirectly, of the power to materially influence the direction of the management or policies of a Person, whether through ownership of voting securities, by contract, or otherwise.
- (d) "**Agreement**" means this Bandag Dealer Subcontract; the Manual; any exhibit, appendix or addendum that is attached to or referred to in any of the foregoing; as each of the foregoing may be amended, supplemented, restated, or otherwise modified from time to time.

- (e) **“Bandag Indemnified Parties”** means, collectively, Bandag, its Affiliates; their successors and assigns; and the officers, directors, employees, and agents of each of the foregoing.
- (f) **“Bandag[®] Retreads”** or **“BANDAG Retreads”** means tire casings retreaded by a Bandag dealer using the proprietary equipment, methods, and materials of Bridgestone Bandag, LLC.
- (g) **“Charges”** has the meaning given in Section 2.04.
- (h) **“Confidential Information”** means this Agreement (including the Manual) and the information, methodologies, pricing information, systems, or business practices and techniques of Bandag, its Affiliates, and their respective customers set forth in the Manual, and any other information that is marked “Confidential,” “Restricted,” or “Proprietary” by Bandag or any of its Affiliates. Notwithstanding the foregoing, Confidential Information does not include information that: (1) is, as of the time of its disclosure, or thereafter becomes part of the public domain through no act or failure to act by Dealer; (2) was known to Dealer free of any obligation to keep such information confidential before its disclosure by Bandag as shown by Dealer’s written records; (3) is independently developed by Dealer without use or reference to the Confidential Information; or (4) is subsequently learned from a third party not subject to any obligation of confidentiality to Bandag or any of its Affiliates or Customers with respect to the information disclosed.
- (i) **“Custodial Property”** means all property, machinery, goods, equipment, spare parts, supplies and consumables, including, but not limited to, new and used tires, BANDAG Retreads, and casings, which are in the possession or under the care, custody or control of Dealer which are the property of a Customer, Bandag or any of its Affiliates or Suppliers (including work in process).
- (j) **“Customers”** has the meaning given in the Recitals paragraph.
- (k) **“Dealer Locations”** means Dealer’s manufacturing and point of sale locations identified in Exhibit A.
- (l) **“Dealer Responsible Parties”** means collectively: Dealer and Dealer’s subcontractors; the successors and assigns of any of the foregoing; the officers, directors, employees, agents or subcontractors of any of the foregoing; and any Person for whose acts any of the foregoing are liable at law.
- (m) **“Designated Dealer”** means an authorized dealer of Bandag which has the primary responsibility of providing P&S at a Service Location of a Customer.
- (n) **“Emergency Tire Assistance™”** means any of the following requested by Bandag with respect to trucks operated by a Customer which are disabled by tire failure: emergency roadside repair or replacement of tires or tire rims or other minor repairs of vehicle damage caused by tire failure.
- (o) **“Franchise Agreement”** means one or more franchise agreements authorizing Dealer to retread tire casings using the proprietary equipment, methods, and materials of Bandag, as amended, supplemented, restated, or otherwise modified from time to time.
- (p) **“Health and Safety Laws”** means any applicable U.S. or Canadian federal, provincial,

territorial, state or other law, ordinance, rule, regulation, standard, or other binding determination of any governmental authority relating to or otherwise addressing the health or safety of employees or workers, including, but not limited to, the federal Occupational Safety and Health Act of 1970, 29 C.F.R. § 1910, *et seq.*, 29 C.F.R. § 1926, *et seq.*

- (q) **“Indemnified Costs”** means all claims, damages, losses, expenses, suits, administrative or other proceedings, costs (including legal and expert witness fees and expenses), fines, and penalties.
- (r) **“Intellectual Property”** means all intellectual property worldwide arising under statutory or common law, whether or not perfected, including all of the following: (i) developments, inventions, modifications, derivative works, patches, bridges, etc. (ii) patents, patent applications, and potential patent applications; (iii) rights associated with works of authorship, including copyrights, copyright applications, and copyright registrations; (iv) rights associated with trademarks, trademark applications, and trademark registrations; (v) rights relating to the protection of trade secrets and Confidential Information; (vi) any other proprietary rights relating to intangible property (e.g. trade dress, or service mark rights); and (vii) divisions, continuations, renewals, reissues, and extensions of the foregoing (as and to the extent applicable) now existing, hereafter filed, issued, or acquired.
- (s) **“Manual”** has the meaning given in Section 2.04.
- (t) **“Non-Outsourcing Agreements”** means all Sales Agreements which are not Outsourcing Agreements.
- (u) **“Other Products and Services”** means all products or services which are sold or supplied by Dealer to a Customer, except the P&S.
- (v) **“Outsourcing Agreements”** means those Sales Agreements which are identified in the Manual as outsourcing agreements.
- (w) **“Person”** means any person, individual, corporation, partnership, trust, any other non-governmental entity, or any government or governmental agency, department or authority.
- (x) **“Products and Services” or “P&S”** means those products and services (including Emergency Tire Assistance™) specified for each respective Customer in the Manual from time to time.
- (y) **“Sales Agreements”** has the meaning given in the Recitals paragraph.
- (z) **“Service Locations”** means the addresses of the service locations of a Customer provided by Bandag to Dealer in writing from time to time.
- (aa) **“Supplier”** means any person, firm or corporation (other than Dealer) employed by or having a contract directly or indirectly with Bandag or any of its Affiliates for the supply of P&S to a Customer pursuant to a Sales Agreement.

Other capitalized terms defined and employed elsewhere in this Agreement, including any exhibits attached to this Agreement, shall, except where the contrary is specifically indicated, have the meaning ascribed to them elsewhere in this Agreement.

1.02 EXHIBITS. The following exhibits are attached to and form a part of this Agreement:

ARTICLE 2
SUBCONTRACT/DEALER OBLIGATIONS

2.01 SUBCONTRACT FOR PRODUCTS AND SERVICES.

- (1) Subject to the provisions of this Agreement, Bandag and BATO appoint Dealer as a non-exclusive subcontractor to provide the P&S to Customers from the Dealer Locations identified in Exhibit A in accordance with this Agreement (including the Manual) and the Franchise Agreement.
- (2) Dealer shall have the right to refuse to accept any order for the P&S from a Customer.
- (3) If Dealer accepts an order for P&S from a Customer, Dealer agrees that it shall provide P&S to such Customer strictly in accordance with all of the specifications of the P&S in such order, the provisions of this Agreement (including the Manual), and the Franchise Agreement.
- (4) Unless otherwise specified in the Manual, all P&S (including BANDAG Retreads) provided by the Dealer to a Customer pursuant to this Agreement shall be deemed to be a sale of such P&S by Dealer to BATO for resale by BATO to such Customer.

2.02 DESIGNATED DEALERS; NON-OUTSOURCING AGREEMENTS. Bandag developed the Sales Agreements to meet the demands of Customers which require an agreement with one supplier of P&S (including BANDAG Retreads) providing, on a national or regional basis: (a) standardized products and services; (b) uniform pricing and terms; (c) centralized billing and communications; and (d) a national warranty program. Many Customers also expressed the desire that Dealers not contact them seeking to provide P&S under the Sales Agreements. Consequently, each Customer with a Non-Outsourcing Agreement may request the Designated Dealer for each of its Service Locations, subject to approval of Bandag and BATO. If Dealer is selected as the Designated Dealer for a Customer's Service Location as contemplated by the previous sentence, Bandag or BATO shall notify Dealer of such selection. Dealer acknowledges that each such Customer with a Non-Outsourcing Agreement has the right to request the Designated Dealers for each of its Service Locations (subject only to the approval of Bandag and BATO and the consent of each selected dealer) and to request a change of Designated Dealers from time to time, without the consent of the incumbent Designated Dealers. Notwithstanding the foregoing, Dealer shall have the right with respect to all Customers who are parties to Non-Outsourcing Agreements to: (a) accept orders from such Customers for the provision of P&S (i) for drive-in business and (ii) at Service Locations for which Dealer has not been selected as the Designated Dealer if such orders are initiated by the Customer and not solicited by Dealer; and (b) solicit orders from any Customer for Other Products and Services. If Bandag selects Dealer as a Designated Dealer to supply P&S to any Customers with Outsourcing Agreements, Bandag, BATO and Dealer shall enter into an Outsourcing Addendum amending and supplementing this Agreement with respect to the provision of P&S by Dealer as a Designated Dealer to Customers with Outsourcing Agreements.

2.03 FACILITIES; PERSONNEL; MATERIALS; EQUIPMENT. Dealer agrees to provide all of the necessary facilities, personnel, materials, and equipment and shall otherwise do all things necessary for the provision of P&S by Dealer hereunder. Without limiting the generality of the foregoing, in accordance with the provisions of the Manual, Dealer agrees to maintain: (a) a sufficient inventory of approved new tires, used tires, retreaded tires, tire rims, and other materials required by the Manual; and (b) service equipment, an adequate stock of service parts, and appropriate tools and equipment necessary for Dealer to provide the P&S.

2.04 BANDAG DEALER SUBCONTRACT MANUAL. Bandag shall loan to Dealer one copy of its proprietary and confidential Bandag Dealer Subcontract Manual (the "Manual") for each of the Dealer Locations identified as a Manufacturing Location in Exhibit A, setting forth the requirements, procedures, standards, and specifications of the P&S to be provided to the Customers. The Manual shall include: (a) means for the Dealer to verify the identity of Customers; (b) Customer Program Guides setting forth the specifications of P&S for each Customer; and (c) Pricing Guides for each Customer for which Dealer is a Designated Dealer and other materials setting forth the compensation to be credited to Dealer's Accounts ("Charges") as payment for the provision of P&S by Dealer to a Customer pursuant to this Agreement and any administration or service fees or charges to be debited to Dealer's Accounts ("Administration Fees") for the administrative services provided to Dealer by Bandag hereunder. In addition and without limiting the generality of the foregoing, the Manual may establish rules, policies, specifications, requirements, and procedures for: (i) materials, equipment, and supplies to be used in the provision of P&S; (ii) inventory requirements and methods of inventory tracking, management and control (including Custodial Property); (iii) bookkeeping and accounting; (iv) insurance; (v) Bandag's National Warranty Program and other applicable warranty programs; and (vi) meeting any other requirements of a Sales Agreement. Bandag may amend, replace, substitute, or add to any of the provisions of the Manual from time to time and will deliver copies thereof to Dealer. Dealer shall at all times ensure that its copy of the Manual is kept current and up-to-date. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Bandag shall be controlling.

2.05 ORDERS; DELIVERY RECEIPT. Dealer agrees that it shall accept an order for P&S with respect to an Outsourcing Agreement and Emergency Tire Assistance™ only from Bandag. With respect to all other orders, Dealer agrees that it shall, before accepting any order for P&S from a Customer, review the order carefully to verify: (a) that the order is being submitted by a Customer identified in the Manual; and (b) compliance with the P&S specifications set forth in the Manual applicable to such Customer. If Dealer is unable to supply BANDAG Retreads specified in an order (or an acceptable substitute specified in the Manual) from a Customer within a reasonable time, Dealer and the Customer may agree to substitute other BANDAG Retreads (a "Substitute Retread"). Dealer agrees with respect to each accepted order for P&S: (m) promptly and faithfully to provide all of the P&S which are the subject of any order which complies with the requirements of the Manual in accordance with the provisions of this Agreement, the Franchise Agreement, and the Manual; and (n) when P&S are supplied by Dealer pursuant to such order, to complete Bandag's most current delivery receipt form applicable to the respective Customer (a "Delivery Receipt") in accordance with the instructions printed thereon (if the order involves Substitute Retreads or Other Products and Services, the Substitute Retread or the Other Products and Services and the respective prices thereof shall be identified in the appropriate spaces on the Delivery Receipt) and obtain the signature of an authorized employee of the Customer ordering the P&S in the space provided on the form. Within seven business days after Dealer receives the information from the Customer necessary to complete the Delivery Receipt, Dealer shall, as directed by BATO: (x) mail a copy of each Delivery Receipt to BATO; or (y) transmit the information contained in each Delivery Receipt to BATO via the internet through the Bridgestone Firestone Dealer Direct Input system (Web DDI). If Dealer is unable to obtain information from the Customer which will enable Dealer to complete the Delivery Receipt in a timely manner, Dealer shall notify BATO of the situation, so that BATO can take appropriate action with the Customer.

2.06 EMERGENCY TIRE ASSISTANCE™. Dealer agrees to use its best efforts to provide Emergency Tire Assistance™ to each Customer as ordered by Bandag from time to time.

2.07 DEALER WARRANTY. In addition to any other express or implied warranties, Dealer expressly warrants to Bandag and BATO that all P&S performed or supplied by Dealer hereunder shall: (a) conform to specifications applicable to each Customer communicated to Dealer as part of an order of a Customer and with all requirements of this Agreement (including applicable portions of the Manual); (b) shall be free from defect in material or workmanship and be performed in a good and workmanlike manner; and (c) comply with, or be manufactured or performed in accordance with, all applicable federal,

state, provincial, territorial, and local laws and regulations. Dealer's warranties will run to the Bandag Indemnified Parties. Dealer, at its expense, shall promptly replace or correct defective or nonconforming P&S when notified of such nonconformity or defect by BATO or Customer or, at BATO's option, promptly reimburse BATO or its designee for the costs of correcting such defective or nonconforming P&S.

2.08 OTHER PRODUCTS AND SERVICES.

- (1) If Dealer sells or provides any Other Products and Services to a Customer, Dealer, in supplying such Other Products and Services, is acting as an independent contractor contracting directly with such Customer and not as the agent, subcontractor, or representative of Bandag or BATO. Under no circumstances shall Bandag or BATO be responsible or liable in any manner whatsoever for the performance or quality of any Other Products and Services. Dealer shall identify any Other Products and Services to a Customer as products or services which are outside the scope of the P&S. Unless otherwise expressly provided in the Manual, the sale of casings and scrap tire disposal are excluded from the P&S for each Customer, and the pricing and terms of sale for casings or for scrap tire disposal for each Customer shall be mutually agreed upon between the Dealer and each Customer as part of the Other Products and Services supplied by the Dealer to such Customer.
- (2) BATO, at its option, may agree from time to time to bill a Customer for tire related Other Products and Services, accept payment thereon from the Customer on behalf of Dealer, and credit Dealer's Accounts with BATO with respect to such Other Products and Services in accordance with Section 5.02. The prices and other terms of sale for Other Products and Services shall be as mutually agreed from time to time between Dealer and each Customer purchasing such Other Products and Services from Dealer. Dealer shall be solely responsible for the collection and payment of all sales, use, privilege, ad valorem, excise, goods and services or other taxes which are payable to any federal, state, provincial, territorial or other government agency with respect to amounts billed by BATO to a Customer for Other Products and Services on Dealer's behalf and the filing of all returns or reports with respect to such taxes.
- (3) Under no circumstances shall BATO be responsible for collecting any sum billed to a Customer by BATO in respect of any Other Products and Services or resolving any disputes with respect to such Other Products and Services. Dealer shall be solely responsible for collecting all sums billed by BATO to a Customer for Other Products and Services which are not voluntarily paid to BATO and for resolving all disputes relating, directly or indirectly, to such Other Products and Services.

2.09 DEALER WARRANTY AND PRODUCT RECALL ASSISTANCE. During and after the term of this Agreement, Dealer shall take or perform all actions in respect of any P&S supplied to any of the Customers by Dealer or other Bandag dealers which are necessary to: (a) validate fully any warranty; (b) file and process any warranty claim; or (c) participate in any product recall. Without limiting the generality of the foregoing, Dealer agrees to participate in and comply with the requirements of all warranty programs identified in the Manual with respect to BANDAG Retreads manufactured by Dealer or other Bandag dealers.

2.10 OTHER SUBCONTRACTORS. BATO reserves the right to provide any products or services (including P&S) directly to each of the Customers under their respective Sales Agreements or to let other subcontracts for the supply of products and services (including P&S) to the Customers in connection with such agreements. Dealer shall cooperate with and coordinate its activities with the activities of BATO and other BATO subcontractors (including other Bandag Dealers) in the provision of products and services (including P&S) to the Customers so that the work of BATO and all other BATO subcontractors will proceed with efficiency and dispatch.

2.11 CUSTODIAL PROPERTY.

- (1) Ownership of and title to any Custodial Property delivered by a Customer, Bandag or any of its Affiliates or Suppliers, to Dealer for processing or storage shall remain with the respective Customer, Bandag, Affiliate or Supplier, as the case may be, and any such Custodial Property shall be held by Dealer, without charge, on a bailment basis, subject to the directions of the respective owner of such Custodial Property. Dealer is not authorized to remove, charge, mortgage, encumber, grant a security interest in or otherwise deal with or sell any Custodial Property for its own account.
- (2) Dealer shall be responsible for any shortages of or damage or loss to Custodial Property while such Custodial Property is stored at any of the Dealer Locations or is otherwise under Dealer's care, custody or control.
- (3) Upon termination of this Agreement for any reason, the removal of Dealer as a Designated Dealer for any Service Location(s) or as otherwise directed by Bandag, Dealer agrees to permit Bandag or Bandag's designee to enter the Dealer Location(s) or any premises under Dealer's care, custody or control and to remove any Custodial Property.
- (4) Dealer authorizes Bandag and each Customer, Bandag Affiliate or Supplier to file such financing statements as any of the foregoing may deem necessary from time to time to put third parties on notice of their respective ownership of any Custodial Property.

**ARTICLE 3
COMMUNICATIONS AND RECORD KEEPING**

3.01 COORDINATION OF COMMUNICATIONS AND REPORTING OF INFORMATION. The parties recognize that the effective provision of P&S to a Customer is dependent on close and regular communication managed and coordinated by Bandag through its information systems, among Bandag, each Customer, Dealer, and other Bandag subcontractors and Bandag Affiliates. To this end, Dealer will participate fully in this communication process by providing timely communications and reporting, in such form and manner as Bandag may require, as to all matters relating to the provision of P&S by Dealer, including, but not limited to, all matters which must be reported by BATO to a Customer pursuant to the terms of a Sales Agreement. Dealer will be responsible for the accuracy and completeness of any report, data, or information provided by it to Bandag or BATO in accordance with this Agreement.

3.02 BOOKS AND RECORDS. Dealer will keep proper records of P&S supplied by Dealer hereunder in accordance with the provisions of the Manual and permit Bandag or any Bandag Affiliate to inspect, copy, and audit such records. Dealer agrees that Bandag and any Bandag Affiliate may furnish copies of the same to a Customer in an effort to answer questions or resolve disputes concerning P&S supplied by Dealer hereunder, and Dealer will cooperate fully and completely with Bandag in its efforts to answer such questions or resolve such disputes.

**ARTICLE 4
ASSIGNMENT**

4.01 ASSIGNMENT. Bandag and BATO have entered into this Agreement with Dealer based on Bandag's evaluation of Dealer's experience, capacity, and ability to provide the P&S. Accordingly, this

Agreement and all of Dealer's rights and obligations hereunder are personal to Dealer, and Dealer shall not voluntarily, involuntarily, or by operation of law assign, delegate, subcontract, or otherwise transfer this Agreement or any of Dealer's rights or obligations hereunder without Bandag's prior written consent. Bandag may assign, subcontract or delegate all or any part of Bandag's or BATO's rights or obligations under this Agreement without Dealer's consent. Subject to the foregoing, this Agreement shall enure to the benefit of, and be binding on, the parties hereto and each of their respective successors and permitted assigns.

4.02 NO RELIEF FROM LIABILITY. No assignment, subcontract, delegation, or transfer of this Agreement or any of Dealer's rights or obligations hereunder by Dealer and no granting of any approval or consent thereto by Bandag or BATO shall relieve Dealer of any of its liabilities or obligations under this Agreement. Without limiting the generality of the foregoing, Dealer shall properly direct and control its subcontractors and shall have full responsibility for all of P&S provided by them on behalf of Dealer hereunder.

4.03 INDEPENDENT STATUS OF SUBCONTRACTORS. Nothing contained in this Agreement and no act of Dealer shall create any contractual relationship between any subcontractor of Dealer and Bandag or BATO.

ARTICLE 5 DEALER ACCOUNTS AND PAYMENT

5.01 DEALER ACCOUNTS. Dealer shall at all times participate in BATO's automatic debit/credit transfer program for the debiting or crediting of Dealer's account(s) with BATO ("Accounts") for amounts due either Dealer or BATO pursuant to the terms of this Agreement. If any Affiliate of Dealer is or, during the term of this Agreement, becomes a BATO authorized reseller of Bridgestone and/or Firestone brand tires, Dealer authorizes BATO to use Dealer's Affiliate Account for the purpose of crediting or debiting amounts due to or from Dealer under this Agreement. Dealer agrees to execute and deliver to BATO such documents and instruments as BATO may deem necessary from time to time to establish and maintain Dealer's participation in such automatic debit/credit transfer program. BATO shall credit or debit Dealer's Accounts with BATO for the amount due to or from Dealer hereunder in accordance with the provisions of this Agreement.

5.02 PAYMENT.

- (1) Dealer shall promptly provide BATO and, if so requested, Bandag, with all information in respect of P&S supplied by Dealer hereunder in accordance with Section 2.05 of this Agreement or, if applicable, Other Products and Services, in accordance with the requirements of the Manual, to enable BATO to invoice the applicable Customer for P&S or Other Products and Services furnished by Dealer hereunder on a timely basis.
- (2) BATO shall credit Dealer's Accounts for the Charges, less deductions for any Administration Fees or casing buybacks, in respect of the P&S supplied by Dealer to Customers pursuant to this Agreement. Unless otherwise expressly provided in the Manual, Dealer agrees that the Charges are complete, and no additional charges of any type shall be added without the express written consent of BATO including, but not limited to, charges for equipment, labor, material, scrap tire disposal, pickup and delivery, freight, shipping, taxes (including, but not limited to, sales, use, privilege, ad valorem, goods and services, excise or other taxes), storage, or insurance.
- (3) Credits for the Charges and a provisional credit of the amount charged to the Customer by Dealer for Other Products and Services, less deductions for any Administration Fees, shall be made to Dealer's Accounts within two days after the date BATO's invoice in respect of such P&S and Other Products and Services is sent to the Customer. If the

Customer fails to pay any charges for Other Products and Services within 60 days of the date of the invoice for such Other Products and Services or otherwise disputes any charges for such Other Products and Services, BATO may, at its option, debit Dealer's Accounts for the amount previously credited to Dealer's Accounts with respect to such Other Products and Services.

- (4) Dealer agrees that the Charges shall be the only compensation owing from BATO to Dealer for the provision of all P&S to the Customers by Dealer hereunder and all of Dealer's obligations under this Agreement, and Dealer accepts such compensation as payment in full for all expenses incurred by Dealer in providing P&S to the Customers hereunder and all of Dealer's obligations under this Agreement.

5.03 SET OFFS. Dealer agrees that BATO may withhold, set off, or deduct from any amount otherwise due to Dealer, such amount as may be reasonably necessary to reimburse, indemnify, or protect BATO or any of its Affiliates from any expense, loss, or damage of any nature including, without limitation, any adjustment of compensation to BATO on account of a dispute with a Customer as to the amount owing by a Customer under a Sales Agreement caused by any of the Dealer Responsible Parties, or any loss or damage which may be due to the default by Dealer in the performance of any of its obligations under this Agreement, or the breach of any representation or warranty given by Dealer to Bandag and/or BATO hereunder.

ARTICLE 6 INDEMNITY

6.01 DEALER INDEMNITY.

- (1) To the maximum extent permitted by law, Dealer shall defend, protect, indemnify, and hold harmless the Bandag Indemnified Parties from and against any and all Indemnified Costs sustained or incurred by or asserted against any of the Bandag Indemnified Parties that arise or result from, or relate to any: (a) act or omission of any of the Dealer Responsible Parties (including, without limitation, the negligence, strict liability, or willful misconduct of any of the Dealer Responsible Parties), except to the extent that such Indemnified Costs are caused directly by the negligent acts of Bandag or BATO; or (b) breach of this Agreement by Dealer (including any breach of warranty); or (c) violation of federal, state, provincial, territorial, or local law, ordinance, rule, regulation, or standard by any of the Dealer Responsible Parties, including, without limitation, any Health and Safety Laws; or (d) provision of P&S or Other Products and Services by Dealer.
- (2) If any suit, claim, or other proceeding shall be asserted against any of the Bandag Indemnified Parties on account of any cause of action referred to in Subsection 6.01(1), then Dealer shall promptly indemnify and hold harmless the Bandag Indemnified Parties and shall pay to Bandag or BATO all Indemnified Costs as provided in Subsection 6.01(1), that may be incurred or paid by or on behalf of any of the Bandag Indemnified Parties in connection with such suit, claim, or other proceeding, on demand. Bandag and/or BATO may, at their option and at Dealer's expense, assume the defense of any legal proceedings or settlement discussions relating to the foregoing or any other matter for which Dealer is required to indemnify any of the Bandag Indemnified Parties under this Agreement. Alternatively, at Bandag's or BATO's option, Dealer shall, at Dealer's expense, assume defense of and responsibility for all or any part of such legal proceedings or discussions, subject to Dealer keeping Bandag and BATO informed at all times in writing as to the status thereof and provided that the defense shall be through legal counsel reasonably acceptable to Bandag and BATO and that no admission of

liability shall be made by Dealer without the prior written consent of Bandag and BATO. Bandag and BATO may, at their expense, retain counsel of their choosing to participate in the defense of any such suit, claim, or other proceeding.

- (3) In any and all suits, claims, or other proceedings against the Bandag Indemnified Parties by any of the Dealer Responsible Parties, the indemnification obligation under Subsection 6.01(1) of this Agreement shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Dealer or any other Person under workers' compensation legislation, disability benefit acts, or other employee benefit acts.

6.02 COOPERATION ON CLAIMS. Dealer shall, and shall ensure that each of the Dealer Responsible Parties, cooperate fully with Bandag and BATO in the reporting, investigation, prosecution, or defense of any and all accidents, claims, and suits against any of the Bandag Indemnified Parties arising out of, or relating to, or in connection with any claim which is subject to indemnification under the provisions of this Article 6.

6.03 INDEMNIFICATION OBLIGATIONS ABSOLUTE. Dealer's covenants of indemnity in this Agreement shall continue in full force and effect notwithstanding any insurance coverage that Dealer may carry. The insolvency or bankruptcy of any insurance company, or failure of any insurance company to pay any claim accruing shall not be held to waive any provisions of this Agreement with respect to the indemnification obligations of Dealer hereunder.

ARTICLE 7 INSURANCE

7.01 INSURANCE. During the term of this Agreement, Dealer shall, without limiting its obligations or liabilities herein, maintain and keep in force the following insurance with limits not less than those stated below or such greater amounts as Bandag or any Sales Agreement may require from time to time:

- (a) Workers' Compensation Insurance to conform with the laws of each state, territory, or province in which P&S are to be supplied with limits in accordance with statutory requirements of each such state, territory, or province and, for U.S. operations, Employers Liability coverage, including Occupational Disease, with a limit not less than U.S. \$1,000,000 per accident.
- (b) Commercial General liability coverage including, without limitation, the following coverages: contractual liability coverage for obligations assumed under this Agreement, products liability, premises/operations, products/completed operations, independent contractors, and, as to Canadian operations, contingent employer coverage, with limits of at least U.S. \$2,000,000 combined single limit (or such higher limits as may be required by a Sales Agreement and set forth in the Manual), for each occurrence of bodily injury, death, or property damage.
- (c) Automobile Liability Insurance with a combined single limit of not less than U.S. \$2,000,000 for each occurrence of bodily injury, death, or property damage. Such insurance shall cover all owned, hired, or non-owned motor vehicles, trailers, or semi-trailers.
- (d) Any other insurance which Dealer is required by law to provide or which may be required by any of the Sales Agreements and set forth in the Manual.

The policy limits required by Subsections 7.01(b) and 7.01(c) of this Agreement may be satisfied in part by

excess liability or umbrella insurance policies, provided that all insurance policies comply with the requirements of Section 7.02 of this Agreement.

7.02 TERMS OF INSURANCE. The insurance obtained by Dealer pursuant to Section 7.01 shall be provided in accordance with the following terms and conditions:

- (a) The terms of the insurance required by Section 7.01 must be satisfactory to Bandag and BATO. Dealer shall provide Bandag and BATO or their designated certificate of insurance administrator with certificates of insurance with respect to the insurance required by Section 7.01 at such times as Bandag and BATO may request from time to time. Insurance certificates which indicate excess liability or umbrella coverage must also indicate the types of underlying coverage to which such excess liability or umbrella coverage applies. Each certificate of insurance shall require that 30 days' prior written notice be given to Bandag and BATO of any cancellation or renewal of any such policy or policies or of any change material to the interest of Bandag or BATO.
- (b) Bandag and BATO shall be included as an additional insured with respect to Dealer's operations contemplated by this Agreement (except for the coverages required in Subsection 7.01(a)).
- (c) All insurance policies provided by Dealer pursuant to this Agreement or otherwise maintained by the Dealer in respect of the P&S shall be endorsed to provide that the insurers shall have no right of subrogation against the Bandag Indemnified Parties.
- (d) Dealer shall make the original policies of insurance that it carries pursuant to Section 7.01 available for inspection on request by either Bandag or BATO.

7.03 WAIVER OF CLAIMS. To the maximum extent permitted by law, Dealer waives and releases all rights against the Bandag Indemnified Parties for damages for losses or claims for bodily injury, property damage, or other insured losses or claims to the extent the same are covered by insurance required to be maintained by Dealer pursuant to Section 7.01 of this Agreement.

ARTICLE 8

CONFIDENTIAL INFORMATION AND INTELLECTUAL PROPERTY RIGHTS

8.01 CONFIDENTIALITY.

- (1) Dealer agrees at all times, both during and after the termination of this Agreement for any reason whatsoever (whether with or without cause), to hold the Confidential Information in the strictest confidence, and not to use, publish, or disclose such information to any Person (except those employees of Dealer who have a need to know such information in order to provide P&S hereunder) without prior written authorization of an officer of Bandag or BATO. Dealer shall be responsible to the Bandag Indemnified Parties for any disclosure or use of the Confidential Information contrary to the provisions of this Agreement by any of Dealer's employees or any other Person to whom Dealer has disclosed such information, whether or not Bandag had consented to such disclosure.
- (2) Notwithstanding the provisions of Subsection 8.01(1), Dealer may disclose Confidential Information to the extent required by court order or request of a governmental agency, provided that Dealer uses reasonable efforts to limit the disclosure by means of a protective order or a request for confidential treatment and provides Bandag and BATO a reasonable opportunity to review the disclosure before it is made and to seek, at Bandag's and/or BATO's expense, a protective order with respect to such disclosure.

8.02 OWNERSHIP OF MANUAL. One copy of Bandag's proprietary and confidential Manual shall be loaned to Dealer for each Dealer Location identified as a Manufacturing Location in Exhibit A for the term of this Agreement. Dealer shall not at any time, without Bandag's prior written consent, copy, duplicate, record, or otherwise reproduce the Manual or any information contained therein, in whole or in part, or otherwise disclose or make the same available to any Person, except that Dealer may make copies of the Program Guides for those employees of Dealer who require the use of the Program Guides to provide P&S hereunder (For greater certainty, all such copies of the Program Guides shall be: (a) part of the Manual; (b) the sole and exclusive property of Bandag; and (c) subject to the use and confidentiality restrictions of this Agreement). Dealer agrees that the Manual shall be used exclusively in the provision of P&S to Customers by Dealer, and the Manual shall, at all times, remain Confidential Information and the sole property of Bandag.

8.03 INTELLECTUAL PROPERTY. Dealer acknowledges that Bandag and its licensors have valuable Intellectual Property rights associated with the P&S, the Confidential Information, and any documentation relating to any of the foregoing and that such Intellectual Property shall remain at all times the sole property of Bandag or its licensors. Dealer agrees to grant and assign, and does hereby irrevocably grant and assign to Bandag and its successors and assigns all worldwide right, title, and interest in any and all Intellectual Property that is developed or conceived by Dealer or its agents, employees or representatives in connection with the performance of the P&S pursuant to this Agreement or based on access to the Confidential Information and the documentation relating thereto. Dealer acknowledges and agrees that anything which is capable of copyright protection made, designed or developed pursuant to this Agreement shall be a "work made for hire" for Bandag. Dealer agrees to: (a) provide all reasonable assistance to Bandag, at Bandag's expense and without additional consideration, to secure, perfect, register, apply and defend for Bandag's benefit all protectable Intellectual Property including patents, trademarks, trade secrets and copyrights; and (b) to disclose to Bandag any potentially protectable Intellectual Property that is developed or conceived by Dealer or its agents, employees or representatives in connection with the performance of the P&S pursuant to this Agreement or based on access to the Confidential Information and the documentation relating thereto. Dealer warrants that all of its agents, employees or representatives who are or will be permitted access to the Confidential Information and the documentation relating thereto by Dealer have agreed to assign and have assigned to Bandag their rights to any Intellectual Property that is developed in connection with the performance of the P&S pursuant to this Agreement or based on access to the Confidential Information and the documentation relating thereto.

8.04 RETURN OF MANUAL. Dealer agrees that Dealer will return all copies of the Manual and any information contained therein (including all copies of all Program Guides) to Bandag at its request, or promptly after the termination of this Agreement. Notwithstanding the return of the Manual to Bandag, all Confidential Information (including the Manual), shall be held and utilized by Dealer strictly in accordance with the provisions of this Agreement and the Franchise Agreement.

8.05 EQUITABLE RELIEF. Dealer understands and agrees that, because of the unique nature of the Confidential Information, Bandag and BATO will suffer irreparable harm if Dealer fails to comply with any of Dealer's obligations under Article 8 of this Agreement, and monetary damages will be inadequate to compensate Bandag or BATO for such breach. Accordingly, Dealer agrees that Bandag and BATO shall, in addition to any other remedies available to them at law or in equity, be entitled to preliminary and permanent injunctive relief with respect to any breach or threatened breach of any provision of this Article 8, without the necessity of posting a bond or similar security or proving actual damages or irreparable harm.

ARTICLE 9 HEALTH AND SAFETY MATTERS

9.01 HEALTH AND SAFETY. Dealer acknowledges that each Customer has the right, from time to time, to establish, modify, amend, and enforce rules and regulations with respect to the performance of

**BANDAG – PROPRIETARY
Use Pursuant to Bandag Instructions**

the P&S or the presence of the Dealer Responsible Parties at a Service Location, including, without limitation, rules and regulations with respect to health and safety programs or matters, environmental management, emergency response and evacuation, fire prevention, site security, or hazard communication. Dealer agrees to comply with all such rules and regulations and to cause the Dealer Responsible Parties to comply with such rules and regulations.

**ARTICLE 10
TERM AND TERMINATION**

10.01 TERM. The term of this Agreement shall commence on the date stated in the introductory paragraph of this Agreement and continue thereafter until terminated in accordance with Section 10.02 or 10.03 below.

10.02 MUTUAL TERMINATION RIGHTS. Any party may, at its option, terminate this Agreement for any reason by giving the other parties at least 60 days' prior written notice of such party's intent to terminate this Agreement (such termination shall be effective as of a date specified in the termination notice).

10.03 BANDAG TERMINATION. Notwithstanding the provisions of Section 10.02, Bandag, at its option, may terminate this Agreement in its entirety or Dealer's right to provide P&S to any Customer by giving written notice of such termination to Dealer (such termination to be effective as of a date specified in such notice), on the occurrence of any of the following events:

- (a) the termination or expiration of any of Dealer's Franchise Agreements; or
- (b) a request of a Customer that Dealer not be permitted to provide P&S under its Sales Agreement; or
- (c) the termination or expiration of the Sales Agreement with a Customer.
- (d) any breach by Dealer of any provision of this Agreement with (including the Manual), unless Dealer cures after Dealer's receipt of notice of such breach from Bandag or BATO.

10.04 STOP WORK ORDER. Bandag may, at its option, and from time to time, issue a stop work order to Dealer with respect to a Customer. Upon receipt of a stop work order from Bandag, Dealer shall immediately stop accepting orders for P&S from such Customer subject to the stop work order until further written notice from Bandag.

10.05 CONTINUATION OF SERVICES. During the pendency of any disputes and prior to the effective date of the termination of this Agreement, Dealer shall, at Bandag's option, continue providing P&S or any other work in progress under this Agreement, and BATO shall continue to credit or debit Dealer's Accounts for P&S provided by Dealer in accordance with and subject to the provisions of this Agreement.

10.06 NO DAMAGES FOR TERMINATION. The parties have considered the possibility that one or both parties may incur expenses and suffer losses as a result of the termination of this Agreement, and the parties have nevertheless agreed that neither party shall be liable to the other party for any damages relating, directly or indirectly, to the termination of this Agreement for any reason.

**ARTICLE 11
MISCELLANEOUS**

**BANDAG – PROPRIETARY
Use Pursuant to Bandag Instructions**

11.01 COMPLIANCE WITH CODES AND LAWS. Dealer shall keep itself fully informed of and shall observe, keep, and perform, and shall cause the Dealer Responsible Parties to observe, keep, and perform, all existing and future laws, including, without limitation, environmental laws, Health and Safety Laws, ordinances, rules, codes, orders, regulations, licenses and permits, and other binding determinations of any government or governmental authority, department, or agency having jurisdiction over Dealer's operations contemplated by this Agreement.

11.02 PERMITS. Dealer shall apply for, pay for, obtain, maintain, and renew all necessary licenses and permits including, but not limited to, all those required by all environmental laws, which are required by any relevant government authority having jurisdiction over Dealer's operations contemplated by this Agreement.

11.03 STATUS OF PARTIES. Dealer is an independent contractor and not an agent or representative of Bandag or BATO. Nothing contained in this Agreement is intended, and nothing shall be construed to create, an agency, employer-employee, co-employer, partnership, or joint venture relationship between the parties.

11.04 SEVERABILITY. If for any reason any provision of this Agreement, including but not limited to any provision relating to termination of this Agreement, shall be deemed by a court of competent jurisdiction to be legally invalid or unenforceable in any jurisdiction to which it applies, the validity of the remainder of the Agreement shall not be affected. Such provision shall be deemed modified to the minimum extent necessary to make such provision consistent with applicable law, and, in its modified form, such provision shall then be enforceable and enforced.

11.05 INTERPRETATION. In this Agreement, words and defined terms or phrases importing the singular include the plural and vice versa, and the use of any gender is applicable to any other gender. The headings of the Articles and Sections in this Agreement are inserted for convenience of reference only and shall not affect the construction of this Agreement or any part of it. The parties intend that all provisions of this Agreement will be enforceable to the maximum extent permitted by law. With respect to any provisions in this Agreement in which Bandag or BATO is permitted to make certain modifications, determinations, and exceptions, they shall be within Bandag's or BATO's sole and absolute discretion unless otherwise expressly provided in this Agreement. Unless otherwise expressly provided in the Manual, all references to currency in the Manual shall mean legal tender of the United States of America. This Agreement and the Manual are intended by the parties to be complementary; however, in the event of inconsistencies between any provision of this Agreement and the provisions of the Manual, the provisions of the Manual shall control.

11.06 LAW OF THE CONTRACT; CHOICE OF FORUM; WAIVER OF JURY TRIAL; CLASS ACTIONS. The laws of the State of Iowa shall govern the interpretation, validity and enforceability of this Agreement, excluding Iowa law with respect to conflicts of law. THE PARTIES AGREE THAT ANY COURT PROCEEDINGS, ACTIONS, OR SUITS WHICH MAY BE BROUGHT UNDER, RELATED TO OR BY VIRTUE OF THIS AGREEMENT OR THE OPERATIONS OF THE PARTIES CONTEMPLATED BY THIS AGREEMENT: (A) SHALL BE BROUGHT EXCLUSIVELY IN A STATE OR FEDERAL COURT LOCATED IN THE STATE OF IOWA AND EACH PARTY HEREBY AGREES TO SUBMIT TO THE PERSONAL AND EXCLUSIVE JURISDICTION OF SUCH COURTS; AND (B) SHALL BE DETERMINED BY A COURT SITTING WITHOUT A JURY, AND THE PARTIES WAIVE ALL RIGHTS TO A JURY TRIAL IN ANY SUCH PROCEEDING, ACTION OR SUIT. All claims between Bandag or BATO and Dealer related to this Agreement will be litigated individually, and Dealer will not consolidate or seek class treatment for any claim unless previously agreed to in writing by Bandag or BATO, as the case may be.

11.07 ENTIRE CONTRACT. Subject to the provisions of this Section 11.07, this Agreement constitutes and contains the entire and only agreement between the parties and supersedes and cancels any and all pre-existing agreements and understandings between the parties relating to Dealer's subcontracts with Bandag and/or BATO to provide P&S to Customers under the Sales Agreements,

except for the rights and obligations of the parties under prior written agreements which, pursuant to the terms of such agreements, survive the expiration or termination of such agreements. No agreement or understanding modifying the terms of this Agreement shall be binding on a party unless made in the Manual or in writing and signed by both parties.

11.08 SURVIVAL OF RIGHTS AND OBLIGATIONS. The following shall survive the expiration or termination of this Agreement: (a) claims of one party against the other party that have accrued, in accordance with this Agreement, prior to the effective date of such expiration or termination; (b) covenants of indemnity provided in this Agreement; (c) covenants of confidentiality set out in this Agreement; and (d) all covenants and agreements to be performed and/or observed by Dealer under this Agreement after the expiration or termination of this Agreement or which by their nature survive such expiration or termination, including, but not limited to, the following: Sections 2.07, 2.09, 2.11, 3.02, 5.03, 6.01, 6.02, 6.03, 7.03, 8.01, 8.02, 8.03, 8.04, 8.05, 11.06, 11.08, and 11.13.

11.09 RIGHTS AND REMEDIES. Unless otherwise expressly provided in this Agreement, the rights and remedies of the parties set forth in this Agreement are cumulative and are not exclusive of any other rights or remedies which the parties would otherwise have at law, in equity, or otherwise.

11.10 WAIVER. No waiver by either party, whether express or implied, of its rights under any provision of this Agreement shall constitute a waiver of the party's rights under such provisions at any other time or a waiver of the party's rights under any other provision of this Agreement. To be effective, any waiver must be in writing and signed by the waiving party.

11.11 NOTICES. All notices, requests, and other communications required under this Agreement shall be in writing and shall be deemed to have been duly given, made, and received only when personally delivered as documented by a courier's receipt; or upon actual receipt of registered or certified mail, postage prepaid, return receipt requested; or by facsimile upon actual receipt, addressed as set forth below each party's signature on the signature page of this Agreement (or at such other addresses as may be stated in notices similarly given).

11.12 COUNTERPART EXECUTION; SIGNATURES. This Agreement may be executed in any number of counterparts, and all counterparts taken together shall be deemed to constitute one and the same instrument and shall be effective when Bandag, BATO and Dealer have each signed a copy thereof (whether the same or different copies). A telecopy (fax) signature used by the parties in connection with this Agreement shall be as legally effective as an original signature.

11.13 LIMITATION OF LIABILITY. The parties agree that, notwithstanding any provision of this Agreement or anything to the contrary that may be provided for by the operation of law, in no event shall either party be liable for any of the following damages of the other party arising out of or relating to this Agreement or the provision of P&S to a Customer pursuant to this Agreement, whether as a result of breach of contract, breach of warranty, tort, negligence, or otherwise: (a) special, indirect or consequential damages for loss of use, loss of profits, loss of revenue, or loss of anticipated business; or (b) exemplary, or punitive damages; provided, however, that the foregoing limitation on damages shall not apply in respect of claims for such damages made or brought by a third party which are the subject of indemnification pursuant to Article 6 of this Agreement.

The parties have signed this Agreement effective as of the date stated in the introductory paragraph.

[END OF PAGE. THE SIGNATURE PAGE FOLLOWS.]

BRIDGESTONE BANDAG, LLC

DEALER:

By: _____
(Sign above)

By: _____
(Sign above)

(Print name and title of person signing on behalf of Bandag)

(Print name and title of person signing on behalf of Dealer)

Bridgestone Bandag, LLC
200 4th Avenue South
Nashville, TN 37201
Attn: Fleet Support Department
Facsimile Number: 563.262.1039

(Name of Dealer)

(Street Address)

(City, state, or province and postal code)

Attn: _____
(Name and title)

Facsimile Number: _____

**BRIDGESTONE AMERICAS TIRE
OPERATIONS, LLC**

BY: _____
(Sign above)

(Print name and title of person signing on behalf of BATO)

Bridgestone America's Tire
Operations, LLC
200 4th Avenue South
Nashville, TN 37201
Facsimile Number: 615.493.0055

EXHIBIT A
TO A CERTAIN BANDAG DEALER SUBCONTRACT
BY AND AMONG
BRIDGESTONE BANDAG, LLC, BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC AND
SULLIVAN MANUFACTURING Co., INC. (“DEALER”) (THE “AGREEMENT”)

CAPITALIZED TERMS NOT OTHERWISE DEFINED IN THIS EXHIBIT A SHALL HAVE
THE MEANINGS GIVEN THEM IN THE AGREEMENT

DEALER LOCATIONS

The Dealer Locations are as follows:

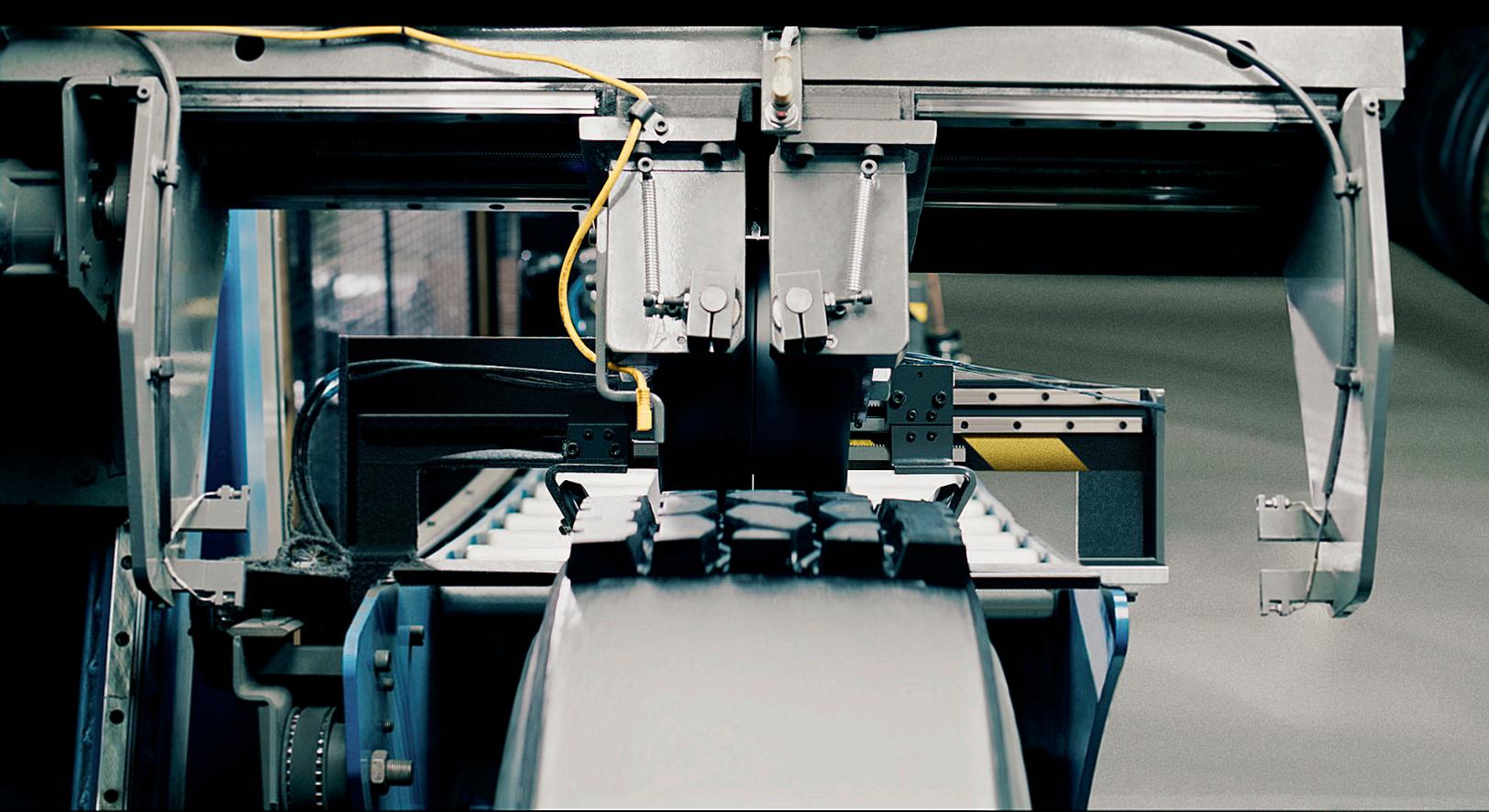
A. Manufacturing locations:

BANDAG DEALER NUMBER	ADDRESS

B. Point of Sale Outlets:

ADDRESS OF POINT OF SALE OUTLETS

EXHIBIT G
SMART RESOURCE PROGRAM POLICY



bandag

SMART RESOURCE PROGRAM POLICY

BRIDGESTONE AMERICAS TIRE OPERATIONS

V.2025-01





Table of Contents

I. RATES & RESOURCE AVAILABILITY	3
II. EXPENDITURES & CLAIM REQUIREMENTS	3
III. BANDAG SMART RESOURCE FUND USES	4
IV. BANDAG SMART RESOURCE FUND USAGE PRIORITIES	4
V. ADMINISTRATION & APPROVAL PROCESS	7
VI. PROGRAM VARIABLES	8
VII. BANDAG SMART RESOURCE FUND TERMS & CONDITIONS	9
VIII. BANDAG SMART RESOURCE FORM	10

The Bandag Smart Resource is a program available to help Bandag dealers make capital improvements and certain other investments in their Bandag retread business. This program will be administered by Bridgestone Bandag, LLC hereinafter referred to as Bandag.

I. RATES & RESOURCE AVAILABILITY

Credit accruals to a dealer's Bandag Smart Resource Fund ("Fund Credits") may be earned based on a pre-established credit amount for each pound of qualifying tread rubber purchased by the dealer for use at the dealer's Bandag retread facility.

Any Fund Credits are available, in Bandag's sole discretion and on a case by case basis, to the dealer only after, and if, Bandag approves the dealer's requested use of the proposed Fund Credits. Until that time, the dealer has no interest in, or right to use, the proposed Fund Credits. Bandag reserves the right to adjust the Fund Credit accrual mechanism for causes which may include, without limitation, a dealer's failure to meet Franchise Compliance Audit (or equivalent) standards.

All Fund Credits will be available for use only after the Fund Credits are created by including the Fund Credits on the dealer's monthly Bandag Smart Resource Fund statement.

II. EXPENDITURES & CLAIM REQUIREMENTS

Fund Credits may be used for specific capacity and capability expenditures detailed in the following pages. Requests may also be made for approval of other types of expenditures, which will be reviewed to determine if, in Bandag's opinion, the proposed expenditure would be of mutual business benefit to both Bandag and the dealer. Approval of such requests will be at the sole discretion of Bandag.

Three-Year Smart Resource Plan

During each annual business planning period, Truck Group Sales Market Team members will work with dealer principals to proactively develop a documented three-year plan for capital expenditures to address capacity and capability needs that improve and contribute to the success of their Bandag business. Dealer commitment to this plan will remove most priority restrictions from remaining (accrued or expected to be accrued) Bandag Smart Resource funds that are not required to execute the three-year plan. Excess funds may be used for marketing and sales initiatives to drive retail Bandag sales as agreed upon by dealer and Truck Group Sales Market Team.

Requests for Fund Credits must be made by completing a Bandag Smart Resource Form within six months of incurring the expenses for which Fund Credits are claimed. Fund Credits that are approved will be issued to the dealer's account within 30 days following approval.



III. BANDAG SMART RESOURCE FUND USES

A dealer may use Fund Credits for a variety of Bandag-related items, including: purchases of Bandag equipment, expand retreading facilities, invest in information technology and systems, enter into local marketing or promotional programs within the dealer's Area of Opportunity as defined in the dealer's Bandag Dealer Franchise Agreement or comparable agreement, obtain extra sales help, eliminate hazardous areas in the dealer's retread facility to lower insurance costs, or make other investments directly contributing to the future success of the dealer's Bandag retreading business.

Fund Credits may not be used for items which could be considered of a consumable nature, nor may they be used to purchase tread rubber or applied in payment of a dealer's debt to Bandag.

IV. BANDAG SMART RESOURCE FUND USAGE PRIORITIES

Priority areas for approval and use of Fund Credits have been established and listed in order of priority below:

1. Retread Technology – Bandag Manufacturing & BASys Systems: the focus in priority #1 is to have in place current model Bandag designed / manufactured / designated retread equipment* to maximize quality, uptime, efficiency and parts availability. In addition, each dealer location should have the BASys Manufacturing installed and operational to collect and report data useful in manufacturing and reporting.

Priority 1 Items include current model equipment for the major work stations in the retread plant

(see your TSR for complete listing of current model equipment):

- Initial inspection; Electronic and Shearography inspection technology
- Buffing
- Extrusion
- Building
- Curing
- BASys Manufacturing (hardware, software)

* Bandag Equipment Model Obsolescence refers to equipment that is no longer in the Bandag new equipment product line for sale and includes components that can no longer be sourced as new or reconditioned parts for replacement. Components considered obsolete are no longer available and are difficult, or impractical, to create design solutions to resolve equipment model obsolescence. Please consult your local Technical Services Representative for the latest list of Bandag equipment considered obsolete and difficult to provide parts support.

2. Bandag Dealership Improvements – The focus in priority #2 is to promote clean, safe and well lit manufacturing facilities as well as consistency across all Bandag Dealers. These improvements should be in line with the specifications outlined in the **Bandag Facilities Guide**.

Priority 2 Items include:

- Lighting requirements
- Paint & floor finish standards
- Plant cleanliness and organization
- Air and electrical capacities
- Monorail layout efficiency

3. Productivity and Compliance – The focus in priority #3 is to promote retread plant efficiency, quality, consistency and employee retread training and certification.

Priority 3 Items include:

- QMS – ISO Certification
- Material Flow Implementation and Management Training Course
- Bandag Financial Model Training Course
- Certified Retread Technician Training Course
- Retread Production Manager course (RPM)

4. Sales and Service Training – The focus in priority #4 is to promote consistently effective and well-trained sales and service personnel at all Bandag Dealerships.

Priority 4 Items include:

- Bridgestone/Bandag Sales and Service Training Programs
- Advanced Tire Analysis Training

Fund Credits may also be approved for reimbursement of attendance at other Bandag course offerings; however, priority is assigned to those specifically listed in priorities #3 and #4 above.

5. Other Items or Expenditures – Only when priorities #1, #2, #3 & #4 listed above have been satisfied and reviewed/approved by Bandag, would Credit Funds be approved for use with items and expenditures in other areas.

A. Examples of such other items or expenditures are:

- Sales and Service Vehicles
- Service Equipment
- Vehicle Maintenance
- Non-Bandag Training
- Individual replacement parts for current model retread equipment listed in Priority #1 items costing \$5,000 or more
- Environmental initiatives such as alternative energy or recycling capabilities (e.g., solar or wind installations, bailing equipment for tread poly)
- Tablet technology for use by dealer sales representatives (note: iOS is Bridgestone's preferred platform)

Other items and expenditures may be eligible for up to 100% reimbursement from a dealer's Bandag Smart Resource Fund, but are subject to a reimbursement limitation equal to the amount the dealer paid for such item or expenditure multiplied by a fraction, the numerator of which is the dealer's total revenue from the sale of Bandag retread products to fleets during the dealer's most recently concluded fiscal year and the denominator of which is the dealer's total business revenue from all sources during the dealer's most recently concluded fiscal year. For example, if Bandag represents 30% of a dealer's total revenue, then Bandag will reimburse up to 30% of this non-Bandag item or expenditure. Bandag will designate another appropriate time frame for measurement of dealer's sales volume if dealer has been a Bandag dealer for less than a complete fiscal year.

B. Local Retail Marketing Initiatives

- Advertising, promotional and support materials for local marketing initiatives for Bandag retail sales may be submitted for claim.
- All expenses must be reviewed and approved by Bandag prior to expensing.
- No more than 15% of outstanding fund balance may be used towards funding these initiatives.

C. Purchases of casings

- Smart Resource funds may be used to reimburse purchases of casings provided the following guidelines are met:
 - Grade A or B radial casings only
 - Maximum of \$15 per casing will be reimbursed
 - Casings must be retreaded by the purchasing dealer
 - No more than 15% of outstanding fund balance may be used towards the purchase of casings

D. Expenditures not meeting requirements above may be submitted for reimbursement provided the following criteria are met:

- Dealer has an approved three-year capital expenditure plan in place (see Section II), and the plan's completion will not be hindered by this newly requested reimbursement.
- The item is not eligible for the Q-Fund program.
- The item is not considered a consumable item.
- The item is not covered under warranty.
- Approval for reimbursement is required by CSM, TSR, Zone Technical Manager and Region Manager.

V. ADMINISTRATION & APPROVAL PROCESS

1. Annual Credit Fund Expenditure Plan. Prior to any Credit Funds being approved for a given calendar year, each dealer, in conjunction with the dealer's Truck Group Sales Market Team, must complete a Bandag Smart Resource Fund Expenditure Planning Form (the "Annual Credit Fund Expenditure Plan") outlining the year's expected capital investments for 80% of the anticipated Credit Funds for which approval is sought. This completed Annual Credit Fund Expenditure Plan remains with the dealer and the dealer's Truck Group Sales Market Team. A copy of the dealer's Annual Credit Fund Expenditure Plan is also forwarded to the Bandag Smart Resource program administrator (to enable proper scheduling of equipment or other items). The Annual Credit Fund Expenditure Plan, or any changes to the dealers Annual Credit Fund Expenditure Plan, will be managed by the dealer's Truck Group Sales Market Team.

2. Approval Process. The following rules apply to the approval process:

- a. All purchases for which reimbursement by Fund Credits is sought require completion of the *Bandag Smart Resource Form*, to be submitted no later than 6 months from the invoice date. The only exceptions to this rule are:
 - **Major Equipment Purchases.** For major equipment purchases, the program form will be completed by the Global Equipment Coordinator. If payment from the dealer's Bandag Smart Resource Fund is the chosen method of payment, it must be so designated on the Equipment Order Form.
 - **Participation in Bandag Dealers Groups and Bandag Training Classes.** Use of the Bandag Smart Resource Fund for participation in Bandag Dealers groups and Bandag training classes does not require that a Bandag Smart Resource Form be submitted by the Truck Group Sales Market Team. These transactions will be processed automatically by the Dealer Customer Service Department (DCS).

- **BASys Manufacturing Related Purchases.** Purchases of BASys- related items through Open Road Technologies (ORT) may be eligible for direct reimbursement from the dealer's Smart Resource account. These items may include hardware, software, services, monthly ASP fees, and hardware and software maintenance fees billed through ORT. Purchases of consumable items, such as labels, ribbons, work order books, etc are not eligible for direct reimbursement. Upon submission and approval of the Authorization Agreement (see page 12), this process would eliminate the need to remit payment to ORT for applicable invoices received from them and to submit reimbursement requests for credits from the dealer's Bandag Smart Resource account. The availability of this option is contingent upon meeting the Bandag Smart Resource Fund usage priorities outlined in this policy and at the discretion of your Truck Group Sales representative. *Please see your Truck Group Sales representative for more information.*
- b. There is a \$2,000 minimum per transaction request for Bandag Smart Resource Fund reimbursement. No request totaling less than \$2,000 will be processed.
- c. All Program requests must be approved and submitted by the dealer's local Truck Group Sales Market Team (except for any specific examples listed in this policy).
- d. All requests outside of priority group #1 and #2 must be approved by Bandag's Dealer Channel Manager.
- e. All requests over \$10,000, with the exception of major equipment and BASys IT products, must be approved by Zone Technical Manager.
- f. The Zone Technical Manager & RM approval limit for equipment sold by Bandag and IT products is \$250,000.
- g. Anything above the Region Manager & Zone Technical Manager approval limit must be approved by the Vice President of Sales, and Manager of Technical Services.

VI. PROGRAM VARIABLES

The tread designs and sizes currently qualifying for Fund Credits accrual and the current per pound accrual rate are available upon request from DCS. Bandag reserves the right in its sole discretion to make changes in the list of products qualifying for the Fund Credits, as well as the per pound accrual rate, at any time without prior notice. Additionally, the product specific process will determine if any products will have a reduced Fund Credits accrual rate during any reduction and subsequent elimination of these tread products.

VII. BANDAG SMART RESOURCE FUND TERMS & CONDITIONS

1. Bandag reserves the right to change, amend or cancel this program at any time.
2. Should the business relationship between Bandag and a dealer be terminated for any reason or expire, Fund Credits remaining in the dealer's account shall expire concurrent with the date of termination or expiration and the dealer shall have no further interest in or rights thereto. This includes Fund Credit requests that have been approved for use but not disbursed as of the date of termination or expiration.
3. Notwithstanding anything in this program to the contrary, Bandag reserves the right in its sole and absolute discretion to cancel all Fund Credits, including those that have been approved for use but not yet disbursed, remaining in the dealer's account immediately upon dealer or Bandag notifying the other party that the notifying party intends to terminate the business relationship or that the notifying party intends to allow the business relationship to expire.
4. The balance in a dealer's Bandag Smart Resource Fund at the date of termination or expiration of the business relationship between Bandag and the dealer may not be transferred except under special circumstances where a current Bandag dealer is purchasing another existing Bandag dealer. Otherwise, Fund Credits cannot be transferred between or among dealers.
5. If there is a negative balance in the to-be-terminated or expiring dealer's Bandag Smart Resource Fund account, the negative balance will first be deducted in full from any amount owed dealer by Bandag in connection with the termination or expiration process, such as from amounts due dealer for repurchased inventory. Dealer, and dealer's guarantors, shall immediately pay Bandag any remaining amount in the event such deductions do not completely compensate Bandag for the negative balance in dealer's Bandag Smart Resource Fund account.
6. In the event that Bandag, at its sole discretion, cancels or terminates the Bandag Smart Resource program, any accrued Credit Funds already in a dealer's account at the time of cancellation or termination will be the property of the dealer subject to the then current provisions of the Bandag Smart Resource program and must be used within 12 months following such notice of cancellation or termination. Fund Credits not utilized or approved within 12 months following cancellation or termination will be extinguished as of the first anniversary date of the cancellation or termination, and the dealer shall have no further interest in or rights thereto.
7. Fund Credits generated under the Bandag Smart Resource program cannot be used to purchase tread rubber or applied in payment of a dealer's debt to Bandag.
8. Bandag shall have sole discretion to determine the actual amount of Fund Credits in the dealer's account and shall be entitled to adjust the account at any time for credits, debits, returned goods, or other appropriate reasons.

9. Sales tax and shipping on items that are being submitted on a Bandag Smart Resource Form are considered reimbursable and should be included in the claim.
10. No Fund Credits will be issued to any dealer who is past due or in default with respect to any of their payment obligations to Bandag. At Bandag's discretion, Fund Credits may be suspended, and Bandag may suspend the further accrual of Fund Credits, in the event of a dealer's failure to meet Franchise Compliance Audit (or equivalent) standards.
11. Bandag prohibits claims for reimbursement of a particular amount attributable to an item or expenditure from being submitted under more than one reimbursement program. Bandag reserves the right to reject claims or charge back Fund Credits for previously submitted claims if it is discovered that a claim has already been submitted for reimbursement or reimbursed under a different reimbursement program.

VIII. BANDAG SMART RESOURCE FORM

Following are instructions to complete the Bandag Smart Resource Form:

- A. Pre-Printed Claim Number.
- B. Enter dealer name, address, and dealer number.
- C. Check the block for the type of request.
- D. The monthly payment option is a way to reduce the administrative workload for recurring credit requests. When using this option, make sure to include the amount to deduct each month. The proof of performance documents only need to be submitted once.
- E. Check the box labeled "Credit Request" if you are requesting a credit be issued for the full amount.
- F. If this is a monthly withdrawal, enter the total estimated payment you will make for the program. Bandag will issue credits only up to the amount you estimated when you submitted your claim. If during the year you discover that you underestimated this amount, submit an explanation with each credit request that would cause you to go over the pre-approved amount. If this is a credit request, enter the amount you are requesting credit for each invoice.
- G. This area is completed by Bandag to enter the approved credit amount.
- H. Enter the subtotal of all amounts for each reason code in the Amount Requested column.
- I. Enter the total of all amounts in the Amount Requested column.
- J. Sign the form and attach the required proof of performance items. The Bandag Smart Resource Form is available on Entirenet* or from your Bandag CSM.

**Form to migrate from Entirenet to TreadNet in early 2022*





BRIDGESTONE AMERICAS TIRE OPERATIONS

200 4th Ave. South, Suite 100
Nashville, TN 37201
615-937-1000



SMART RESOURCE ADMINISTRATION

877.237.3539



EXHIBIT H

LIST OF CURRENT FRANCHISED AND BANDAG OWNED DEALERSHIPS AND LIST OF FORMER FRANCHISEES

EXHIBIT I

**LIST OF AGENTS FOR SERVICE OF PROCESS
AND STATE FRANCHISE LAW ADMINISTRATORS**

These state franchise law administrators are authorized by Bandag to receive service of process, but only as to matters arising under the franchise registration and disclosure statutes that they administer:

CALIFORNIA

California Department of Financial Protection & Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013
Tel. # 1-866-275-2677
Website: www.dfpi.ca.gov
Email: Ask.DFPI@dfpi.ca.gov

HAWAII

Commissioner of Securities for the State of Hawaii
335 Merchant Street
Room 203
Honolulu, HI 96813

ILLINOIS

Office of Attorney General
500 South Second Street
Springfield, IL 62706

INDIANA

(State Franchise Law Administrator Only)
Indiana Securities Division
Secretary of State
Room E-111
302 West Washington St.
Indianapolis, IN 46204

Process to be served upon:
Indiana Secretary of State 201 State House
Indianapolis, IN 46204

MARYLAND

(State Franchise Law Administrator Only)
Office of the Maryland Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202

NEW YORK

(Administrator)
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005

(Agent for Service)

Attention: New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001

NORTH DAKOTA

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, 14th Floor, Dept. 414
Bismarck, North Dakota 58505-0510

OREGON

Department of Consumer and Business Services
Division of Finance and Corporate Securities
350 Winter Street NE, Room 410
Salem, Oregon 97310-3881

RHODE ISLAND

Department of Business Regulation
Securities Division
1511 Pontiac Avenue
Cranston, RI 02920-4407

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

Process to be served upon:
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

MICHIGAN

(State Franchise Law Administrator Only)
Michigan Attorney General
Consumer Protection Division
G. Mennen Williams Building
525 W. Ottawa Street
Lansing, MI 48909

Process to be served upon:
Corporations and Securities Bureau
Michigan Department of Consumer and Industry
Services
525 W. Ottawa Street
Lansing, MI 48909

MINNESOTA

Commissioner of Securities
Securities Division
Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198

VIRGINIA

(State Franchise Law Administrator Only)
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219

Process to be served upon:
Clerk of the Virginia State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, VA 23219

WASHINGTON

Department of Financial Institutions
Securities Division
150 Israel Road
Tumwater, WA 98501

WISCONSIN

Division of Securities
Wisconsin Department of Financial Institutions
345 West Washington Avenue
Madison, WI 53703

**LIST OF GENERAL PURPOSE
REGISTERED AGENTS**

National Registered Agents, Inc. 9360 Glacier Highway, Suite 202 Juneau, AK 99801	National Registered Agents, Inc. 150 South Perry Street Montgomery, AL 36104 (Federal ID # 13-3837683)	National Registered Agents, Inc. 300 W Clarendon Ave #230 Phoenix, AZ 85013
National Registered Agents, Inc. of AR 455 W Maurice St Hot Springs AR 71901-6050	National Registered Agents, Inc. 2875 Michelle Drive, Suite 100 Irvine, CA 92606 Suite 140	National Registered Agents, Inc. 1535 Grant Street Denver, CO 80203
National Registered Agents, Inc. 12 Old Boston Post Road Old Saybrook, CT 06475	National Registered Agents, Inc. 1090 Vermont Avenue N.W., Suite 910 Washington, DC 20005	National Registered Agents, Inc. 160 Greentree Drive, Suite 101 160 Greentree Drive, Suite 101
NRAI Services, Inc. 515 East Park Avenue Tallahassee, FL 32301	National Registered Agents, Inc. 3675 Crestwood Parkway, Suite 350 County of Gwinnett Duluth, GA 30096	National Registered Agents of HI, Inc. 1136 Union Mall, Suite 301 Honolulu, HI 96813
National Registered Agents, Inc. 604 Locust Street Suite 222 Des Moines, IA 50309	National Registered Agents, Inc. 1423 Tyrell Lane Boise, ID 83706 Commercial Registered Agent #: CRA083	National Registered Agents, Inc. 200 West Adams Street Chicago, IL 60606 County of Cook
National Registered Agents, Inc. 320 N. Meridian Street Indianapolis, IN 46204	National Registered Agents, Inc. of KS 2101 SW 21st Street Topeka, KS 66604	National Registered Agents, Inc. 400 West Market Street, Suite 1800 Louisville, KY 40202
National Registered Agents, Inc. 1011 North Causeway Blvd., Suite 3 Mandeville, LA 70471	National Registered Agents, Inc. 303 Congress Street, 2nd Floor Boston, MA 02210	National Registered Agents, Inc. of MD 836 Park Avenue, 2nd Floor Baltimore, MD 21201
Maine Foreign National Registered Agents, Inc. Commercial Registered Agent #: P10051 Maine Domestic (Must Name Clerk) Kenneth Keene Commercial Registered Agent #: P10048	National Registered Agents, Inc. 712 Abbot Road East Lansing, MI 48823	National Registered Agents, Inc. 300 B East High Street Jefferson City, MO 65101
National Registered Agents, Inc. Capitol Professional Bldg. 590 Park Street, Suite 6 St. Paul. MN 55103	National Registered Agents, Inc. 840 Trustmark Bldg., 248 E. Capitol Street Jackson, MS 39201	National Registered Agents, Inc. 26 West Sixth Avenue, P. O. Box 1691 Helena, MT 59624
National Registered Agents, Inc. 120 Penmarc Drive, Suite 118 Raleigh, NC 27603	National Registered Agents, Inc. 220 North Fourth Street, P.O. Box Bismarck, ND 58502-1776 Federal I D. # - 13-3837683	National Registered Agents, Inc. 1776 6003 Old Cheney Road Lincoln, NE 68516
National Registered Agents, Inc. 63 Pleasant Street Concord, NH 03301	National Registered Agents, Inc. of NJ 100 Canal Pointe Blvd., Suite 212 Princeton, NJ 08540	National Registered Agents, Inc. 1701 Old Pecos Trail Santa Fe, NM 87505
National Registered Agents, Inc. of NV 1000 East William Street, Suite 204 Carson City, NV 89701	National Registered Agents, Inc. 875 Avenue of the Americas, Suite 501 New York, NY 10001	National Registered Agents, Inc. 145 Baker Street Marion, OH 43302
National Registered Agents, Inc. of OK 115 Southwest 89th Street Oklahoma City, OK 73139-8505	National Registered Agents, Inc. 325 13th Street NE, Suite 501 Salem, OR 97301	National Registered Agents, Inc. State of Pennsylvania, County of Dauphin (Commercial Registered Agent)

National Registered Agents, Inc. 222 Jefferson Blvd., Suite 200 Warwick, RI 02888	National Registered Agents, Inc. 2 Office Park Court, Suite 103 Columbia, SC 29223	National Registered Agents, Inc. 300 South Phillips Avenue, Suite 300 Sioux Falls, SD 57104-6322 Commercial Registered Agent #: CR000011
National Registered Agents, Inc. 2300 Hillsboro Road, Suite 305 Nashville, TN 37212	National Registered Agents, Inc. 16055 Space Center Blvd. Suite 235 Houston, TX 77062	National Registered Agents, Inc. State of Utah Commercial Registered Agent # 7209417-0250
National Registered Agents, Inc. 4001 North Ninth Street, Suite 227 Arlington, VA 22203	National Registered Agents, Inc. 400 Cornerstone Drive, Suite 240 Williston, VT 05495	National Registered Agents, Inc. 1780 Barnes Blvd., S.W. Bldg. G Tumwater, WA 98512-0410 Washington Department of Financial Institutions Department of Financial Institutions Securities Division P. O. Box 41200 Olympia, Washington 98504-1200
National Registered Agents, Inc. 901 South Whitney Way Madison, WI 53711	National Registered Agents, Inc. 300 Kanawha Blvd. East Charleston, WV 25301	National Registered Agents, Inc. 1821 Logan Avenue Cheyenne, WY 82001
National Registered Agents, Inc. 154 Calle Rafael Cordero Suite 700 San Juan, Puerto Rico 00901-1640	National Registered Agents, Inc. 9100 Havensight Port of Sale, Suite 15/16 St. Thomas, 00802, US Virgin Islands	

EXHIBIT J

STATE ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

State Addenda to the Bandag Franchise Disclosure Document (“FDD”) and the Bandag Dealer Franchise Agreement for certain states are attached on the following pages.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
PURSUANT TO THE CALIFORNIA FRANCHISE INVESTMENT LAW
AND THE CALIFORNIA FRANCHISE RELATIONS ACT**

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

1. 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 FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.
2. The following Risk Factor is added to the State Cover Page of this Disclosure Document:

THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$356,500 to \$6,524,200. THIS AMOUNT EXCEEDS THE STOCKHOLDERS EQUITY OF BRIDGESTONE BANDAG FRANCHISING, LLC (OUR GUARANTOR) AS OF DECEMBER 31, ~~2023~~2024, WHICH IS ~~\$5,379,063~~5,545,051.
3. The following Risk Factor is added to the State Cover Page of this Disclosure Document:
 - a. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
4. The following language is added to the “Remarks” column of the line-item titled “Interest” in Item 6 of the Franchiser Disclosure Document:

The highest interest rate allowed under California law is 10% annually.
5. The following provisions supersede any inconsistent provisions in the Disclosure Document and apply to all franchises the offer and sale of which are governed by the California Franchise Investment Law:
 - a. Neither we nor any person identified in Item 2 of this Disclosure Document are subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a, et seq., suspending or expelling such persons from membership in such association or exchange.]
 - b. California Business and Professions Code Sections 20000 through 200043 provide rights to the franchisee concerning termination, transfer, or nonrenewal, of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
 - c. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A § 101, et. seq.).

- d. The Franchise Agreement requires application for the laws of the State of Tennessee. This provision may not be enforceable under California law.
 - e. Section 31125 of the California Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Financial Protection & Innovation before we ask you to consider a material modification of your franchise agreement.
 - f. Any condition, stipulation or provision in the Franchise Agreement which would result in your waiver of compliance with any provision of California Franchise Relations Act is void to the extent that such provision violates such law.
 - g. We may, in our discretion, require a franchisee to execute 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 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 2000 – 20043).
 - h. California Corporations Code Section 31512.1 provides that any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:
 - (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
 - (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
 - (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
 - (d) Violations of any provision of this division.
6. Our Website is www.bandag.com. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION, ANY COMPLAINTS CONCERNING THE CONTENT FO THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfpi.ca.gov.
7. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:
- 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

**ADDENDUM TO BANDAG DEALER FRANCHISE AGREEMENT APPLICABLE ONLY TO
FRANCHISEES LOCATED IN THE STATE OF CALIFORNIA**

This addendum (the "Addendum") to the Bandag Dealer Franchise Agreement dated _____, _____, 202__ (the "Agreement") is made and entered into by and between Bridgestone Bandag, LLC ("Bandag") and _____ ("Franchisee") and amends the Agreement as follows:

1. California Corporations Code Section 310.114.1 applies to the Agreement.
2. The following language is added as new Section 12 of the Franchise Agreement:

12. No Waiver or Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

Any and all acknowledgements and disclaimers in the Franchise Agreement that would release or waive a franchisee's rights under the **California Franchise Investment Law** (the "Law") shall not apply to prospective franchisees where the offer and sale of the franchise is subject to the Law, including, without limitation, the provisions of Section 11.8 of the Franchise Agreement.

IN WITNESS WHEREOF, Bandag and Franchisee have caused this Addendum to the Agreement to be executed, effective as of the date of execution by Bandag.

By: _____
(print name and title of person signing)

BRIDGESTONE BANDAG, LLC

By: _____

Date: _____

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
BRIDGESTONE BANDAG, LLC**

Except as provided in this Addendum, the Bandag Franchise Disclosure Document included in this document shall remain unchanged.

HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE. THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

1. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

**ADDENDUM TO BANDAG DEALER FRANCHISE AGREEMENT APPLICABLE ONLY TO
FRANCHISEES LOCATED IN THE STATE OF HAWAII**

This addendum (the "Addendum") to the Bandag Dealer Franchise Agreement dated _____, _____, 202__ (the "Agreement") is made and entered into by and between Bridgestone Bandag, LLC ("Bandag") and _____ ("Franchisee") and amends the Agreement as follows:

1. The following language is added as new Section 12 of the Franchise Agreement:

12. No Waiver or Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

Any and all acknowledgements and disclaimers in the Franchise Agreement that would release or waive a franchisee's rights under the **Hawaii Franchise Investment Law** (the "Law") shall not apply to prospective franchisees where the offer and sale of the franchise is subject to the Law, including, without limitation, the provisions of Section 11.8 of the Franchise Agreement.

IN WITNESS WHEREOF, Bandag and Franchisee have caused this Addendum to the Agreement to be executed, effective as of the date of execution by Bandag.

BRIDGESTONE BANDAG, LLC

By: _____
(print name and title of person signing)

By: _____

Date: _____

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
BRIDGESTONE BANDAG, LLC**

ILLINOIS

BRIDGESTONE BANDAG, LLC Except as stated in this Addendum, the Bandag Franchise Disclosure Document shall remain unchanged. Each provision of this Addendum to the FDD shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently with respect to that provision without reference to this Addendum.

1. The following language is added to the Risk Factors on the cover page of the FDD:

THE GOVERNING LAW, VENUE AND JURISDICTION REQUIREMENTS IN THE DISCLOSURE DOCUMENT AND IN THE FRANCHISE AGREEMENT ARE SUBJECT TO THE PROVISIONS OF THE ILLINOIS FRANCHISE DISCLOSURE ACT, AND NOTHING IN THESE DOCUMENTS SHALL BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON YOU BY THE ILLINOIS FRANCHISE DISCLOSURE ACT.

2. Item 17 of the FDD is amended to include the following statement:

Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside Illinois is void with respect to any action which is otherwise enforceable in Illinois, except that the Franchise Agreement may provide for arbitration outside Illinois. Additionally, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void.

In addition, Illinois law will govern the Franchise Agreement.

3. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

**ADDENDUM TO BANDAG DEALER FRANCHISE AGREEMENT APPLICABLE ONLY TO
FRANCHISEES LOCATED IN THE STATE OF ILLINOIS**

This addendum (the "Addendum") to the Bandag Dealer Franchise Agreement dated _____, _____, 202__ (the "Agreement") is made and entered into by and between Bridgestone Bandag, LLC ("Bandag") and _____ ("Franchisee") and amends the Agreement as follows:

1. The first sentence of section 11.3 is deleted in its entirety, and in its place is added:

This Agreement takes effect upon its acceptance and execution by us. This Agreement shall be interpreted under the laws of the State of Illinois except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.).

2. This Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum.
3. The following language is added as new Section 12 of the Franchise Agreement:

12. No Waiver or Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

Any and all acknowledgements and disclaimers in the Franchise Agreement that would release or waive a franchisee's rights under the **Illinois Franchise Law** (the "Law") shall not apply to prospective franchisees where the offer and sale of the franchise is subject to the Law, including, without limitation, the provisions of Section 11.8 of the Franchise Agreement.

IN WITNESS WHEREOF, Bandag and Franchisee have caused this Addendum to the Agreement to be executed, effective as of the date of execution by Bandag.

By: _____
(print name and title of person signing)

BRIDGESTONE BANDAG, LLC
By: _____
Date: _____

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
BRIDGESTONE BANDAG, LLC**

INDIANA

Except as provided in this Addendum, the Bandag Franchise Disclosure Document included in this document shall remain unchanged.

1. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

**ADDENDUM TO BANDAG DEALER FRANCHISE AGREEMENT APPLICABLE ONLY TO
FRANCHISEES LOCATED IN THE STATE OF INDIANA**

This addendum (the "Addendum") to the Bandag Dealer Franchise Agreement dated _____, _____, 201__ (the "Agreement") is made and entered into by and between Bridgestone Bandag, LLC ("Bandag") and _____ ("Franchisee") and amends the Agreement as follows:

1. The following language is added as new Section 12 of the Franchise Agreement:

12. No Waiver or Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

Any and all acknowledgements and disclaimers in the Franchise Agreement that would release or waive a franchisee's rights under the **Indiana Franchise Act** (the "Act") shall not apply to prospective franchisees where the offer and sale of the franchise is subject to the Act, including, without limitation, the provisions of Section 11.8 of the Franchise Agreement.

IN WITNESS WHEREOF, Bandag and Franchisee have caused this Addendum to the Agreement to be executed, effective as of the date of execution by Bandag.

BRIDGESTONE BANDAG, LLC

By: _____
(print name and title of person signing)

By: _____

Date: _____

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
PURSUANT TO MARYLAND FRANCHISE REGISTRATION
AND DISCLOSURE LAW**

The following provisions supersede any inconsistent provisions in the Disclosure Document, and apply to all franchises the offer and sale of which are governed by the Maryland Franchise Registration and Disclosure Law:

1. The following Risk Factor is added to the State Cover Page of this Disclosure Document:

Financial Condition. The guarantor’s financial condition, as reflected in its financial statements (see Item 21), calls into question the guarantor’s financial ability to provide services and support to you, to the extent the franchisor is unable to do so.

2. The following language is added to the end of Items 5 and 7:

Based upon the guarantor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

3. The “Summary” columns of Item 17(C) of the Disclosure Document,, pertaining to “Requirements for franchisee to renew or extend” and Item 17.m. of the Disclosure Document,, pertaining to “Conditions of our approval of transfer” are both supplemented to state that pursuant to COMAR 02.02.08.16L, any general release required as a condition of renewal, sale, and/or assignment/transfer of the Franchise Agreement is void and any such void provision shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. The “Summary” column of Item 17(H) of the Disclosure Document, pertaining to “Cause defined – defaults that cannot be cured” is supplemented to state that any provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law.

5. The “Summary” column of Item 17(V) of the Disclosure Document, pertaining to “Choice of forum” is supplemented to state that any provision in the Franchise Agreement which operates to waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction in the State of Maryland is void and you therefore may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. Section 14-227(e) of the Maryland Franchise Registration and Disclosure Law requires that any claims arising under that Law be brought within 3 years after the grant of the franchise.

7. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

**ADDENDUM TO FRANCHISE AGREEMENT
PURSUANT TO THE MARYLAND FRANCHISE REGISTRATION
AND DISCLOSURE LAW**

This addendum (the “Addendum”) to the Bandag Dealer Franchise Agreement dated _____, _____, 202__ (the “Agreement”) is made and entered into by and between Bridgestone Bandag, LLC (“Bandag”) and _____ (“Franchisee”) and amends the Agreement as follows:

1. Notwithstanding anything to the contrary set forth in Franchise Agreement, the following provision shall supersede and apply to all franchises the offer and sale of which are governed by the Maryland Franchise Registration and Disclosure Law, Md Code Ann., Bus. Reg. §§ 14-201 to 14-233:

Any provision in the Franchise Agreement which operates to waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction in the State of Maryland is void and you therefore may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Sections 11.7 and 11.8 of the Franchise Agreement are hereby deleted in the entirety.
3. Section 11.9, Additional Provision Only for Agreements the Offer and Sale of Which are Governed by the Maryland Franchise Registration and Disclosure Law, is created and states:

Pursuant to COMAR 02.02.08.16L no person may require that a franchisee provide a release from liability under the provisions of the Maryland Franchise Registration and Disclosure Law as part of a franchise agreement or as a condition of the sale, renewal, or assignment of a franchise. Accordingly, all such representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

4. The following language is added to the end of Section 3.4 of the Franchise Agreement:

Based upon the guarantor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

5. The following language is added as new Section 12 of the Franchise Agreement:

12. No Waiver or Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

Any and all acknowledgements and disclaimers in the Franchise Agreement that would release or waive a franchisee’s rights under the **Maryland Franchise Registration and**

Disclosure Law (the “Law”) shall not apply to prospective franchisees who are Maryland residents or who seek to purchase a franchise located in Maryland, or to a franchisee where the offer and sale of the franchise is otherwise subject to the Law, including, without limitation, the provisions of Section 11.8 of the Franchise Agreement.

IN WITNESS WHEREOF, Bandag and Franchisee have caused this Addendum to the Agreement to be executed, effective as of the date of execution by Bandag.

BRIDGESTONE BANDAG, LLC

By: _____
(print name and title of person signing)

By: _____

Date: _____

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
BRIDGESTONE BANDAG, LLC**

MINNESOTA

Except as stated in this Addendum, the Bandag Franchise Disclosure Document and Franchise Agreement included in this document shall remain unchanged. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of Minnesota Statutes, Chapter 80C are met independently with respect to that provision without reference to this Addendum.

The FDD is revised and amended as follows:

1. Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit Bandag from requiring litigation to be conducted outside Minnesota. In addition, nothing in the FDD can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. For franchises governed by Minnesota law, Bandag 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 180 days' notice for non-renewal of the Agreement.
3. Item 13 is revised to include the following language: —To the extent required by the Minnesota Franchises Act, we will protect your rights to use the trademarks, servicemarks, trade names, logo types or other commercial symbols related to the trademarks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the trademarks.¶
4. Items 17(c) and 17(m) are revised to provide that we cannot require you to sign a release of claims under the Minnesota Franchises Act as a condition to renewal or assignment.
5. We are prohibited from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that this prohibition shall not bar the voluntary settlement of disputes.
6. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

**ADDENDUM TO BANDAG DEALER FRANCHISE AGREEMENT APPLICABLE ONLY TO
FRANCHISEES LOCATED IN THE STATE OF MINNESOTA**

This addendum (the “Addendum”) to the Bandag Dealer Franchise Agreement dated _____, _____, 202__ (the “Agreement”) is made and entered into by and between Bridgestone Bandag, LLC (“Bandag”) and _____ (“Franchisee”) and amends the Agreement as follows:

1. Article 9 of the Franchise Agreement is amended as to Minnesota franchisees by adding the following sentence:

Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the franchise Disclosure Document or Franchise Agreement (or any other agreement) can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. To the extent required by Section 12 of the Minnesota Franchise Act and regulations adopted thereunder, Bandag will indemnify you for Bandag businesses located in Minnesota against liability incurred by you to third parties resulting from claims by the third parties that your use of the Bandag trademarks infringe trademark rights of the third party. Bandag does not indemnify against the consequences of your use of the Bandag trademarks except in accordance with requirements of the Franchise Agreement, and as a condition to indemnification, you must provide notice to Bandag of any such claim within 10 days and tender the defense of the claim to Bandag. If Bandag accepts the tender of defense, Bandag has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

3. With respect to franchises governed by Minnesota law, Bandag 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 180 days’ notice for non-renewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

4. Sections 3 and 8 of the Franchise Agreement are amended as to Minnesota franchisees by adding the following language:

Minn. Rule 2860.440D prohibits a franchisor from requiring a franchisee to assent to a general release.

5. The following language is added as new Section 12 of the Franchise Agreement:

12. No Waiver or Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

Any and all acknowledgements and disclaimers in the Franchise Agreement that would release or waive a franchisee's rights under the **Minnesota Franchise Act** (the "Act") shall not apply to prospective franchisees where the offer and sale of the franchise is subject to the Act, including, without limitation, the provisions of Section 11.8 of the Franchise Agreement.

IN WITNESS WHEREOF, Bandag and Franchisee have caused this Addendum to the Agreement to be executed, effective as of the date of execution by Bandag.

By: _____

(print name and title of person signing)

BRIDGESTONE BANDAG, LLC

By: _____

Date: _____

**ADDENDUM TO THE DISCLOSURE DOCUMENT
PURSUANT TO THE NEW YORK FRANCHISES LAWS**

The following additional information is being disclosed to you pursuant to regulations under the New York Franchises Law:

1. ~~1-~~ The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT I OR YOUR PUBLIC LIBRARY FOR ~~SOURCES~~ RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ~~THAT~~ ANYTHING IN ~~THE~~ THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND ~~NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.~~ THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS ~~WHICH~~ THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. ~~2-~~ The following language is added ~~at~~ to the end of Item 3 of the Franchise Disclosure Document:

Except as provided above, ~~with regard~~ the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, ~~or~~ securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, ~~which are~~ that is significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-~~year period~~-years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

~~3-~~ The following is added to the end of Item 4:

~~Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; 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 that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.~~

3.

~~4-~~ The following is added to the end of Item 5 of the Franchise

Disclosure Document:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

4.

~~5-~~ The following language is added to the end of the “Summary”

sections of Item 17(c), titled ~~“Requirements for a franchisee to renew or extend,”~~ and Item 17(m), ~~entitled “titled~~ Conditions for franchisor approval of transfer” of the Franchise Disclosure Document:

However, to the extent required by applicable law, 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 intends that the

~~non-waiver~~non-waiver provisions of General Business Law Sections ~~687.4~~687(4) and ~~687.5~~687(5) be satisfied.

5. ~~6.~~ The following language replaces the “Summary” section of Item 17(d) of the Franchise Disclosure Document, titled “Termination by franchisee” of the Franchise Disclosure Document:

You may terminate the agreement on any grounds available by law.

~~7. The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by franchisor”:~~

~~However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.~~

6. ~~8.~~ The following language is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum”, and Item 17(w), titled “Choice of law” of the Franchise Disclosure Document:

The foregoing choice of law should not be considered a waiver of any right conferred ~~upon~~ the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

~~9. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:~~

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

8. Receipts. Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

**ADDENDUM TO FRANCHISE AGREEMENT
PURSUANT TO THE NEW YORK FRANCHISE PRACTICES ACT**

This Addendum is to the Franchise Agreement dated _____, 202__ by and between Franchisor and Franchisee.

1. Section 11.3, Governing Law, is amended by adding the following sentence to the end of that Section:

Notwithstanding the foregoing, all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of the General Business Law of the State of New York and the regulations thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

2. The following language is added as new Section 12 of the Franchise Agreement:

12. No Waiver or Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

Any and all acknowledgements and disclaimers in the Franchise Agreement that would release or waive a franchisee's rights under the **New York State Franchise Act** (the "Act") shall not apply to prospective franchisees where the offer and sale of the franchise is subject to the Act, including, without limitation, the provisions of Section 11.8 of the Franchise Agreement.

IN WITNESS WHEREOF, Bandag and Franchisee have caused this Addendum to the Agreement to be executed, effective as of the date of execution by Bandag.

By: _____
(print name and title of person signing)

BRIDGESTONE BANDAG, LLC

By: _____

Date: _____

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
BRIDGESTONE BANDAG, LLC**

NORTH DAKOTA

Except as provided in this Addendum, the Bandag Franchise Disclosure Document included in this document shall remain unchanged.

1. The following paragraphs are added to the end of Item 17 of the Franchise Disclosure Document:

17.c. and m.: Section 51-19-09 of the North Dakota Franchise Investment Law prohibits a franchisee to assent to a general release. To the extent any such general release is purported to be required by us, it is void with respect to all franchisees governed under the laws of North Dakota.

17.r.: Post-term covenants not to compete are generally considered unenforceable in the State of North Dakota.

17.w.: North Dakota law applies.

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

**ADDENDUM TO BANDAG DEALER FRANCHISE AGREEMENT APPLICABLE ONLY
TO FRANCHISEES LOCATED IN THE STATE OF NORTH DAKOTA**

This addendum (the “Addendum”) to the Bandag Dealer Franchise Agreement dated _____, ____, 202__ (the “Agreement”) is made and entered into by and between Bridgestone Bandag, LLC (“Bandag”) and _____ (“Franchisee”) and amends the Agreement as follows:

1. Section 9.4 of the Agreement is revised to delete the waiver of trial by jury and, therefore, either party to this Agreement may request a trial by jury.

2. Sections 9.5(A) and (B) of the Agreement are revised to delete any waiver of the right to claim exemplary and punitive damages and, therefore, either party to this Agreement may claim exemplary and punitive damages in an appropriate matter.

3. Section 9.5(C) of the Agreement is revised to delete the requirement that claims be brought within one year from the time of the events giving rise to the subject claim. Claims governed by North Dakota Law, such as claims under the North Dakota Franchise Investment Law, must be brought within the applicable statute of limitation provided by North Dakota Law. All other claims must be brought by the party under the Agreement bringing such claim within the statute of limitations that would be imposed by the state law governing such claim.

4. Section 11.3 of the Franchise Agreement is revised to state:

This Agreement will be construed according to the laws of North Dakota to the extent required by North Dakota law.

5. The following language is added as new Section 12 of the Franchise Agreement:

12. No Waiver or Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

Any and all acknowledgements and disclaimers in the Franchise Agreement that would release or waive a franchisee’s rights under **North Dakota Franchise Investment Law** (the “Law”) shall not apply to prospective franchisees where the offer and sale of the franchise is subject to the Law, including, without limitation, the provisions of Section 11.8 of the Franchise Agreement.

IN WITNESS WHEREOF, Bandag and Franchisee have caused this Addendum to the Agreement to be executed, effective as of the date of execution by Bandag.

BRIDGESTONE BANDAG, LLC

By: _____
(print name and title of person signing)

By: _____

Date: _____

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
BRIDGESTONE BANDAG, LLC**

RHODE ISLAND

Except as provided in this Addendum, the Bandag Franchise Disclosure Document included in this document shall remain unchanged.

1. The following paragraphs are added to the end of Item 17 of the Franchise Disclosure Document:

“§19-28.1-14 of the Rhode Island Franchise Investment Act provides that ‘A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.’”

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

**ADDENDUM TO BANDAG DEALER FRANCHISE AGREEMENT APPLICABLE ONLY TO
FRANCHISEES LOCATED IN THE STATE OF RHODE ISLAND**

This addendum (the "Addendum") to the Bandag Dealer Franchise Agreement dated _____, _____, 202__ (the "Agreement") is made and entered into by and between Bridgestone Bandag, LLC ("Bandag") and _____ ("Franchisee") and amends the Agreement as follows:

1. The following language is added as new Section 12 of the Franchise Agreement:

12. No Waiver or Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

Any and all acknowledgements and disclaimers in the Franchise Agreement that would release or waive a franchisee's rights under **the Rhode Island Franchise Investment Act** (the "Act") shall not apply to prospective franchisees where the offer and sale of the franchise is subject to the Act, including, without limitation, the provisions of Section 11.8 of the Franchise Agreement.

IN WITNESS WHEREOF, Bandag and Franchisee have caused this Addendum to the Agreement to be executed, effective as of the date of execution by Bandag.

BRIDGESTONE BANDAG, LLC

By: _____
(print name and title of person signing)

By: _____

Date: _____

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
BRIDGESTONE BANDAG, LLC**

SOUTH DAKOTA

Except as provided in this Addendum, the Bandag Franchise Disclosure Document included in this document shall remain unchanged.

1. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

**ADDENDUM TO BANDAG DEALER FRANCHISE AGREEMENT APPLICABLE ONLY TO
FRANCHISEES LOCATED IN THE STATE OF SOUTH DAKOTA**

This addendum (the "Addendum") to the Bandag Dealer Franchise Agreement dated _____, _____, 201__ (the "Agreement") is made and entered into by and between Bridgestone Bandag, LLC ("Bandag") and _____ ("Franchisee") and amends the Agreement as follows:

1. The following language is added as new Section 12 of the Franchise Agreement:

12. No Waiver or Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

Any and all acknowledgements and disclaimers in the Franchise Agreement that would release or waive a franchisee's rights under the **South Dakota Franchise Law** (the "Law") shall not apply to prospective franchisees where the offer and sale of the franchise is subject to the Law, including, without limitation, the provisions of Section 11.8 of the Franchise Agreement.

IN WITNESS WHEREOF, Bandag and Franchisee have caused this Addendum to the Agreement to be executed, effective as of the date of execution by Bandag.

By: _____
(print name and title of person signing)

BRIDGESTONE BANDAG, LLC

By: _____
Date: _____

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
BRIDGESTONE BANDAG, LLC**

VIRGINIA

Except as provided in this Addendum, the Bandag Franchise Disclosure Document included in this document shall remain unchanged.

1. The following language is added to the end of the “Summary” section of Item 17(h), entitled “Cause” defined – non-curable defaults:

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 grounds for default or termination stated in the Franchise Agreement do not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision might not be enforceable

2. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

**ADDENDUM TO BANDAG DEALER FRANCHISE AGREEMENT APPLICABLE ONLY TO
FRANCHISEES LOCATED IN THE STATE OF VIRGINIA**

This addendum (the "Addendum") to the Bandag Dealer Franchise Agreement dated _____, _____, 202__ (the "Agreement") is made and entered into by and between Bridgestone Bandag, LLC ("Bandag") and _____ ("Franchisee") and amends the Agreement as follows:

1. The following language is added as new Section 12 of the Franchise Agreement:

12. No Waiver or Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

Any and all acknowledgements and disclaimers in the Franchise Agreement that would release or waive a franchisee's rights under **Virginia's Retail Franchising Act** (the "Act") shall not apply to prospective franchisees where the offer and sale of the franchise is subject to the Act, including, without limitation, the provisions of Section 11.8 of the Franchise Agreement.

IN WITNESS WHEREOF, Bandag and Franchisee have caused this Addendum to the Agreement to be executed, effective as of the date of execution by Bandag.

BRIDGESTONE BANDAG, LLC

By: _____
(print name and title of person signing)

By: _____

Date: _____

**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE
DOCUMENT, FRANCHISE AGREEMENT, AND RELATED AGREEMENTS**

This addendum (the “Addendum”) to the Bandag Dealer Franchise Agreement dated _____, _____, 202__ (the “Agreement”) is made and entered into by and between Bridgestone Bandag, LLC (“Bandag”) and _____ (“Franchisee”) and amends the Agreement as follows:

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions shall supersede and apply to all franchises the offer and sale of which are governed by the Washington Franchise Investment Protection Act, RCW §§ 19.100.010 to 19.100.940 (the “Act”):

1. The following language is added as the last paragraph of Items 5 and 7 of the Franchise Disclosure Document and as the last paragraph of Section 3.4 of the Franchise Agreement:

The Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

2. Section 11.1 of the Franchise Agreement is amended to read as follows:

Interpretation. This Agreement, which includes your application and the Manual, is the entire and final agreement between you and us on its subject. This Agreement supersedes any other agreement or understanding previously made between you and us for the Dealership covered by this Agreement, except for (i) accrued obligations thereunder and/or (ii) a Right of First Refusal dated N/A which is incorporated herein by reference. You have not received any representation, understanding, agreement or assurance not set forth herein. Nothing in this or any related Agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. All rights and remedies provided herein or by law are cumulative. Section headings are for convenience of reference only and do not limit the meaning of this Agreement. Declaratory sentences herein constitute obligations of one or both parties as appropriate in the context.

3. Section 11.8 of the Franchise Agreement does not apply in Washington.

4. **WASHINGTON LAW.** The following paragraphs are added to the end of the Franchise Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded

by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

5. The following language is added as new Section 12 of the Franchise Agreement:

12. No Waiver or Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

Any and all acknowledgements and disclaimers in the Franchise Agreement that would release or waive a franchisee's rights under the **Washington Franchise Investment Protection Act** (the "Act") shall not apply to prospective franchisees where the offer and sale of the franchise is subject to the Act, including, without limitation, the provisions of Section 11.8 of the Franchise Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, Bandag and Franchisee have caused this Addendum to the Agreement to be executed, effective as of the date of execution by Bandag.

BRIDGESTONE BANDAG, LLC

By: _____
(print name and title of person signing)

By: _____

Date: _____

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
BRIDGESTONE BANDAG, LLC**

WISCONSIN

Except as provided in this Addendum, the Bandag Franchise Disclosure Document included in this document shall remain unchanged.

1. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

**ADDENDUM TO BANDAG DEALER FRANCHISE AGREEMENT APPLICABLE ONLY TO
FRANCHISEES LOCATED IN THE STATE OF WISCONSIN**

This addendum (the “Addendum”) to the Bandag Dealer Franchise Agreement dated _____, _____, 202__ (the “Agreement”) is made and entered into by and between Bridgestone Bandag, LLC (“Bandag”) and _____ (“Franchisee”) and amends the Agreement as follows:

1. The following language is added as new Section 12 of the Franchise Agreement:

12. No Waiver or Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any other document executed in connection with the franchise.

Any and all acknowledgements and disclaimers in the Franchise Agreement that would release or waive a franchisee’s rights under **Wisconsin Franchise Investment Law** (the “Law”) shall not apply to prospective franchisees where the offer and sale of the franchise is subject to the Law, including, without limitation, the provisions of Section 11.8 of the Franchise Agreement.

IN WITNESS WHEREOF, Bandag and Franchisee have caused this Addendum to the Agreement to be executed, effective as of the date of execution by Bandag.

BRIDGESTONE BANDAG, LLC

By: _____
(print name and title of person signing)

By: _____

Date: _____

NEW YORK REPRESENTATIONS PAGE

FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	September 12, 2024 Pending
Hawaii	July 4, 2024 Pending
Illinois	June 27 March 28, 2024 2025 (Exempt)
Indiana	June 27 March 28, 2024 2025
Maryland	August 8, 2024 Pending
Michigan	June 27 March 28, 2024 2025
Minnesota	July 29, 2024 Pending
New York	October 3, 2024 Pending
North Dakota	September 23, 2024 Pending
Rhode Island	June 27, 2024 Pending
South Dakota	June 27 March 28, 2024 2025
Virginia	July 24 March 28, 2024 2025
Washington	September 23, 2024 Pending
Wisconsin	June 27 March 28, 2024 2025

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Bridgestone Bandag, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Bridgestone Bandag, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit I.

New York law requires a franchisor to provide the franchise 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.

See Exhibit I for our registered agents authorized to receive service of process.

Date of Issuance: ~~June 27~~March 28, 2024~~2025~~

The franchise sellers for this offering are ~~Dale Mercer and Jason Roanhouse~~Thomas Trego and Steve Sutherland. Their business address and business telephone number is: Bridgestone Bandag, LLC, 200 4th Avenue South, Nashville, Tennessee 37201, (615) 937-1000.

I have received a Franchise Disclosure Document dated ~~June 27~~March 28, 2024~~2025~~. This Disclosure Document included the following Exhibits:

- A. Bandag Dealer Franchise Agreement
- B. ~~Audited Financial Statements of~~ Bridgestone Bandag Franchising, LLC ~~Guaranty~~Financial Statements as of and for the years ended December 31, 2024 and 2023 (With Independent Auditor's Report Thereon), audited Bridgestone Bandag Franchising, LLC Financial Statements for the years ended December 31, 2022 and 2021 and Independent Auditor's Report, and Guarantee of Performance of Bridgestone Bandag Franchising, LLC
- C. Security Agreement
- C-1 Individual Guaranty
- C-2 Entity Guaranty
- D. BASys Product Program Request Form and Master Purchase Agreement for BASys Suite of Products
- E. National Account Program Description
- F. Dealer Subcontract
- G. Smart Resource Program Policy
- H. List of Current Franchised and Bandag-Owned Dealerships and List of Former Franchisees
- I. List of Agents for Service of Process and State Franchise Law Administrators
- J. State Addenda to Franchise Disclosure Document and Dealer Franchise Agreement

--PROSPECTIVE FRANCHISEE'S SIGNATURE IS ON THE BACK OF THIS PAGE--

PROSPECTIVE FRANCHISEE

(Print or type name of corporation or partnership)

	Name	Signature	Date
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

THIS PAGE MUST BE SIGNED BY AN OFFICER OF A CORPORATION, THE GENERAL PARTNER(S) OF A PARTNERSHIP, OR ANY INDIVIDUAL RECEIVING A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT AND MUST BE RETURNED IMMEDIATELY TO:

BRIDGESTONE BANDAG, LLC
200 4TH AVENUE SOUTH
NASHVILLE, TENNESSEE 37201
ATTENTION: LEGAL DEPARTMENT

RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Bridgestone Bandag, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Bridgestone Bandag, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit I.

New York law requires a franchisor to provide the franchise 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.

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