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, 2024

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.

T**he 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
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
11.	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	11
12.	TERRITORY	17
13.	TRADEMARKS	17
14.	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	19
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	37

EXHIBITS

A. Bandag Dealer Franchise Agreement
B. Audited Financial Statements of Bridgestone Bandag Franchising, LLC Guaranty 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, Bandag had 179 franchised dealerships in the United States and 529 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, 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 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

Mr. Goldstine was elected Chairman and President for Bridgestone Bandag, LLC on February 1, 2024. He has held the position of President, Retread Solutions since January 2023. 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 Bridgestone Americas as President, Firestone Fibers & Textiles in May 2017, also having held the position of Senior Vice President, Fleet Management Solutions until February 2020. All of these positions have been performed in 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

Mr. Mercer has served as Channels Manger 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.

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)
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

ITEM	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
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, Bandag's domestic revenues from required purchases were $658,427,650, or approximately 100% of its total domestic revenues of $658,427,650 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
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

OBLIGATION		SECTION(S) IN DEALER FRANCHISE AGREEMENT AND RELATED AGREEMENTS	ITEM IN DISCLOSURE DOCUMENT
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
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

COURSE OR CERTIFICATION	METHOD/ LOCATION	LENGTH	RECERTIFICATION REQUIREMENTS	PRE-REQUISITE TO Certified Retread Technician (CRT)
EMT (Equipment, Maintenance, Troubleshooting)	Classroom in BCS Education Center in LaVergne, TN	3 days	No	No
Advanced Tire Analysis (FSE requires all personnel handling out of service tires to complete)	Classroom in BCS Education Center in LaVergne, TN or delivered in field where applicable	2 days	No	No
CRT (Certified Retreading Technician)	Classroom in BCS Education Center in LaVergne, TN and 5 year recertification in field	5 days	Initial training conducted in LaVergne, TN. Field Recertification required every 5 years. Every 10-year recertification required in LaVergne, TN 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
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

SYSTEM MANUAL SECTION NUMBER	SYSTEM MANUAL SECTION NAME	NUMBER OF PAGES
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
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

Document Number	Description	Pages
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 and US$0.18 per/lb. for U.S. franchisees as of March 1, 2017 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

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
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

TITLE/DESCRIPTION	U.S. PATENT NUMBER	PATENT ISSUE DATE	PATENT EXPIRATION DATE
Non-Destructive Belt Detection Apparatus and Method	11571868	2/7/2023	12/8/2041
Tire Tread	D615921	5/18/2010	5/18/2024
Tire Tread -- BDRHG	D616357	5/25/2010	5/25/2024
Tire Tread (BRM2)	D620879	8/3/2010	8/3/2024
Tire Tread -- BDRHT3	D621341	8/10/2010	8/10/2024
Tire Tread - BRM1	D641684	7/19/2011	7/19/2025
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 - 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 -- HTHT Tread Design	D878286	3/17/2020	3/17/2035
Tire -- B761 Tread Design	D935989	11/16/2021	11/16/2036

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	
Method And Apparatus For Improved Tread Splicing	18/424275	1/26/2024	
Versatile Sipe Machine	18/275464	8/2/2023	2/1/2024
Tire -- Bandag Light S	29/868399	12/1/2022	N/A

DESCRIPTION	APPLICATION SERIAL NO.	FILING DATE	PUBLICATION DATE
Tire -- Bandag Light D	29/869610	1/5/2023	N/A
Tire -- Post BDLT Tread Pattern	29/869611	1/5/2023	N/A
Tire -- BD5000 Tread Design	29/875263	5/2/2023	N/A
Tire -- BDX3 Tread Design	29/877360	6/6/2023	N/A
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	63/451726	3/13/2023	N/A
System And Method For Building A Band Assembly For A Tire	63/451730	3/13/2023	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

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

PROVISION		SECTION(S) IN DEALER FRANCHISE AGREEMENT	SUMMARY
			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 appropriate prior to expiration to replace your Dealership or you as a Dealer.
d.	Termination by franchisee	Article 10	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

PROVISION		SECTION(S) IN DEALER FRANCHISE AGREEMENT	SUMMARY
			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 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

PROVISION		SECTION(S) IN DEALER FRANCHISE AGREEMENT	SUMMARY
			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, 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.

PROVISION		SECTION(S) IN DEALER FRANCHISE AGREEMENT	SUMMARY
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 and the franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Sections 9.1 and 9.2	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	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	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

PROVISION		SECTION OR RELATED AGREEMENT	SUMMARY
e.	Termination by franchisor without cause	Dealer Subcontract § 10.02	Bandag may terminate with or without cause on 60 days' notice
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

PROVISION		SECTION OR RELATED AGREEMENT	SUMMARY
s.	Modification of the agreement	Dealer Subcontract § 11.07	Must be in writing and signed by all parties
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.

20. **OUTLETS AND FRANCHISEE INFORMATION**

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

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
	2022	173	179	6
	2023	179	172	-7
Company-Owned	2021	13	13	0
	2022	13	2	-11
	2023	2	2	0
Total Outlets	**2021**	**187**	**186**	**-1**
	2022	**186**	**181**	**-5**
	2023	**181**	**174**	**-7**

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

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Arizona	2021	0
	2022	2
	2023	0
California	2021	1
	2022	2
	2023	1
Colorado	2021	0
	2022	4
	2023	0
Illinois	2021	0
	2022	1
	2023	0
Maine	2021	0
	2022	0
	2023	1

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Michigan	2021	0
	2022	2
	2023	0
Minnesota	2021	0
	2022	0
	2023	3
Missouri	2021	0
	2022	0
	2023	1
Montana	2021	0
	2022	2
	2023	0
Nebraska	2021	0
	2022	1
	2023	0
Nevada	2021	0
	2022	1
	2023	0
New Mexico	2021	0
	2022	2
	2023	0
Ohio	2021	0
	2022	1
	2023	0
Oregon	2021	0
	2022	1
	2023	0
Pennsylvania	2021	0
	2022	0
	2023	1
South Carolina	2021	0
	2022	0
	2023	0
South Dakota	2021	0
	2022	1
	2023	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Utah	2021	0
	2022	1
	2023	0
Washington	2021	0
	2022	4
	2023	0
Total	**2021**	**1**
	2022	**25**
	2023	**7**

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

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	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Arizona	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	2	1
Arkansas	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
California	2021	11	0	0	0	0	0	11
	2022	11	2	0	0	0	0	13
	2023	13	0	0	0	0	0	13
Colorado	2021	1	0	0	0	0	0	1
	2022	1	3	0	0	0	0	4
	2023	4	0	0	0	0	1	3
Connecticut	2021	1	1	1	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

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
Florida	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Georgia	2021	10	0	0	0	0	0	10
	2022	10	0	1	0	0	1	8
	2023	8	0	0	0	0	0	8
Hawaii	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Idaho	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Illinois	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Indiana	2021	7	0	0	0	0	1	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Iowa	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Kansas	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Kentucky	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Louisiana	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
Maine	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3

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
Maryland	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Massachusetts	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Michigan	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Minnesota	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	1	4
	2023	4	0	0	0	0	0	4
Mississippi	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Missouri	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Montana	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Nebraska	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Nevada	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New Hampshire	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
New Jersey	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2

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
New Mexico	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
New York	2021	5	0	0	0	0	0	5
	2022	5	1	0	0	0	0	6
	2023	6	1	0	0	0	0	7
North Carolina	2021	6	0	0	0	0	0	6
	2022	6	1	0	0	0	0	7
	2023	7	0	0	0	0	0	7
North Dakota	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	2	2
Ohio	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	1	8
	2023	8	1	0	0	0	0	9
Oklahoma	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oregon	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Pennsylvania	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	1	6
South Carolina	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
South Dakota	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Tennessee	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5

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
Texas	2021	12	0	0	0	0	0	12
	2022	12	0	0	0	0	2	10
	2023	10	0	0	0	0	2	8
Utah	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Vermont	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Virginia	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Washington	2021	1	0	0	0	0	0	1
	2022	1	4	0	0	0	0	5
	2023	5	0	0	0	0	0	5
West Virginia	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Wisconsin	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Wyoming	2021	2	0	0	0	0	0	2
	2022	2	0	1	0	0	0	1
	2023	1	0	0	0	0	0	1
Total	2021	174	1	1	0	0	1	173
	2022	173	13	2	0	0	5	179
	2023	179	3	0	0	0	10	172

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

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

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

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Michigan	0	1	0
Total	0	1	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, 2023, 2022 and 2021, and the related statements of comprehensive income, changes in member's equity, and cash flows for the years ended December 31, 2023, December 31, 2022 and December 31, 2021 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).

EXHIBIT A

BANDAG DEALER FRANCHISE AGREEMENT

BANDAG DEALER FRANCHISE AGREEMENT

Franchisee Business Name: _____

Business Address: _____

Dealer Number(s): _____

Effective Date: _____

DO NOT REPRODUCE OR DISTRIBUTE

TABLE OF CONTENTS

Section		Page
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

DO NOT REPRODUCE OR DISTRIBUTE

TABLE OF CONTENTS
(continued)

Section Page

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

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, Nashville, Tennessee 37214 ("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.

DO NOT REPRODUCE OR DISTRIBUTE

(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.

DO NOT REPRODUCE OR DISTRIBUTE

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.

bandag

DEALER:

Print Dealer Business Name:

_____

If Dealer is an entity:

Type of entity:_____

Organized under laws of: _____

Print Office Address:

_____

_____

_____

Print Name of Person Signing:

_____

Sign Name:_____

Title _____

Date: _____

Print Name of Person Signing:

_____

Sign Name:_____

Title _____

Date: _____

BRIDGESTONE BANDAG, LLC
d/b/a BANDAG

Print Name of Person Signing:

Kurt A. Danielson

Sign Name:_____

Title: Chairman and President

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:_____	By:_____
(Sign above)	*(Sign above)*
Date: _____	Date: _____
Print Name of Person Signing:	Print Name of Person Signing:
_____	_____
_____	_____
(Print percentage of ownership)	*(Print percentage of ownership)*
By:_____	By:_____
(Sign above)	*(Sign above)*
Date: _____	Date: _____

bandag

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

bandag

EXHIBIT B

AUDITED FINANCIAL STATEMENTS OF BRIDGESTONE BANDAG FRANCHISING, LLC

AND GUARANTY OF PERFORMANCE OF BRIDGESTONE BANDAG FRANCHISING, LLC

BRIDGESTONE BANDAG FRANCHISING, LLC

(A WHOLLY-OWNED SUBSIDARY 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

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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	$	5,500,188	5,353,367
Liabilities and Member's Equity			
Liabilities:			
Accrued liability - due to related party (note 2)	$	121,125	118,750
Total liabilities		121,125	118,750
Member's equity		5,379,063	5,234,617
Total liabilities and equity	$	5,500,188	5,353,367

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)

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

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	(13,500)
Balance, December 31, 2022	5,234,617
Net income	144,446
Balance, December 31, 2023	$ 5,379,063

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)

		2023	2022
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		—	7,735
Net increase in cash and cash equivalents		—	7,735
Cash and cash equivalents, beginning of year		1,103,367	1,095,632
Cash and cash equivalents, end of year	$	1,103,367	1,103,367

See accompanying notes to the financial statements.

(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 loses 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.

(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

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

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.

BRIDGESTONE BANDAG FRANCHISING, LLC

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

Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditor's Report

Deloitte.

Deloitte & Touche LLP
1033 Demonbreun Street
Suite 400
Nashville, TN 37203
USA

Tel:+1 615 259 1800
Fax:+1 615 259 1862
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Managers and Member of
Bridgestone Bandag Franchising, LLC
Muscatine, Iowa

We have audited the accompanying financial statements of Bridgestone Bandag Franchising, LLC (the "Company"), a wholly-owned subsidiary of Bridgestone Americas Tire Operations, LLC, which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of profit or loss, changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as 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, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 Auditor's 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.

Other Matter

As discussed in Note 2 to the financial statements, the accompanying financial statements have been prepared from the separate records maintained by the Company and may not necessarily be indicative of the conditions that would have existed or the results of operations if the Company had been operated as an unaffiliated company.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, 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 responsible for assessing the Company's ability to continue as a going concern at least, but not limited to, twelve months from the end of the reporting period, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 auditor's 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 substantial 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.

Deloitte & Touche LLP

March 22, 2023

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

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 and 2021

ASSETS	**December 31, 2022**	**December 31, 2021**
Cash and cash equivalents	$ 1,103,367	$ 1,095,632
Note receivable - related party	4,250,000	4,250,000
Total assets	$ 5,353,367	$ 5,345,632
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities:		
Accrued liability - due to related party	$ 107,625	$ 94,125
Interest received in advance - related party	11,125	3,390
Total liabilities	118,750	97,515
Commitments and contingent liabilities (see Note 2)		
Member's equity	5,234,617	5,248,117
Total Liabilities and Equity	$ 5,353,367	$ 5,345,632

See notes to financial statements.

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

STATEMENTS OF PROFIT OR LOSS
YEARS ENDED DECEMBER 31, 2022 and 2021

	2022	2021
Interest income	$ -	$ 11,794
Expenses		
Audit fees	13,500	13,500
Net loss	$ (13,500)	$ (1,706)

Comprehensive loss for the years ended December 31, 2022 and 2021, is equal to net loss.
See notes to 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, 2022 AND 2021

	Member's Equity
Balance, January 1, 2021	$ 5,249,823
Net Loss	(1,706)
Balance, December 31, 2021	5,248,117
Net loss	(13,500)
Balance, December 31, 2022	$ 5,234,617

See notes to financial statements.

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

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$ (13,500)	$ (1,706)
Adjustments to reconcile net income to net cash provided by operating activities		
Accrued interest on intercompany note	-	8,665
Change in liabilities	21,235	16,890
Net cash provided by operating activities	7,735	23,849
Net increase in cash and cash equivalents	7,735	23,849
Cash and cash equivalents, beginning of year	1,095,632	1,071,783
Cash and cash equivalents, end of year	$ 1,103,367	$ 1,095,632

See notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. DESCRIPTION OF BUSINESS

On March 7, 2008, Bridgestone Bandag Franchising, LLC ("BSBF") 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 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

Cash and cash equivalents **–** Cash and cash equivalents includes highly liquid, interest-bearing, investments purchased with original maturities of three months or less.

Fair Value of Financial Instruments **–** The carrying value of cash and cash equivalents and notes receivable from related party approximates fair value because of the short-term nature of the instruments. At December 31, 2022 and 2021, the Company had no financial assets or liabilities that required fair value measurement.

Comprehensive Income – Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. Comprehensive income for the years ended December 31, 2022 and 2021, is equal to net (loss) income as reported.

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.

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 2022 and 2021, 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 2022 and 2021 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. As the notice of termination was not issued in 2022 and the loan was not paid during the year 2022, the loan was automatically extended to March 31, 2023. This note bears an interest obligation payable by BSAM, calculated at LIBOR minus 25 basis points per annum with a floor rate of 0%. As a result of the fall in LIBOR, a 0% interest rate is considered for December 2022 (0% for January 1, 2022 to March 31, 2022 and 0% for April 1, 2022 to December 31, 2022) with interest payments due on September 30th and March 31st.

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 22, 2023, the date the financial statements were available to be issued. No events or transactions occurred subsequent to December 31, 2022, that would require adjustment to, or disclosure in the financial statements.

Recent IFRS pronouncements

Standards and interpretations not yet adopted as of December 31, 2022, that impact the Company

IFRS Interest Rate Benchmark Reform – Phase 2

On July 27, 2017, the Financial Conduct Authority in the U.K. announced that it would phase out LIBOR as a benchmark by the end of 2021. However, for U.S. dollar LIBOR, the date has been deferred to June 30, 2023, for certain tenors (including overnight and one, three, six and 12 months), at which time the LIBOR administrator has indicated that it intends to cease publication of U.S. dollar LIBOR.

The Company has an intercompany note agreement with BSAM that uses LIBOR as a benchmark for interest rate calculation. The loan has a 12-month tenor with the agreement being renewed each year for a 12-month period. The Company has plans to transition out of LIBOR and will be considering Secured Overnight Financing Rate (SOFR) as the potential benchmark from March 2023. The change in benchmark is not expected to have a material impact on the Company's financial statements.

* * * * * *

UNAUDITED FINANCIAL STATEMENTS

ASSETS	**March 31, 2024**
Cash and cash equivalents	$ 1,103,367
Note receivable - Related Party	4,447,747
Accrued Interest - Related Party	
Total Assets	$ 5,551,114
LIABILITIES AND MEMBER'S EQUITY	
Current liabilities:	
Accrued liability - due to related party	$ 124,500
Total Liabilities	$ 124,500
Commitments and contingent liabilities (see Note 2)	
Member's equity	5,426,614
Total Liabilities and Equity	$ 5,551,114

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

Bridgestone Bandag Franchising, LLC

	March 31, 2024
Interest Income	$ 50,926
Expenses:	
Audit Fees	3,375
Net Income (loss)	$ 47,551

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

Bridgestone Bandag Franchising, LLC

	Member's Equity
Balance, January 1, 2022	$ 5,248,117
Net Loss	(13,500)
Balance, December 21, 2022	5,234,617
Net Income	144,446
Balance, December 31, 2023	$ 5,379,063
Net Income	47,551
Balance, March 31, 2024	$ 5,426,614

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

Bridgestone Bandag Franchising, LLC

		March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (loss)	$	47,551
Adjustments to reconcile net income to net cash provided by operating activities		
Interest Receivable - related party	$	(50,926)
Accrued Liability - due to related party	$	3,375
Net Cash provided by operating activities	$	-
Net increase (decrease) in cash and cash equivalents	$	-
Cash and cash equivalents, beginning of year		1,103,367
Cash and cash equivalents, end of year	$	1,103,367

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

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 2024 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 10 day of June, 2024.

Guarantor:

BRIDGESTONE BANDAG FRANCHISING, LLC

By: _____

Name: Brian Goldstine
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

Title: Director Order to Cash

Organizational number of Debtor or, if none, 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

EXHIBIT C-1

INDIVIDUAL GUARANTY

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:**

_____ _____

Street

Name: _____ _____

City State Zip

Social Security Number_____

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

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 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, 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

Agreement No.: BASys202003

BASYS MANUFACTURING SYSTEM

MASTER PURCHASE AGREEMENT

This BASys Manufacturing System Master Purchase Agreement between Bridgestone Bandag, LLC, an Iowa limited liability company, with its principal place of business located at 400 4th Avenue South, Nashville, TN 37201 and the undersigned Bridgestone Bandag, LLC Franchisee ("Customer") is made effective as of date indicated below (the "Effective Date").

This Agreement consists of (1) this cover page, (2) the attached Terms and Conditions, and (3) the Exhibits attached hereto.

Customer Name: _____

Customer Address: _____

_____

_____

Customer Contact: Name: _____

Phone: _____

Fax: _____

E-mail: _____

IN WITNESS WHEREOF, the parties have caused this BASys Manufacturing System Master Purchase Agreement to be executed and do each hereby warrant and represent that their representative signatory whose signature appears below has been and is on the date of this Agreement duly authorized by all necessary and appropriate corporate action to execute this Agreement.

BRIDGESTONE BANDAG, LLC	**CUSTOMER NAME HERE**
Sign: _____	Sign: _____
Name: _____	Name: _____
Title: _____	Title: _____
Effective Date: _____	Effective Date: _____

TERMS AND CONDITIONS

1. Overview.

1.1 General. As part of its Bandag Dealer Franchise Agreement, Customer desires to obtain from Bridgestone Bandag, LLC use of the BASys Manufacturing System and certain related Products and Services and Bridgestone Bandag, LLC agrees to make the BASys Manufacturing System and such related Products and Services available to Customer, subject to the terms and conditions of this Agreement. This "Agreement" means this Master Purchase Agreement plus all applicable Exhibits, Confirmations and any other documents that are attached hereto or that expressly incorporated herein this Agreement (collectively "Attachments"). This Agreement and the Products and Services provided hereunder are offered only to Bridgestone Bandag, LLC Franchisees operating under a current Bandag Dealer Franchise Agreement. This Agreement and the Attachments state the terms and conditions upon which Bridgestone Bandag, LLC will make available and Customer will use or receive the BASys Manufacturing System and any or all of the Products and Services provided by Bridgestone Bandag, LLC hereunder. This Agreement applies to any and all Services and/or Products ordered by Customer and provided by Bridgestone Bandag, LLC. In the event that Customer's Bandag Dealer Franchise Agreement is terminated or expires, this Agreement will terminate or expire consistent with the terms and conditions of the termination or expiration of Customer's Bandag Dealer Franchise Agreement.

1.2 Definitions. In addition to the terms defined elsewhere in this Agreement, including the Exhibits attached to this Agreement, the following terms are defined as follows:

(a) "BASys Manufacturing System" or "BASys" means Bridgestone Bandag, LLC's proprietary suite of independent Software modules described in Exhibit A attached hereto and related Products that work together to create an information management system for Bandag franchisees. The terms and conditions applicable to Customer's use of the BASys Manufacturing System are set forth in Exhibit B and the option applicable to Customer will be specified in the Confirmed Order in Exhibit C.

(b) "Documentation" means the end-user guides and manuals, training materials, and installation materials, if any, related to the BASys Manufacturing System, Products or published or otherwise made available by Bridgestone Bandag, LLC to Customer from time to time.

(c) "Product" means any Software offered from time to time by Bridgestone Bandag, LLC to Customer on or after the Effective Date of this Agreement and includes the BASys Manufacturing System, together with all associated Documentation.

(d) "Services" means any computer-related support and maintenance services relating to the Products offered from time to time by Bridgestone Bandag, LLC on or after the Effective Date of this Agreement. The Services available under this Agreement are described on Exhibit A, Exhibit B, and Exhibit C. Services may consist of any combination of consulting, training, data conversion, distribution services, or support of computer-related software, including training, and software support, as described on Exhibit C or another separate attachment.

(e) "Software" means the object code form of computer-readable programs and identified by product name that are part of the BASys Manufacturing System.

2. Products and Services.

2.1 Available Products and Services. This Agreement, including any additional terms and conditions contained in a Proposal or Confirmation, applies to all Products and/or Services ordered by Customer from Bridgestone Bandag, LLC during the Term. The BASys Manufacturing System and specific Services and/or Products eligible to be purchased hereunder are described on the attached Exhibit A and shall be specifically identified in the Order(s) on Exhibit C submitted by Customer and accepted by

Bridgestone Bandag, LLC as provided in Section 2.3 below. Bridgestone Bandag, LLC may, from time to time, provide Customer with an updated list of the Products or Services eligible for purchase hereunder, each of which shall be a replacement of the prior Exhibit A and Exhibit C.

2.2 Additional Products or Services. In addition to Products and Services set forth in a Confirmed Order on Exhibit C, Bridgestone Bandag, LLC may, but is not required to, make additional Products or Services, available from time to time to Customer. Bridgestone Bandag, LLC will endeavor to provide Customer with notice of changes in the prices and availability of its Products, Services or the BASys Manufacturing System; however, Bridgestone Bandag, LLC reserves the right to alter or entirely revoke the availability of any Product or Service or to revise, modify or amend the availability, quantity, price, or other terms or conditions of any or all additional Products or Services at any time with or without notice to Customer or to any other person.

2.3 Proposals, Orders and Confirmations. In the event that Customer desires to purchase Products or Services hereunder, Customer shall so notify Bridgestone Bandag, LLC. Bridgestone Bandag, LLC will prepare a proposal listing the Products or Services requested by Customer, including the quantities, prices, or fees and expenses (each, a "Proposal"). Unless otherwise provided in a Proposal, Proposals are valid for thirty (30) days from the date of issuance by Bridgestone Bandag, LLC. A Proposal may also specify requested delivery dates, bill-to and ship-to addresses, tax-exempt certificate numbers if applicable, and any other special instructions. Customer's signature of a Proposal shall constitute an order for the Products and Services described therein (each, an "Order"). Orders are subject to acceptance by Bridgestone Bandag, LLC and become subject to this Agreement when Bridgestone Bandag, LLC accepts an Order by shipping Products, commencing to perform Services or provides Customer with written notice that an Order has been accepted (a "Confirmed Order"). Bridgestone Bandag, LLC will use commercially reasonable efforts to respond in writing by mail or by electronic mail to each Order, but shall have no responsibility or liability to Customer or to others for any failure to respond. Bridgestone Bandag, LLC may accept or reject any Order in its discretion and Bridgestone Bandag, LLC will have no obligation to provide Products or Services pursuant to any Order until a confirmation is issued by Bridgestone Bandag, LLC indicating Bridgestone Bandag, LLC has accepted the Order ("Confirmation"). Accepted Orders will be deemed to incorporate and be subject to the Agreement, including any additional terms that may be set forth in a Proposal or a Confirmation. Bridgestone Bandag, LLC is, under all circumstances, hereby authorized to rely upon the Order and Customer hereby agrees to pay all fees and expenses identified in each Order or Confirmation. Bridgestone Bandag, LLC may, but under no circumstances is required to, request additional written assurances from Customer prior to accepting an Order.

2.4 No Additional Terms. Unless explicitly stated to the contrary in a Proposal or a Confirmation, all Orders will be governed by the terms of the Agreement even when they lack an express reference to the Agreement. All other terms and conditions contained in any Customer purchase order or other document submitted by Customer not expressly referenced in the Agreement will have no effect whatsoever. In the event of any conflict between the terms and conditions of this Agreement and the terms and conditions in any Proposal, Order, or Confirmation issued in connection with this Agreement, the terms and conditions of this Agreement shall prevail to the extent necessary to resolve such conflict.

3. Fees and Payment Terms.

3.1 Fees and Expenses. Customer will pay all fees due according to the prices and terms listed in the Proposal. The prices listed in a Proposal will remain in effect as provided in each such Proposal. Customer also agrees to reimburse Bridgestone Bandag, LLC for actual out-of-pocket expenses incurred in connection with this Agreement, which expenses shall normally be invoiced on a monthly basis. All recurring monthly charges will be payable monthly by pre-authorized checking account debit or by other payment means mutually agreed to by Bridgestone Bandag, LLC and Customer in a Confirmed Order.

3.2 Payment Terms. All fees are due within thirty (30) days of the date of the invoice. Any payment not received within thirty (30) days of the invoice date will accrue interest at a rate of one and one-half percent (1 ½%) per month, or the highest rate allowed by applicable law, whichever is lower. If Customer is delinquent in its payments, Bridgestone Bandag, LLC may, upon written notice to Customer, modify the payment terms to require full payment before the provision of all Products or Services or require other assurances to secure Customer's payment obligations hereunder. Customer will pay all bank charges, taxes, duties, levies and other costs and commissions associated with other methods of invoicing and payment. Bridgestone Bandag, LLC may suspend Customer's use of the BASys Manufacturing System and the fulfillment of Orders for which payment is overdue until the overdue amount is paid in full.

3.3 Taxes. Unless Customer provides Bridgestone Bandag, LLC with a tax exemption certificate, Customer is solely responsible for paying all legally required taxes, including without limitation any sales, excise or other taxes and fees which may be levied upon the sale, transfer of ownership, license, installation or use of the Products or Services, except for any income tax assessed upon Bridgestone Bandag, LLC. With respect to such taxes, Customer agrees either to furnish to Bridgestone Bandag, LLC an appropriate exemption certificate applicable thereto, or to pay to Bridgestone Bandag, LLC, upon timely presentation of invoice therefore, such amount as Bridgestone Bandag, LLC may by law be required to collect.

3.4 Reliance on Order and Payment by Customer. Unless Bridgestone Bandag, LLC receives a written response by letter or e-mail from Customer that either corrects or cancels a Confirmed Order within five (5) business days (Saturday, Sunday and legal holidays excluded) following the date of a Confirmation, Bridgestone Bandag, LLC is, under all circumstances, hereby authorized to rely upon the Order and Confirmation and to execute Customer's Order accordingly; and Customer hereby agrees to pay all fees and expenses identified in each Product Offering that is referenced in an Order or Confirmation, or otherwise as may be specifically set forth or referenced in an Order or Confirmation. Bridgestone Bandag, LLC may, but under no circumstances is required to, request additional written assurances from Customer prior to executing an Order. Performance by shipping Product or performing Services by Bridgestone Bandag, LLC constitutes acceptance of the applicable Order even if no Confirmation is issued by Bridgestone Bandag, LLC.

4. Use of BASys Manufacturing System.

4.1 Scope of Use. Subject to the timely payment of all fees due hereunder, Customer's use of the BASys Manufacturing System is subject to the terms set forth in this Agreement and on Exhibit B. Customer's use of the BASys Manufacturing System is exclusively via ASP Subscription Services as described in Exhibit B and set forth in the Proposal and the Confirmed Order in Exhibit C. Customer shall be solely responsible for assuring and maintaining the proper use, management and supervision of the BASys Manufacturing System, including appropriate controls and procedures for safety, fire prevention, security (including but not limited to physical site security, and use of passwords), and operation methods and office procedures.

4.2 Restrictions on Use. Customer shall only be permitted to use the BASys Manufacturing System in the manner and for the purposes expressly provided for in this Agreement, the Proposal and related documentation. Without limiting the foregoing, Customer shall not and shall not permit or allow any third-party to: (a) market, rent, sell, lease, license, sublicense, assign, distribute, or otherwise transfer possession of or permit access to (or any rights regarding) the Software or ASP Services to any third-party; (b) copy or allow copies of the Software to be made, except as specifically allowed under this Agreement; (c) modify, reproduce, alter, adapt, or publicly perform or display the BASys Manufacturing System in any manner; (d) use, or permit the BASys Manufacturing System to be used, in a computer service bureau, time-sharing, or other arrangement; (e) decompile, recompile, disassemble, reverse translate, or otherwise reverse engineer, update or modify any portion of the BASys Manufacturing System or its components or for any purposes whatsoever, in whole or part, or attempt to reconstruct or discover any source code or underlying ideas or algorithms of the same by any means; (f) separate the components of the BASys

Manufacturing System made up of multiple components by running them on different computers or multiple processors, by upgrading or downgrading them at different times, or by transferring them separately, except as specifically agreed in writing by Bridgestone Bandag, LLC; or (g) use the BASys Manufacturing System in, or allow others to use the BASys Manufacturing System in or in connection with, a location other than locations authorized in the Proposal or otherwise approved in writing by Bridgestone Bandag, LLC. Customer hereby acknowledges and agrees that any use of the BASys Manufacturing System other than as expressly authorized by this Agreement, without Bridgestone Bandag, LLC's prior written consent, will constitute an infringement of Bridgestone Bandag, LLC's rights therein and that the right to use the BASys Manufacturing System granted herein does not extend beyond the termination or expiration of this Agreement.

4.3 Ownership of Intellectual Property. Bridgestone Bandag, LLC and its vendors are the sole and exclusive owners of all right, title, and interest in and to the BASys Manufacturing System, Products and Services, any modifications or improvements made thereto or derivative works made there from, and all related materials, Documentation, know-how, and intellectual property related thereto which are protected under US and international laws and treaties (collectively, "Bridgestone Bandag, LLC Property"). Bridgestone Bandag, LLC reserves all rights not expressly granted under this Agreement, including but not limited to, any and all patents, patent applications, and copyrights in the Bridgestone Bandag, LLC Property and all rights in the trademarks used by Bridgestone Bandag, LLC in association with the Bridgestone Bandag, LLC Property.

4.4 Suspension of Access. Customer may only use the BASys Manufacturing System as authorized in this Agreement. Transmission of any material in violation of any federal, state or local regulation is prohibited. This includes but is not limited to copyrighted material for which Customer has no license or other appropriate usage right, material legally judged to be threatening, obscene, pornographic, or material protected by trade secrets. Bridgestone Bandag, LLC reserves the right to suspend access to Customer at any time upon seven (7) days prior written notice to Customer.

5. Limited Warranties.

5.1 BASys Manufacturing System. Bridgestone Bandag, LLC warrants that for a period of ninety (90) days from the date of installation, the BASys Manufacturing System will operate in substantial conformance with its Documentation. All warranty claims not made in writing within such period shall be deemed waived. The foregoing warranty is solely for the benefit of Customer and Customer shall have no authority to extend such warranty to any third-party.

5.2 Services. Bridgestone Bandag, LLC warrants that any Services provided under an Order shall be performed in a professional and workmanlike manner.

5.3 Exclusive Remedy. The sole and exclusive remedy of Customer and the sole and exclusive liability of Bridgestone Bandag, LLC for breach of the foregoing warranties shall be to seek repair or replacement of the non-conforming components of the BASys Manufacturing System or re-performance of the relevant Services.

5.4 Exclusions and Disclaimers.

(a) The warranties do not extend to any damages, malfunctions, or non-conformities caused by: (i) Customer's use of BASys Manufacturing System or any component thereof in violation of the license granted under the Agreement or in a manner inconsistent with the operating documentation; (ii) use of non-Bridgestone Bandag, LLC furnished equipment, software, or facilities with the BASys Manufacturing System (except to the extent provided in a Proposal or the Documentation); (iii) Customer's failure to follow Bridgestone Bandag, LLC's installation, operation or maintenance instructions; (iv) Customer's failure to permit Bridgestone Bandag, LLC timely access, remote or otherwise, to BASys Manufacturing System or any component thereof as Bridgestone Bandag, LLC deems necessary for the

performance of any Services; (v) failure to implement all new updates to Products provided by Bridgestone Bandag, LLC under the Agreement; (vi) Products that have had their original manufacturer's serial numbers altered, defaced or deleted; or (vii) Products that have been serviced or modified other than by Bridgestone Bandag, LLC or a third-party specifically authorized by Bridgestone Bandag, LLC to provide the service or modification.

(b) EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 5.4(a) ABOVE, THE WARRANTIES SET FORTH IN SECTIONS 5.1, 5.2 AND 5.3 ARE CUSTOMER'S EXCLUSIVE WARRANTIES. ALL OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS EXCEPT AS EXPRESSLY REQUIRED BY LAW WITHOUT THE POSSIBILITY OF CONTRACTUAL WAIVER OR LIMITATION ARE HEREBY DISCLAIMED.BRIDGESTONE BANDAG, LLC MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE BASYS MANUFACTURING SYSTEM, PRODUCTS (INCLUDING SOFTWARE AND HARDWARE), SERVICES, OR DOCUMENTATION, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ALL SUCH WARRANTIES ARE HEREBY DISCLAIMED. BRIDGESTONE BANDAG, LLC DOES NOT WARRANT OR MAKE ANY REPRESENTATION REGARDING THE USE OR THE RESULTS OF THE USE OF THE BASYS MANUFACTURING SYSTEM OR ANY COMPONENT THEREOF IN TERMS OF THEIR CORRECTNESS, ACCURACY, QUALITY, RELIABILITY, APPROPRIATENESS FOR A PARTICULAR TASK OR APPLICATION, OR OTHERWISE. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY BRIDGESTONE BANDAG, LLC OR BRIDGESTONE BANDAG, LLC'S AUTHORIZED REPRESENTATIVES SHALL CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF THE WARRANTIES PROVIDED IN THIS SECTION 5. THE WARRANTY REMEDIES EXPRESSLY PROVIDED IN THIS AGREEMENT ARE CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES.

5.5 Third-party Products. Products (including Software) not manufactured by Bridgestone Bandag, LLC are provided on an "as is" basis and without any warranties from Bridgestone Bandag, LLC of any kind. With respect to Products that are not manufactured by Bridgestone Bandag, LLC or its affiliates, Bridgestone Bandag, LLC (to the extent permitted in its vendor arrangements) will assign to the Customer any warranties given to Bridgestone Bandag, LLC by the vendor of such Products.

5.6 Limitation of Liability. In no event shall Bridgestone Bandag, LLC or any of its affiliates, contractors, subcontractors, Vendors, suppliers, directors, officers, shareholders, employees, or agents be liable to Customer or any other third-party for any indirect, special, consequential, punitive or exemplary damages of any kind (INCLUDING, BUT NOT LIMITED TO, DAMAGES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF DATA, LOSS OF PROFITS OR REVENUE, OR LOSS OF USE OF THE PRODUCT) arising out of or relating to the BASYS MANUFACTURING SYSTEM, Products, Services, loss of Customer data, this Agreement or the performance or breach thereof, even if Bridgestone Bandag, LLC, or such affiliates, contractors, subcontractors, Vendors, suppliers, directors, officers, shareholders, employees, or agents have been advised of the possibility of such damage, and whether based on breach of warranty, breach of contract (including, without limitation, a fundamental breach), negligence, strict liability, tort, or any other legal or equitable theory. Bridgestone Bandag, LLC'S liability to Customer or any other third-party for any damages relating to this Agreement or the BASYS MANUFACTURING SYSTEM, products or services, whether for breach of contract or warranty, strict liability, negligence or otherwise, if any, shall in no event exceed the total of the amounts paid by the Customer to Bridgestone Bandag, LLC under this Agreement for the Product or Service giving rise to such liability.

6. Indemnification.

6.1 Indemnification by Customer. Customer shall defend, indemnify, and hold harmless Bridgestone Bandag, LLC and its parent, subsidiaries and affiliates (including the directors, officers,

employees, and representatives of any of the foregoing) from and against any and all claims, losses, liabilities, judgments, awards and costs (including legal fees and expenses) (collectively, ("Claims") caused by, arising out of, or relating to Customer's use of the Products or Services, improper disclosure of Confidential Information by Customer or its employees or agents, or Customer's other breach of this Agreement, including, without limitation, Claims by an owner or licensor of Software arising from Customer's unauthorized use, copying, modification, distribution, or sale of the Software.

6.2 General Indemnification. Each party ("Indemnifying Party") shall indemnify, defend and hold harmless the other party ("Other Party"), and their respective officers, directors, employees, subcontractors, agents and representatives, from and against any and all Claims, which the Other Party may incur, suffer or be required to pay resulting from or arising out of willfully tortious conduct of the Indemnifying Party, provided that the Other Party: (a) notifies the Indemnifying Party in writing of the Claims within fifteen (15) days of the date the Other Party first becomes aware of such Claims; (b) grants the Indemnifying Party sole control of the defense and settlement of the Claims; and (c) provides the Indemnifying Party with all reasonable assistance, information and authority required for defense and settlement of the Claims, at the expense of the Indemnifying Party.

6.3 Intellectual Property Indemnification by Bridgestone Bandag, LLC. Subject to the limitations set forth in Section 6.4, Bridgestone Bandag, LLC will defend, or at Bridgestone Bandag, LLC's option, settle, any action brought against Customer to the extent that it is based upon a third-party's claim that the Customer's use of the Software within the scope and as authorized by this Agreement, infringes any third-party U.S. patent, copyright or trademark under U.S. law ("Intellectual Property Rights"), and will pay any costs, damages and reasonable attorney's fees attributable to such claim that are awarded against Customer, provided that Customer is qualified for such indemnification only if: (a) notifies Bridgestone Bandag, LLC in writing of the claim within fifteen (15) days of the date Customer first becomes aware of such claim; (b) grants Bridgestone Bandag, LLC sole control of the defense and settlement of the claim; and (c) provides Bridgestone Bandag, LLC with all reasonable assistance, information and authority required for defense and settlement of the claim, at Bridgestone Bandag, LLC's expense. If Customer's use of the Software or Products, hereunder is, or in Bridgestone Bandag, LLC's sole opinion is likely to be, enjoined due to the claim of infringement of the Intellectual Property Rights, Bridgestone Bandag, LLC in its sole discretion may: (i) procure for Customer the right to continue using such Software under the terms of this Agreement; (ii) replace or modify such Software, so that they are non-infringing; or (iii) if options (i) and (ii) above cannot be accomplished despite Bridgestone Bandag, LLC's reasonable efforts, then Bridgestone Bandag, LLC may terminate Customer's rights and Bridgestone Bandag, LLC's obligations hereunder with respect to such Software and refund to Customer any pro rata amount for services already paid for, but not received. Bridgestone Bandag, LLC shall have no obligation to indemnify Customer under this Section 6.3 to the extent the alleged infringement arises from (1) Customer's use of the Software or BASys Manufacturing System in combination with non-Bridgestone Bandag, LLC approved third-party products, including hardware and software, (2) modifications or maintenance of the Software or BASys Manufacturing System by a party other than Bridgestone Bandag, LLC, (3) misuse of the Software or BASys Manufacturing System, and (4) failure of Customer to implement any improvement or updates to the Software or BASys Manufacturing System, if the infringement claim would have been avoided by the use of the improvement or updates. Customer agrees that if its use of the Software or BASys Manufacturing System becomes, or in Bridgestone Bandag, LLC's opinion is likely to become, the subject of an infringement claim, Customer shall permit Bridgestone Bandag, LLC either to procure the right for Customer to continue to use the Software or BASys Manufacturing System or to replace or modify such items, with another item of comparable quality and performance capabilities to become non-infringing. If neither of such alternatives is reasonably possible, the infringing items shall be returned to Bridgestone Bandag, LLC and Bridgestone Bandag, LLC's sole liability to Customer shall be to refund the amounts paid therefore by Customer.

6.4 Indemnification from Third Parties. To the extent Bridgestone Bandag, LLC is permitted, Bridgestone Bandag, LLC shall pass through to Customer any infringement indemnity provided by a third-party licensor, manufacturer, seller or lessor of any Product that Bridgestone Bandag, LLC supplies to

Customer. In no event shall Bridgestone Bandag, LLC have any obligation to Customer or any third-party with respect to any infringement claim based on any of the following: (a) anything provided by Customer or a third-party on Customer's behalf that is incorporated into a Product or Bridgestone Bandag, LLC's compliance with any designs, specifications, or instructions provided by Customer or a third-party on Customer's behalf; (b) modification of a Product by Customer or a third-party on Customer's behalf; (c) the combination, operation, or use of a Product with any product, hardware device, program, data, apparatus, method, or process that Bridgestone Bandag, LLC, if the infringement would not have occurred were it not for such combination, operation or use; (d) the distribution, operation or use of a Product in contravention of this Agreement; or (e) infringement by any Software or Hardware not manufactured by Bridgestone Bandag, LLC.

7. Confidentiality.

7.1 Definition of Confidential Information. Each party agrees that all information supplied by one party and its affiliates and agents to the other including, without limitation, (i) source and object code, prices, trade secrets, mask works, databases, hardware, software, designs and techniques, programs, engine protocols, models, displays and manuals, and the selection, coordination, and arrangement of the contents of such materials, (ii) any unpublished information concerning research activities and plans, customers, employees, marketing or sales plans, sales forecasts or results of marketing efforts, pricing or pricing strategies, costs, operational techniques, strategic plans, Customer (as defined below), unpublished financial information, including information concerning revenues, profits and profit margins, and (iii) any information or material known by the parties to be considered confidential and proprietary or that are received under circumstances reasonably interpreted as imposing an obligation of confidentiality regardless of whether such information was disclosed intentionally or unintentionally or marked as "confidential" or "proprietary", will be deemed confidential and proprietary to the disclosing party (the "Confidential Information"). The foregoing definition shall also include any Confidential Information provided by either party's vendors.

7.2 Non-disclosure and Non-use. Each party will not use the other party's Confidential Information except as expressly permitted herein, and will not disclose such Confidential Information to any third-party except to employees, agents, and consultants as are reasonably required in connection with the exercise of its rights and obligations under this Agreement, provided that such disclosure is subject to binding use and disclosure restrictions at least as protective as those set forth herein, executed in writing by such personnel. Each party will take all reasonable measures to maintain the confidentiality of all Confidential Information of the other party in its possession or control, which will in no event, be less than the measures it uses to maintain the confidentiality of its own information of equal importance. Each party shall promptly notify the other party of any suspected or actual unauthorized disclosure of the other party's Confidential Information.

7.3 Exceptions. Information will not be deemed Confidential Information hereunder if such information: (a) is known to the receiving party prior to receipt from the disclosing party directly or indirectly from a source other than one having an obligation of confidentiality to the disclosing party; (b) becomes known (independently of disclosure by the disclosing party) to the receiving party directly or indirectly from a source other than one having an obligation of confidentiality to the disclosing party; (c) becomes publicly known or otherwise ceases to be secret or confidential, except through a breach of this Agreement by the receiving party; or (d) is independently developed by the receiving party. The receiving party may disclose Confidential Information pursuant to the requirements of a governmental agency or by operation of law, provided that it gives the disclosing party reasonable prior written notice sufficient to permit the disclosing party to contest such disclosure.

7.4 General Skills and Knowledge. Notwithstanding anything in this Agreement to the contrary, Bridgestone Bandag, LLC will not be prohibited or enjoined at any time by Customer from utilizing any skills or knowledge of a general nature acquired during the course of Bridgestone Bandag,

LLC's performance under this Agreement, including, without limitation, information publicly known or available or that could reasonably be acquired in similar work performed for another customer of Provider.

7.5 Remedies. Each party acknowledges that any use or disclosure of the other party's Confidential Information other than as specifically provided for in this Agreement may result in irreparable injury and damage to the non-using or non-disclosing party, and that the damages resulting from such unauthorized use or disclosure are not readily susceptible to measurement in monetary terms. Each party acknowledges that any use or disclosure of the other party's Confidential Information other than as specifically provided for in this Agreement may result in irreparable injury and damage to the non-using or non-disclosing party. Accordingly, each party hereby agrees that, in the event of use or disclosure by the other party other than as specifically provided for in this Agreement and in other written agreements between the parties, the non-using or non-disclosing party shall be entitled to immediate injunctive relief and may obtain a temporary and/or permanent order restraining any threatened or further breach of this Agreement by the disclosing party without the necessity of proving actual damages or posting any bond or security therefore.

8. Term and Termination.

8.1 Term. The initial term of this Agreement shall commence as of the Effective Date specified on Page 1 of this Agreement and shall continue until December 31 of the same year as the year specified in the Effective Date on Page 1 of this Agreement, unless earlier terminated as provided in this Section 8 (the "Initial Term") or as otherwise terminated at the same time consistent with the expiration or termination of the Customer's Bandag Dealer Franchise Agreement. In the event the Customer's Bandag Dealer Franchise Agreement expires or terminates, the Agreement will terminate pursuant to the terms and conditions contained in this Agreement. Unless either party provides the other party written notice not less than ninety (90) days prior to the expiration of the then current Term, this Agreement shall automatically be extended for successive additional twelve (12) month periods (each a "Renewal Term") (the Initial Term and all Renewal Terms are collectively referred to as the "Term"). Notwithstanding the foregoing, an Order may specify a different Initial Term and Renewal Term options, in which case the terms of the accepted Order shall control.

8.2 Termination by Customer. Unless explicitly stated otherwise in an Order accepted by Bridgestone Bandag, LLC, Customer may terminate this Agreement and Customer's right to use the BASys Manufacturing System or Products or receive the Services at any time for any reason by providing ninety (90) days prior written notice to Bridgestone Bandag, LLC, provided that, along with any termination notice by Customer, Customer pays all sums due Bridgestone Bandag, LLC hereunder pursuant to the provisions of Section 8.5.

8.3 Termination by Bridgestone Bandag, LLC for Cause. Bridgestone Bandag, LLC reserves the right to immediately terminate this Agreement and Customer's right to use the BASys Manufacturing System or Products or receive the Services without prior notice or any liability if (a) Bridgestone Bandag, LLC determines in its sole discretion that Customer has violated any of the terms and conditions of this Agreement, including without limitation, any of the terms and conditions of a Confirmed Order or the Exhibits attached hereto, or (b) Customer terminates or suspends its business, becomes insolvent, becomes subject to a statutory bankruptcy or insolvency proceeding, or winds up its operations or sells substantially all of its assets.

8.4 Termination by Bridgestone Bandag, LLC Without Cause. Bridgestone Bandag, LLC reserves the right to terminate this Agreement and Customer's right to use the BASys Manufacturing System or Products or receive the Services for any reason by giving Customer ninety (90) days' prior written notice of such termination. Termination pursuant to this Section 9.4 shall be without any liability

to Customer, except for any prorated prepaid fees or charges to be refunded to Customer pursuant to Section 8.5.

8.5 Effect of Termination or Expiration. On termination or expiration of this Agreement, Customer agrees to pay to Bridgestone Bandag, LLC all outstanding amounts owed to Bridgestone Bandag, LLC under this Agreement and any Order. In addition, if this Agreement is terminated pursuant to either Section 8.2 or Section 8.3, Customer shall also pay the sum of thirty percent (30%) of the fees that would be due Bridgestone Bandag, LLC for the remaining term (i.e., initial or any renewal term) of this Agreement. If this Agreement is terminated pursuant to Section 8.4, Bridgestone Bandag, LLC shall refund to Customer the prorated portion of any prepaid fees or charges paid by Customer for Services that were to be provided or apply to the period after the effective date of the termination. On termination or expiration of this Agreement for any reason, Customer shall lose (a) access to and use of the BASys Manufacturing System and the Services and third-party services, and technical support; (b) Customer shall promptly destroy all Confidential Information or Bridgestone Bandag, LLC and its affiliates in its possession and certify in writing that all such Confidential Information has been destroyed within ten (10) days of such termination or expiration; (c) Bridgestone Bandag, LLC shall return Customer's data to Customer on magnetic or similar medium and Bridgestone Bandag, LLC shall have no liability or responsibility for the storage or retention of any data supplied to Bridgestone Bandag, LLC by Customer after the date of termination or expiration; and (d) Customer shall return the Software to Bridgestone Bandag, LLC or remove Bridgestone Bandag, LLC Software from any Hardware, whether provided by Bridgestone Bandag, LLC or a third-party, in strict accordance with instructions given to Customer by Bridgestone Bandag, LLC at the time of such termination or expiration. All Hardware sales are final and Bridgestone Bandag, LLC shall be under no obligation to buy back any Hardware on termination or expiration of this Agreement.

9. Miscellaneous.

9.1 Use of Customer's Name. With prior written permission, including, without limitation, permission obtained via mail or e-mail communication, Customer grants Bridgestone Bandag, LLC the right to use Customer's name and logo for the sole purpose of identifying Customer as a Bridgestone Bandag, LLC customer in Bridgestone Bandag, LLC's marketing activities, publications and materials.

9.2 Section Headings. The section and subsection headings used in this Agreement and in any amendment hereto, or in any Order or Confirmation are for reference and convenience only and shall not be considered in the interpretation of the language used thereunder.

9.3 Multiple Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original agreement, but all of which shall be considered one instrument and shall become a binding agreement when one or more of the counterparts have been signed by each of the parties and delivered to the other. A telecopy (fax) signature used by the parties in connection with this Agreement shall be as legally effective as an original signature.

9.4 Notices. Unless otherwise expressly provided in this Agreement, all notices required or permitted to be given by one party to the other under this Agreement shall be deemed sufficient if in written form and delivered in person, or if sent by either (a) certified or registered mail, return receipt requested, or (b) overnight courier, to the parties at their respective addresses as set forth above or to such other address as the party to receive the notice has designated by notice to the other party as provided for herein. Any notice given by mail shall be deemed to have been received on the third business day following its mailing, and if delivered by overnight courier or by hand, shall be deemed to have been received on the date of delivery.

9.5 Arbitration. Any and all disputes or claims (except claims by Bridgestone Bandag, LLC for sums due it under this Agreement or actions by Bridgestone Bandag, LLC pursuant to Section 7.5 to enforce and recover damages for the breach of any of the provisions of Section 7), including but not limited to claims for damages, arising out any breach of this Agreement (other than non-payment of sums due

Bridgestone Bandag, LLC hereunder or damages resulting from breaches of any of the provisions of Section 7) shall be resolved solely and exclusively by arbitration in Chicago, Illinois in accordance with the then-current rules of the American Arbitration Association, or its successor. The prevailing party to any arbitration shall be entitled to receive reasonable costs and reasonable attorney's fees from the non-prevailing party. Bridgestone Bandag, LLC shall select one arbitrator and the Customer shall select one arbitrator and the two so selected shall select a third. The arbitrators shall be individuals skilled in the legal and business aspects of the subject matter of this Agreement. Notice of the demand for arbitration shall be made in writing to the other party to this Agreement and to the American Arbitration Association. The demand must be made within one year after the claim or dispute has arisen, or such claim is forever barred. The arbitration award shall be final and binding upon the parties. Judgment upon the award shall be binding and may be entered in any court of competent jurisdiction.

9.6 Assignment. This Agreement shall be binding upon the parties, and their receivers, trustees, permitted assignees, and other representatives. Customer shall not assign, sublicense or otherwise transfer this Agreement or any of Customer's rights or obligations hereunder (voluntarily or involuntarily, by a change of control, operation of law or otherwise) without the prior written consent of Bridgestone Bandag, LLC. Any attempt by Customer to sublicense, assign, or otherwise transfer this Agreement or any of Customer's rights or obligations hereunder without Bridgestone Bandag, LLC's prior written consent shall be void. Customer consents to the assignment by Bridgestone Bandag, LLC of this Agreement or any of Bridgestone Bandag, LLC's rights or obligations hereunder to any of Bridgestone Bandag, LLC's affiliates (or to any of their subsidiaries or affiliates), and hereby waives the right to receive notice of any such assignment.

9.7 Modification. Except as is otherwise provided for herein, this Agreement can be modified only in a writing jointly signed by Customer and Bridgestone Bandag, LLC and attached hereto as an amendment.

9.8 No Waiver. A failure by either party to enforce any procedure, right or obligation granted or required under this Agreement shall not at any time constitute a waiver or modification of such procedure, right or obligation or any other right of either party under this Agreement.

9.9 Validity and Conformance with Law. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision, the remaining provisions being deemed to continue in full force and effect. This Agreement is intended to conform to all applicable laws and regulations affecting the matters stated herein.

9.10 Export Control Laws. Bridgestone Bandag, LLC and Customer acknowledge that the BASys Manufacturing System, all Products and all related technical information, documents, and materials are subject to export controls under the U.S. Export Administration Regulations and similar export or import laws and regulations of other countries. Customer will (a) comply strictly with all legal requirements established under these controls, (b) cooperate fully with any official or unofficial audit or inspection that relates to these controls, and (c) not export, re-export, divert, transfer, or disclose, directly or indirectly, any Products, including Software, or related technical information, document, or material or direct products thereof to any country so restricted by the U. S. Export Administration Regulations, as modified from time to time, or to any national or resident thereof, unless Customer has obtained the prior written authorization of Bridgestone Bandag, LLC and the U.S. Commerce Department and any relevant local governmental authority. Customer agrees that is shall have the sole obligation and responsibility to obtain any and all necessary export and import licenses and all other licenses and permits required by other countries and that Bridgestone Bandag, LLC shall have no liability for the failure to obtain a United States export license.

9.11 Force Majeure. Bridgestone Bandag, LLC shall be under no liability for any loss, cost or damage resulting from any failure by Bridgestone Bandag, LLC to perform any obligation hereunder or from any delay in the performance thereof due to causes beyond its reasonable control or the reasonable control of its suppliers, which causes may include, but shall not be limited to, industrial disputes of any

nature, acts of God, acts of a public enemy, acts of government, failure of telecommunications, fire or other casualty.

9.12 Interpretation. The provisions of this Agreement have been negotiated freely by the parties and therefore it is the parties' intention that provisions hereof not be construed for or against a party merely because it was drafted, in part or total, by one party or the other. With respect to any provision in this Agreement where Bridgestone Bandag, LLC is permitted to amend, replace, or substitute any procedures, standards, or specifications or to make modifications, determinations, elections, or exceptions with respect to any matter, such actions shall be within its sole and absolute discretion, unless otherwise expressly provided in this Agreement.

9.13 Inspection. Bridgestone Bandag, LLC shall have reasonable access to Customer's premises and to Customer's officers, employees, and managers during normal business hours for the purpose of inspecting Customer's equipment, physical plant, electronic and communication connections, applicable production books, and shop records to verify Customer's compliance with the restrictions and obligations of this Agreement and in the Documentation, including without limitation, Customer's compliance with Bridgestone Bandag, LLC's instructions for the return or destruction of Confidential Information and the removal of all Software from any Hardware on termination of this Agreement.

9.14 Survival. Any provision of this Agreement which contemplates performance or observance subsequent to termination or expiration of this Agreement (including, without limitation, confidentiality, limitation of liability and indemnity provisions) shall survive termination or expiration of this Agreement and continue in full force and effect.

9.15 Choice of Law and Forum; Waiver of Jury Trial. This Agreement is governed by the laws of the State of Iowa, without regard to its choice of laws rules or principles. Subject to Section 9.5, the parties consent and agree that all cases, claims and controversies based upon, relating to, or arising out of this Agreement or the provision of Products, Services, or ASP Services shall be adjudicated only in a state or federal court located in Muscatine County, Iowa, or the United States District Court for the Southern District of Iowa. Each party hereby consents to the jurisdiction of such courts over any dispute or litigation arising from this Agreement. Final judgment in any such suit, action, or proceeding brought in any such court shall be conclusive and binding upon Customer and may be enforced in any court to whose jurisdiction Customer is subject, by a suit upon such judgment provided that service of process is effected upon Customer in a manner permitted by applicable law. The parties hereby agree that any court proceedings, actions or suits that may be based upon, relating to or arising out of this Agreement or the provision of Products, Services or ASP Services shall be determined by a court sitting without a jury. **The parties hereby waive any right to a jury trial.** The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded. Notwithstanding anything in this Section 9.15 to the contrary, an action or proceeding may be brought by Bridgestone Bandag, LLC pursuant to Section 7.5 against Customer in any court to whose jurisdiction the Customer is subject to enforce any of the provisions of Section 7.

9.16 Currency. Unless otherwise specifically identified, any reference in this Agreement (including in all Orders and Confirmations) to currency is to United States currency and any amount advanced, paid or calculated is to be advanced, paid or calculated in United States currency.

9.17 Quebec. If the Customer is located in the province of Quebec, Canada, it is the express wish of parties that this agreement and/or any related documents have been drawn up in a language other than French. French translation: *Il est de la volonte expresse des parties quele présent contrat et/ou tous les documents qui s'y rattachent soient rédigés dans une langue autre que le Francais.*

9.18 Rights and Remedies Cumulative. Unless otherwise expressly provided in this Agreement, the rights and remedies set forth in this Agreement are cumulative and are not intended to be exhaustive or exclusive of any other right or remedy available at law or in equity and the exercise by either party of any

right or remedy does not preclude the exercise of any other rights or remedies in this Agreement or that may now or subsequently exist in law, in equity, or otherwise.

9.19 Contractors. Customer understands and agrees that Services to be provided hereunder to Customer may be provided directly by employees of Bridgestone Bandag, LLC or its affiliates (or by any of their leased workers or duly authorized independent contractors) or by other third-parties under subcontract to perform such work for Bridgestone Bandag, LLC.

9.20 U.S. Government Intellectual Property Rights. Government Customer Intellectual Property Rights. The Services, Products and BASys Manufacturing System that the Customer acquires or uses under this Agreement are, or include, Commercial Computer Software as defined in 48 C.F.R. 2.101 and commercial Computer Software Documentation. Further, the Services, ASP Services, and Products that the Customer acquires or uses under this Agreement are commercial items, as defined in 48 C.F.R. 2.101. If the Customer acquires any Services, ASP Services, or Products for the performance of a contract with the United States Government (the "Government") at any tier, the Government shall acquire only the rights in Bridgestone Bandag, LLC's Technical Data, Computer Software, and Computer Software Documentation contained in Bridgestone Bandag, LLC's standard commercial license. If the Customer acquires any Services, ASP Services, or Products for the performance of a contract with the Department of Defense, the definitions of "Commercial Computer Software", "Computer Software", and "Computer Software Documentation" as set forth in 48 C.F.R. 252.227-7014 and the definition of "Technical Data" as set forth in 48 C.F.R. 252.227-7015 shall apply to this Section 9.20.

EXHIBIT A
BASYS MANUFACTURING SYSTEM - DESCRIPTION OF PRODUCTS AND SERVICES

1. BASys Manufacturing System Software Modules.

The following is a description of the Software modules that are part of the BASys Manufacturing System as of the Effective Date of the Master Agreement. Additional descriptions are included in the Documentation. The Software modules that are part of the BASys Manufacturing System for each individual Customer are listed in Exhibit C and are subject to change from time to time in Bridgestone Bandag, LLC's sole discretion. Customer must contact Bridgestone Bandag, LLC for a current listing of the Software Modules that are in their BASys Manufacturing System Proposal Agreement.

1.1 Retread Shop Management includes:

(a) Retread Database

(b) Inventory Processing (Raw Materials & Finished Goods)

(c) Inventory Reports/Lists

(d) Retread Shop Order Processing

(e) Adjustment Claims

(f) Shop Reporting

1.2 Barcode Inventory Management Software

1.3 Retread Inventory Control includes

(a) Casing Match-up/Receiving

(b) Finished Good Shipping/Transfer

(c) Raw Material Inventory

(d) Finished Goods Inventory

1.4 Fleet Management Reporting

1.5 Charts and Graphs

1.6 POS /BASys/Data Channel Interface

1.7 Casing Inventory Control including:

(a) Inventory Receipts

(b) Out for Retread

(c) In from Retread

(d) Sales/Transfers

(e) Physical Inventory

1.8 Mobile Plant Inventory Manager Pro includes:

(a) Casing Matchup

(b) Raw Materials

(c) Inventory

(d) Receipts

(e) Casing Reconciliation

(f) Move Casings

(g) Pending RAR

NOTE: Requires a wireless network and wireless-capable handhelds

1.9 POS Mobility Pro includes:

(a) Tire Info

(b) Label Reprint

(c) Shipping

(i) Transfer

(ii) Ship and Bill

(iii) Ship and DR

(iv) Product Returns

(v) POS Transfer

(vi) Casing Bank Inventory

(vii) POS Transfer Matchup

(viii) Truck Load/Unload

(d) Finished Goods Inventory

(e) WIP Report

(f) Service Checkpoint

NOTE: Requires a wireless network and wireless-capable handhelds

1.10 Fleet Inventory Reporting and BASys Fleet Inventory (BFI)

1.11 Field Service Mobility

(a) Retread Work Order Entry

(b) E-Service Work Order Entry

1.12 BASys Toolbox Emergency Service Work Order Entry

2. Training Services for BASys Manufacturing System

2.1 Overview. The following is a description of the installation and Training Services that Bridgestone Bandag, LLC provides for the BASys Manufacturing System. The installation and training Services made available by Bridgestone Bandag, LLC are subject to change from time to time in Bridgestone Bandag, LLC's sole discretion. Customer must contact Bridgestone Bandag, LLC for a current listing of available installation and training Services. The installation and/or training Services to be provided by Bridgestone Bandag, LLC to Customer shall be as set forth in a Confirmed Order.

(a) Initial On-site survey and Pre-Installation Meeting (PIM)

(b) Initial On-site Training

(c) Follow Up Training – may be onsite or at a secondary location

2.2 Installation Services. Customer shall be responsible for the installation of Products ordered by Customer at Customer's expense.

2.3 Limitations on Installation Services. If Bridgestone Bandag, LLC's effort to install a Product is unsuccessful because of: (a) problems with Customer's hardware or software, (b) a communication network that Customer is providing, or (c) Customer's failure to prepare the site according to specifications for the Product, Bridgestone Bandag, LLC may attempt to resolve the problem at an additional charge on a time and materials basis or cancel its obligation to provide the Product, in which case Customer shall reimburse Bridgestone Bandag, LLC for time and materials expended and out of pocket expenses incurred prior to such cancellation.

2.4 Access to Customer Sites. Customer shall grant Bridgestone Bandag, LLC and its employees and representatives reasonable access to Customer's premises during normal business hours (and otherwise as may be mutually agreed) for the purpose of training Customer's employees on the use of the BASys Manufacturing System. Bridgestone Bandag, LLC shall comply with all reasonable workplace rules of Customer regarding smoking, safety and similar rules that are communicated to Bridgestone Bandag, LLC. Customer acknowledges that failure to maintain suitable site conditions can affect operation of the BASys Manufacturing System and may invalidate the manufacturers' warranties, if any that may be provided.

2.5 Personnel. In consultation with Bridgestone Bandag, LLC, Customer shall make sufficient personnel available for training and support on the operation of the Product and to learn the applications of the BASys Manufacturing System to Customer's business. Customer shall also identify one of its employees who shall serve as Bridgestone Bandag, LLC's principal contact on routine matters related to matters such as the training.

2.6 Equipment and Supplies Furnished By Customer. Unless included within a Confirmed Order, Customer shall furnish, at its sole expense, all utilities, communication lines, electrical connections, environmental control equipment, telephone lines, network cabling, and other such items that may be required in connection with the delivery, installation, maintenance and use of the BASys Manufacturing System.

2.7 Installation of Software by Bridgestone Bandag, LLC on Equipment Provided by Third Parties. Bridgestone Bandag, LLC shall be under no obligation to install Software on equipment provided by third parties. However, to the extent that Services to be provided by Bridgestone Bandag, LLC to

Customer include the installation of Software (or software provided by any third-party) on any computer, server, or other piece of specification-compliant hardware which has been supplied to Customer by a third-party (i.e., other than on Hardware provided by or through Bridgestone Bandag, LLC), Bridgestone Bandag, LLC will endeavor to use reasonable efforts to complete the installation; provided however, that (a) Bridgestone Bandag, LLC shall not be held responsible for any unsuccessful installation or failed functionality, (b) Customer acknowledges that additional fees or expenses may be incurred by Customer as a consequence of such efforts; and (c) Bridgestone Bandag, LLC shall not be responsible for updates of software provided by third parties and may require Customer to update such third-party software if necessary to support a then-current version of the BASys Manufacturing System.

2.8 Acceptance. If Bridgestone Bandag, LLC provides installation Services for the BASys Manufacturing System, when Bridgestone Bandag, LLC notifies Customer of its completion of installation, Customer shall have ten (10) calendar days to inspect the BASys Manufacturing System. During such ten (10) day evaluation period, Customer shall either accept ("System Acceptance") or reject the BASys Manufacturing System. If Customer fails to effectively reject the BASys Manufacturing System in a written document received by Bridgestone Bandag, LLC within such 10 day period, Customer shall be deemed to have conclusively accepted the BASys Manufacturing System. If Customer rightfully rejects the BASys Manufacturing System, it shall identify with particularity to Bridgestone Bandag, LLC in writing all material deficiencies. Bridgestone Bandag, LLC may elect to correct such deficiencies, or if it is unable or unwilling to do so, Bridgestone Bandag, LLC will so notify Customer. Thereafter, Customer may either (a) retain the BASys Manufacturing System with such deficiencies, in which case Customer will be deemed to have accepted the BASys Manufacturing System, and Bridgestone Bandag, LLC shall be entitled to receive all installation and other fees under this Agreement, or (b) upon request from Customer, Bridgestone Bandag, LLC will de-install and remove the BASys Manufacturing System from Customer's premises within thirty (30) days. Rejection of the BASys Manufacturing System under this Section 2.8 will result in termination of the Agreement. Customer shall not unreasonably withhold or delay System Acceptance. Bridgestone Bandag, LLC's sole liability, and Customer's sole remedy, for nonconformance shall be to cure the nonconformance or terminate this Agreement in accordance herewith.

3. Support Services

3.1 Overview. The following is a description of the maintenance and support Services ("Support Services") that Bridgestone Bandag, LLC provides for the BASys Manufacturing System.

3.2 Covered Maintenance.

(a) Customer will have access to Bridgestone Bandag, LLC's customer Support Services as detailed in Section 3(e) below for the determination and resolution of BASys Suite of Products issues. Bridgestone Bandag, LLC will also provide telephone and internet telnet support during normal business hours.

(b) Bridgestone Bandag, LLC will respond to covered support calls within four (4) coverage period hours from receipt of a trouble call.

(c) Customer will receive periodic updates, enhancements, improvements, modifications and corrections (the "Updates") to the Software included in Customer's BASys Manufacturing System, and any accompanying Documentation. Customized Software applications are not subject to periodic updates.

(d) Customer will be notified of and invited to BASys Manufacturing User Group meetings and training classes as they may be scheduled. Classes may be offered at the then-prevailing rates.

(e) Bridgestone Bandag, LLC will provide Software Support Services under the Plan designated in the Approved and Accepted Proposal.

Expenses for travel are not included with the 2 days of on-site training and will be billed separately. Accumulated training days expire after 24 months. Please allow 30 days advanced notice on requests to use your on-site training time. Requests to purchase additional on-site training days will be addressed based upon availability.

Normal Support Hours are established as Tier 1 Support 7:00 AM to 10:30PM Central Standard Time. Normal Support Hours for Tier 2 Support is 8:00 AM – 5:00 PM Central Standard Time.

3.3 Limitations.

(a) Support Services do not include:

(i) Consultation regarding applications, design or recommendations regarding modifications;

(ii) Assistance with Software problems resulting from user negligence or fault, hardware malfunction, or problems that do not significantly impair or affect the operation of supported software;

(iii) Support of dealer's remote point of sale locations. Bridgestone Bandag, LLC will support designated corporate office and retread plant locations only. Remote point of sale location support is available at a separate billable rate to the dealer.

(iv) Assistance with or updates to Third-party Software, unless otherwise specified in a Confirmed Order; or

(v) Any Support Services not listed under Section 3 above may be performed with Customer's prior approval on a per-hour basis at the Bridgestone Bandag, LLC's then-prevailing rate. Customer is strictly prohibited from seeking software support and maintenance services for the BASys Manufacturing System from a third-party individual or company unless authorized and approved in advance by an authorized representative of Bridgestone Bandag, LLC.

3.4 No Support of Out-Dated Software. Customer acknowledges that Bridgestone Bandag, LLC's responsibility and obligation to provide support, if any, to Customer for any Software licensed to Customer by Bridgestone Bandag, LLC (whether such support is via telephone, e-mail, on-site, or otherwise and whether the Software, applications or operating systems were provided by Bridgestone Bandag, LLC or by any other party), shall (unless otherwise provided in the Proposal) be limited to: (a) the then-current version/release of the Software, application or operating system, and (b) the version/release of the Software, application or operating system officially released by the applicable Software manufacturer immediately prior to the most current version/release.

3.5 No Support of software on Out-of-Date Hardware. Customer acknowledges that certain Software applications acquired by Customer may require unique configurations and/or minimum power specifications for proper installation and effective use on hardware not supplied by Bridgestone Bandag, LLC. While Bridgestone Bandag, LLC shall endeavor to alert Customer to the extent Bridgestone Bandag, LLC may become aware that Customer's hardware fails to meet configurations and specifications for Software acquired hereunder, unless otherwise expressly provided in a Confirmed Order, Customer assumes all responsibility for ensuring that its hardware and systems meet or exceed the minimum or better

configurations and specifications for the Software acquired hereunder and any third-party vendor's software. At Bridgestone Bandag, LLC's sole discretion, software installed on outdated hardware, including hardware that has reached its manufacturer specified end of life, may not be supported.

3.6 No Hardware or Unlimited Hardware Support. Customer acknowledges that Bridgestone Bandag, LLC Software Support Services include determination and resolution of issues directly related to the use of the BASys Manufacturing Software. During troubleshooting of incoming support incidents, Bridgestone Bandag, LLC may determine that the source of the Customer issue is directly due to a hardware related failure or local wide area networking issues. If the issue is isolated down to a hardware failure, Customer assumes all responsibility for having the failed unit repaired or replaced through the components manufacturer. After Customer receives repair or replaced unit back from the manufacturer, Bridgestone Bandag, LLC will assist with the reload and/or reconfiguration of software on repaired or replaced unit for the Customer at our then prevailing service rates. If issue is directly related to a local or wide area networking issue, Customer assumes all responsibility for troubleshooting and resolving issues related to their own local or wide area network.

EXHIBIT B
USE OF BASYS MANUFACTURING SYSTEM

1. Permitted Use of BASys Manufacturing System.

The BASys Manufacturing System is available to Customer exclusively on an application service provider ("ASP") subscription basis. This specific type of use permitted for Customer is set forth in the Accepted Order and shall at all times remain subject to the terms of the Agreement and the terms and conditions set forth in this Exhibit B.

2. ASP Services.

2.1 Services Provided. Subject to the conditions and limitations described in the Agreement and this Exhibit B, including the payment of applicable fees, Bridgestone Bandag, LLC will provide the Customer with non-exclusive, non-transferable and limited access to the BASys Manufacturing System via remote communications from a central data server on a non-exclusive basis ("ASP Services"). Bridgestone Bandag, LLC will provide Customer with a user name and password for Customer's employees who have been informed by Customer of the permissible uses and restrictions on use of the BASys Manufacturing System ("Authorized Users"). The ASP Services shall be used solely for Customer's internal business purposes and only by Authorized Users. Customer agrees not to: (a) use the ASP Services to provide outsourcing services or to third parties or in a service bureau environment; or (b) alter, modify, translate, copy, distribute, disassemble, reverse engineer, sublicense, transfer, reproduce, distribute or create derivative works of the ASP Services or any Bridgestone Bandag, LLC Software or to attempt to do any of the foregoing. Customer shall be under no obligation to pay for Bridgestone Bandag, LLC's expenses in connection with third-party ASP hosting beyond the fees and charges contemplated under this Agreement.

2.2 Pricing. Customer agrees to pay Bridgestone Bandag, LLC the fees described in the accepted and Confirmed Order, along with any applicable taxes in accordance with the Agreement. Any included Proposals or Exhibits shall be considered a part of this Agreement for all purposes. Bridgestone Bandag, LLC will endeavor to provide Customer with notice of changes in the prices of its Products, Services or the BASys Manufacturing System including fee changes detailed in any included Proposals or Exhibits. However, Bridgestone Bandag, LLC reserves the right to revise, modify or amend the fees of any or all Products or Services at any time with or without notice to Customer or to any other person.

2.3 Customer Information. Customer is responsible for any information transmitted to Bridgestone Bandag, LLC and shall have the right to receive from Bridgestone Bandag, LLC all such transmitted information on magnetic media if requested by Customer subject to the prior payment of a media fee determined by Bridgestone Bandag, LLC. Customer agrees not to transmit or distribute any material that is unlawful, illegal, pornographic, offensive or in violation of any person's or entity's property, privacy or civil rights. Bridgestone Bandag, LLC shall have no liability with regard to any information or data transmitted to Bridgestone Bandag, LLC by Customer.

2.4 Security Measures. Bridgestone Bandag, LLC will take reasonable security measures to protect all data captured through the ASP Services and stored on Bridgestone Bandag, LLC's servers from being disclosed to a third-party or from being destroyed. If Customer discovers or knows of any breach in the security measures put in place by Bridgestone Bandag, LLC, Customer will immediately report those breaches to Bridgestone Bandag, LLC. Customer shall not attempt to or cause others to bypass such security measures or otherwise hack into or allow others to hack into Bridgestone Bandag, LLC's servers. In the event of a breach of this Section 2.4 by Customer, Bridgestone Bandag, LLC will be able to immediately terminate the Agreement, terminate or suspend Customer's access to and use of the BASys Manufacturing System and seek all remedies available to it. In the event of any loss of data captured through the ASP Services, Bridgestone Bandag, LLC will cooperate with Customer by complying with all reasonable

requests in an attempt to recover the data but Customer acknowledges that lost data may not be recoverable and that Bridgestone Bandag, LLC will not be liable for any damages caused by, relating to, or arising out of any such loss of data.

2.5 Third-Party Services. As part of the ASP Services, Bridgestone Bandag, LLC will provide access to services owned by third parties on a nonexclusive basis. Customer will use such third-party services solely for its internal business purposes and acknowledges that the owner of such third-party services is the sole and exclusive owner of all right, title, and interest in and to the third-party services, any modifications or improvements made thereto, derivative works made there from, and all related materials, documentation, know-how, and intellectual property related thereto. Customer agrees not to (a) use the third-party services to provide outsourcing services to third parties or in a service bureau environment; and (b) alter, modify, translate, copy, distribute, disassemble, reverse engineer, sublicense, transfer, or create derivative works of the third-party services, or to attempt any of the foregoing. Customer's use of the third-party services shall be subject to any other conditions placed on the use of the third-party services by the third-party owner of such services.

2.6 Interruption in Service and Refund Schedule of Service Fees.

(a) Customer's access to the ASP Services may be interrupted periodically due to failures of servers, telecommunication carriers/providers, the Internet backbone, Internet servers, Customer's equipment, or due to utility brownouts or blackouts.

(b) Customer's access to the ASP Services ("Data Center Access") may be interrupted periodically due to failures of servers, telecommunication carriers/providers, the Internet backbone, Internet servers, and Customer's equipment or due to utility brownouts or blackouts. In the event the Data Center Access is unavailable for more than thirty (30) contiguous minutes due solely to Bridgestone Bandag, LLC's actions, Bridgestone Bandag, LLC's equipment failure, or third-party ASP hosting, other than for planned maintenance or repair of which Customer has been notified, Customer has the right to request a refund of fees due for the ASP Services. Customer must request any refund due hereunder within 30 days of the conclusion of the month in which it accrues. Customer waives any right to refunds not requested within this 30-day period. Refunds will be issued once validated by Bridgestone Bandag, LLC and applied toward the invoice which Customer receives no later than two months following Customer's refund request.

(c) All performance calculations and applicable service refunds are based on Bridgestone Bandag, LLC's records and data. The length of service outage for the Data Center Access is determined and calculated on a per-occurrence basis, commencing upon Bridgestone Bandag, LLC's initial awareness of an outage and ending when the service has been restored. Customer's refund is a prorated amount derived from the length of service outage and Customer's ASP monthly subscription fee ("AMSF") for the ASP Services. Processing of any refund will be done by Bridgestone Bandag, LLC in accordance with the parameters specified below. Customer acknowledges that this Section sets forth Bridgestone Bandag, LLC's only liability and Customer's exclusive for any interruptions, deficiencies, or failures of any kind related to the ASP Services and that no other remedies shall exist.

Access Type	**Length of Outage**	**Amount of Refund**
Data Center Access	Less than 30 minutes	None
Data Center Access	30 minutes to 60 minutes	1 day prorated AMSF
Data Center Access	60 minutes to 6 hours	2 days prorated AMSF
Data Center Access	More than 6 hours	4 days prorated AMSF

(d) In no event will the refunds under this Section 2.6 accrued in any single month exceed, in the aggregate across all service levels and events, fifty percent (50%) of the invoiced amount for the affected Service. This Section 2.6 provides Customer's sole and exclusive remedies for any ASP Service

interruptions, deficiencies, or failures of any kind. The refunds available under this Section 2.6 shall not apply with respect to any event that adversely impacts the ASP Service that is caused by (a) the acts or omissions of Customer, its employees, customers, contractors or agents; (b) the failure or malfunction of equipment, applications or systems not owned or controlled by Bridgestone Bandag, LLC; (c) Force Majeure events; (d) scheduled maintenance; (e) any suspension of or access to the ASP Services pursuant to the Agreement; (f) the unavailability of required Customer personnel, including as a result of failure to provide Bridgestone Bandag, LLC with accurate, current contact information; or (g) any other circumstance specified in the applicable Documentation.

2.7 Technical Support. Provided that Customer pays (and continues to pay) all applicable fees as set forth in a Confirmed Order and is not otherwise in breach of the Agreement, Bridgestone Bandag, LLC will provide technical support for the ASP Services to assist Customer in resolving problems encountered with the use of the ASP Services as defined in Bridgestone Bandag, LLC's then current technical support policy. For purposes of this Exhibit B, "Technical Support" means (a) the provision to Customer of the Documentation related to the ASP Services that is made generally available to all Bridgestone Bandag, LLC customers; (b) the provision of all updates, modifications, enhancements, upgrades, and new versions of the ASP Services that are generally made available to all Bridgestone Bandag, LLC customers; and (c) at Customer's request, the provision to Customer of reasonable assistance and consultation, via email or telephone during Bridgestone Bandag, LLC's normal business hours, excluding holidays observed by Bridgestone Bandag, LLC, as set forth in Bridgestone Bandag, LLC's then-current technical support policy.

2.8 ASP Service Limited Warranty. With respect to Customer's use of the ASP Services, Bridgestone Bandag, LLC warrants that Bridgestone Bandag, LLC will not knowingly transfer to Customer's computer systems computer viruses, time bombs, harmful and malicious data, or other malware that inhibits the use of the ASP Services. EXCEPT FOR THE WARRANTY SET FORTH IN THIS SECTION, (a) ACCESS TO AND USE OF THE ASP SERVICES AND DOCUMENTATION, AND (b) THE DELIVERY OF ALL ASP SERVICES ARE "AS IS," AND BRIDGESTONE BANDAG, LLC DISCLAIMS ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

3. Software License

3.1 Software License. Subject to the terms and conditions of the Agreement and any applicable shrink wrap or click wrap agreement or Vendor License Terms (as defined below), and except as may be otherwise specifically provided in a Confirmed Order, Bridgestone Bandag, LLC hereby grants Customer a non-exclusive, non-transferable limited right to access and use the object code version of the Software from the ASP hosted environment as indicated on the accepted Order solely for the internal business purposes of Customer. Customer shall not have the right to obtain or use any source code for the Software.

3.2 Third-party Vendor License Terms. To the extent that the modules included in the BASys Manufacturing System licensed by Customer pursuant to a Confirmed Order includes Software provided by or through a third-party vendor that permits use of Third-Party Software subject to terms and conditions set forth in a software purchase agreement, a use or license agreement, a participation agreement, or some similarly named document ("Vendor License Terms"), such Software , when ordered by Customer, shall be deemed to incorporate the requirements of the applicable Vendor License Terms. Customer hereby acknowledges and agrees that to the extent any Vendor License Terms apply to software purchased, leased, licensed or sublicensed by or through Bridgestone Bandag, LLC pursuant to this Agreement, Customer's acquisition, use and operation thereof shall be subject to all applicable Vendor License Terms.

3.3 Proprietary Rights. Bridgestone Bandag, LLC and its licensors retain all rights to Software and Documentation not expressly granted to Customer herein. Customer acknowledges that ownership of

the Software, including all intellectual property rights therein and all modifications thereof, is and shall remain in Bridgestone Bandag, LLC (or in one or more of its Affiliates) and its licensors. The Software shall be considered confidential in perpetuity. Customer shall not disclose information about the Software and shall use the Software only for the purposes specifically contemplated herein. Customer will hold the Software in confidence and safeguard it from disclosure to third parties, unauthorized reproduction, and use and access by third parties. Customer may provide suggestions, ideas and other feedback on Products and/or Services to Bridgestone Bandag, LLC; however, such information is voluntary and Bridgestone Bandag, LLC is not obligated either to hold it in confidence or obligated in any other way with respect to such information.

EXHIBIT E

NATIONAL ACCOUNT PROGRAM DESCRIPTION

EXHIBIT E

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:

Exhibit A: Dealer Locations

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 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

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

By: _____
(Sign above)

_____
(Print name and title of person signing on behalf of Bandag)

Bridgestone Bandag, LLC
200 4th Avenue South
Nashville, TN 37201
Attn: Fleet Support Department
Facsimile Number: 563.262.1039

DEALER:

By: _____
(Sign above)

_____
(Print name and title of person signing on behalf of Dealer)

_____
(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

BRIDGESTONE AMERICAS TIRE OPERATIONS

BANDAG SMART RESOURCE

PROGRAM POLICY

V.2022-01

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

IX. BASys MANUFACTURING AUTHORIZATION AGREEMENT 11

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, BCS 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 BCS 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, ZTM and ZD.

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 BCS 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 BCS 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 BCS 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 BCS 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 BCS representative. *Please see your BCS 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 BCS 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 ZTM & RM approval limit for equipment sold by Bandag and IT products is $250,000.
g. Anything above the ZD & ZTM 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

bandag

© 2022 Bridgestone Americas Tire Operations, LLC. All Rights Reserved.

EXHIBIT H

LIST OF CURRENT FRANCHISED AND BANDAG OWNED DEALERSHIPS AND LIST OF FORMER FRANCHISEES

List of Franchise Locations as of December 31, 2023

ALABAMA

Andalusia Tire Company
850 W BYPASS
ANDALUSIA
ALABAMA 36420-4735
3342223136

Southern Tire Mart, LLC
3340 VANDERBILT RD
BIRMINGHAM
ALABAMA 35217
2053226602

McGriff Treading Co., Inc.
82 WALNUT ST NW
CULLMAN
ALABAMA 35055-5928
2567390780

Westmoreland Tire Co., Inc.
1920 INDUSTRIAL BLVD SW
FORT PAYNE
ALABAMA 35968-3604
2568455553

Westmoreland Tire Co., Inc.
444-A S CENTERVILLE ST
GREENSBORO
ALABAMA 36744-0000
3346243204

McGriff Treading Co., Inc.
190 INDUSTRIAL DR
OXFORD
ALABAMA 36203-2044
2562378684

Simmons Tire Co., Inc.
612 E 2ND ST
SHEFFIELD
ALABAMA 35660-3218
2563812333

ARIZONA

Southern Tire Mart, LLC
2811-15 North 32nd Avenue
PHOENIX
ARIZONA 85009
6022729308

ARKANSAS

Southern Tire Mart, LLC
10001 Diamond Drive
NORTH LITTLE ROCK
ARKANSAS 72117
5019458837

Southern Tire Mart, LLC
3700 N SERVICE RD
WEST MEMPHIS
ARKANSAS 72301-2312
8707330100

CALIFORNIA

Parkhouse Tire Service, Inc.
6006 SHULL STREET
BELL GARDENS
CALIFORNIA 90201
5629278333

Parkhouse Tire Service, Inc.
5960 SHULL ST BELL
GARDENS
CALIFORNIA 90201-6235
5629278333

Parkhouse Tire Service, Inc.
14521 HAWTHORN AVE
FONTANA
CALIFORNIA 92335
5629278333

Delray Tire & Retreading, Inc.
3666 S BAGLEY AVE
FRESNO
CALIFORNIA 93725-2426
5594851761

Inland Industrial Tire
30900 SAN ANTONIO ST
HAYWARD
CALIFORNIA 94544-7110
5104292999

McCoy Truck Tire Service Center, Inc.
1226 9TH STREET
MODESTO
CALIFORNIA 95351-2859
2095216221

Santa Maria Tire, Inc.
2170 Hutton Road, Building A
NIPOMO
CALIFORNIA 93444
8059282501

Tehama Tire Service, Inc.
427 KIMBALL RD
RED BLUFF
CALIFORNIA 96080-4400
5305275272

McCoy Truck Tire Service Center, Inc.
1537 E MARKET ST
STOCKTON
CALIFORNIA 95205-5532
2095216221

Southern Tire Mart, LLC
2495 South K Street
TULARE
CALIFORNIA 93274
5596855050

Southern Tire Mart, LLC
9642 RUSH ST
SOUTH EL MONTE
CALIFORNIA 91733
6264420297

Southern Tire Mart, LLC
233 BELLEVUE AVE
SANTA ROSA
CALIFORNIA 95407-7805
7075458740

Southern Tire Mart, LLC
4336 POCK LN, SUITE 200
STOCKTON
CALIFORNIA 95206-3938
2099839495

CONNECTICUT

Pete's Tire Barn, Inc.
260 CHAPEL RD
SOUTH WINDSOR
CONNECTICUT 06074
8602919615

COLORADO

Pomp's Tire Service, Inc.
4500 E 51ST AVE DENVER
COLORADO 80216-3110
3034562005

Southern Tire Mart, LLC
1641 2ND AVE
GREELEY
COLORADO 80631
9703524562

Southern Tire Mart, LLC
10611 CHARTER OAK RANCH RD
FOUNTAIN
COLORADO 80817-4008
7193825248

FLORIDA

Dan Callaghan Enterprise, Inc.
1301 44TH AVE E
BRADENTON
FLORIDA 34203-3631
9417511577

Boulevard Retread Center
1201 BISCAYNE BLVD
DELAND
FLORIDA 32724-2105
3867400279

Boulevard Retread Center
160 Sunburst Lane
DUNDEE
FLORIDA 33838
3867346447

Boulevard Retread Center
570 HENDERSON RD
JACKSONVILLE
FLORIDA 32254-3515
9047868512

Boulevard Retread Center
3850 NW 30TH AVE
MIAMI
FLORIDA 33142-5116
3056358116

Dan Callaghan Enterprise, Inc.
891 W 13TH ST
RIVIERA BEACH
FLORIDA 33404-6709
5618452875.

GEORGIA

Mid-GA Commercial Tire
3755 BROWNS MILL RD SE
ATLANTA
GEORGIA 30354-2946
6067621650

Jim Whitehead Tire Service, Inc.
2508 DEANS BRIDGE RD
AUGUSTA
GEORGIA 30906-2202
7067385126

North Georgia Tire, Inc.
161 CRISS BLACK RD NW
CARTERSVILLE
GEORGIA 30120-4900
7703871400

Columbus Tire Company
1133 4TH STREET
COLUMBUS
GEORGIA 31901-3351
7063218133

Southern Tire Mart, LLC
75 PINYON ROAD
COVINGTON
GEORGIA 30016
7707975133

Doyle Hayes Tire Service, Inc.
3010 E WALNUT AVE
DALTON
GEORGIA 30721-8769
7062782070

Dorsey Tire Company
1476 HIGHWAY 80 E
POOLER
GEORGIA 31322-8904
9129646798

Smith Bros. Tire Service, Inc.
1396 STATESBORO HWY
SYLVANIA
GEORGIA 30467-8232
9128634567

HAWAII

United Tire and Recapping
1276 MIKOLE ST
HONOLULU
HAWAII 96819-4321
8088452208

IDAHO

Commercial Tire, Inc.
450 E GOWEN RD
BOISE
IDAHO 83716-6609
2083627770

ILLINOIS

Jireh, Inc.
1103 HWY 106
BARRY
ILLINOIS 62312-0106
2173353276

Wentworth Tire Service, Inc.
720 E 120TH ST
CHICAGO
ILLINOIS 60628-5738
7732641900

Tommy House Tire Co.
1395 S. TAYLORVILLE RD
DECATUR
ILLINOIS 62523-1320
2174232690

Pomp's Tire Service, Inc.
721 PRAIRIE DUPONT DRIVE
DUPO
ILLINOIS 62239
6182867400

Pomp's Tire Service, Inc.
1990 GREENFIELD RD
MONTGOMERY
ILLINOIS 60538-1161
6308965545

Pomp's Tire Service, Inc.
3145 CENTRAL AVENUE
WAUKEGAN
ILLINOIS 60085-4718
8473364700

Pomp's Tire Service, Inc.
1150 ATLANTIC DR
WEST CHICAGO
ILLINOIS 60185-5103
6302315507

INDIANA

McMahon Tire Service, Inc.
3525 INDEPENDENCE DR
FORT WAYNE
INDIANA 46808-4500
2604829770.

Pomp's Tire Service, Inc.
7930 NEW JERSEY AVE
HAMMOND
INDIANA 46323-3039
2198451169

Best One Retreading of Indianapolis, Inc.
9302 E 30TH ST
INDIANAPOLIS
INDIANA 46229-1079
3178956166

Best One Retreading of Jeffersonville, Inc.
3215 INDUSTRIAL PKWY
JEFFERSONVILLE
INDIANA 47130-9666
7653484900

Pomp's Tire Service, Inc
2700 Schuyler Ave.
LAFAYETTE
INDIANA 47905
7651424000

Southern Indiana Tire Inc
1342 W 100 N
PRINCETON
INDIANA 47670-8550
8123866444

IOWA

Jacks OK Tire
HWY 18 EAST
ALGONA
IOWA 50511-0695
5152952459

Pomp's Tire Service, Inc.
700 N HWY 148
ANITA
IOWA 50020
7127624300

Eastern Iowa Tire, Inc.
8528 NORTHWEST BLVD
DAVENPORT
IOWA 52806-6415
8002921266

Eastern Iowa Tire, Inc.
1775 E EUCLID AVE
DES MOINES
IOWA 50313-4729
8003738614

Rogers Tire Service, LLC
3011 5TH AVE S
FORT DODGE
IOWA 50501-2926
5155733621

KANSAS

Best One Retreading of Great Bend, LLC
725 Washington Street
GREAT BEND
KANSAS 67530
6207935414

Pomp's Tire Service, Inc.
1010 S 12 STREET
KANSAS CITY
KANSAS 66105
9136210996

KENTUCKY

Bob Sumerel Tire Co., Inc.
1257 COX AVE
ERLANGER
KENTUCKY 41018-1003
8592832700

Parsley's General Tire, Inc.
1611 N MILL ST
LONDON
KENTUCKY 40741-0000
6068642276

Premier Bandag, Inc.
185 BALDRIDGE RD
MOREHEAD
KENTUCKY 40351-0160
8592333157

LOUISIANA

Walpole Tire Service, Inc.
511 E GEORGIA AVE
RUSTON
LOUISIANA 71270-3928
3182554202

MAINE

Stratham Tire, Inc.
254 MINOT AVE
AUBURN
MAINE 04210-4811
2077950377

Maine Commercial Tire, Inc. 55 Freedom Parkway
Hermon
MAINE 04401
2078485540

Nelson Tire, LLC 135 BANGOR ST
HOULTON
MAINE 04730-3001
2075322211

MARYLAND

McCarthy Tire Service Company of Maryland, Inc.
5211 WILLIAMSBURG RD
FEDERALSBURG
MARYLAND 21632-2769
4107543070

Resley Tire Co., Inc.
16611 NATIONAL PIKE
HAGERSTOWN
MARYLAND 21740-2158
3017903941

MASSACHUSSETS

Roland's Tire Service
42 RIVER AVE
FAIRHAVEN
MASSACHUSSETS 02719-0000
5089974501

Sullivan Manufacturing Co., Inc.
80 JOHN DIETSCH BLVD
NORTH ATTLEBORO
MASSACHUSSETS 02763-1026
5086432234

Pete's Tire Barns, Inc.
275 E MAIN ST
ORANGE
MASSACHUSSETS 01364-1250
9785448811

Holyoke Tire & Auto Service, Inc
1264 UNION STREET EXT
WEST SPRINGFIELD
MASSACHUSSETS 01089-4015
4137338400

MICHIGAN

Pomp's Tire Service, Inc.
3500 ENTERPRISE DR
ALLEN PARK
MICHIGAN 48101-3029
3132719400

Alma Tire Service, Inc.
1210 E SUPERIOR ST
ALMA
MICHIGAN 48801-2658
9894634088

Ginman Tire Company, Inc.
665 W CLAY AVE
MUSKEGON
MICHIGAN 49440-1034
2317227831

Pomp's Tire Service, Inc.
2505 THORNWOOD ST SW
WYOMING
MICHIGAN 49519-2148
6165383800

MINNESOTA

Pomp's Tire Service, Inc.
1020 TOWN RD
MONTEVIDEO
MINNESOTA 56265-8801
8005685411

Pomp's Tire Service, Inc.
6233 Bandel Road NW
ROCHESTER
MINNESOTA 55901
5072887752

Pomp's Tire Service, Inc.
4021 ROOSEVELT RD
SAINT CLOUD
MINNESOTA 56301-9531
3202587070

Pomp's Tire Service, Inc.
5440 W 125TH ST
SAVAGE
MINNESOTA 55378-1205
9528948846

MISSISSIPPI

Southern Tire Mart, LLC
529 INDUSTRIAL PARK RD
COLUMBIA
MISSISSIPPI 39429-8783
6014243200

MISSOURI

Heartland Tires & Treads of Kansas City, Inc.
100 WEST 18TH AVE.
KANSAS CITY
MISSOURI 64116
9132814054

Southern Indiana Tire, Inc.
5475 BROWN AVE
SAINT LOUIS
MISSOURI 63120-1709
3143837300

Pomp's Tire Service, Inc.
1318 W WEBSTER ST
SPRINGFIELD
MISSOURI 65802
4178320637

NEBRASKA

Southside Tire of Nebraska, LLC
1003 E 4th ST
GRAND ISLAND
NEBRASKA 68801
3083820809

Pomp's Tire Service, Inc. 3541 NW 15TH ST
LINCOLN
NEBRASKA 68521
4024383000

Heartland Tires & Treads, Inc.
6223 GROVER ST
OMAHA
NEBRASKA 68106-4313
4023938900

MONTANA

Interstate Tire Treads, Inc.
409 N 25TH ST
BILLINGS
MONTANA 59101-1347
4062486262

Pomp's Tire Service, Inc.
904 UTAH AVE
BUTTE
MONTANA 59701-2624
4067235495

Pomp's Tire Service, Inc.
3002 W BROADWAY ST
MISSOULA
MONTANA 59808-1617
4067211030

NEVADA

Southern Tire Mart, LLC
6875 SPEEDWAY BLVD
LAS VEGAS
NEVADA 89115-1731
7026516604

Southern Tire Mart, LLC
3925 N PECOS
NORTH LAS VEGAS
NEVADA 89030
7026437033

NEW HAMPSHIRE

Sullivan Manufacturing Co., Inc.
538 W RIVER TD RTE 3A
HOOKSETT
NEW HAMPSHIRE 03106-1321
603485743

NEW JERSEY

Custom-Bandag, Inc.
350 PNE ST ELIZABETH
NEW JERSEY 07206-1915
9088622400

Custom-Bandag, Inc.
625 PROSPECT AVE
KEYPORT
NEW JERSEY 07735-5004
7325660092

NEW MEXICO

Southern Tire Mart, LLC
2645 BAYLOR DR SE
ALBUQUERQUE
NEW MEXICO 87106-3232
5053442300

Forrest Tire Company
402 S HALAGUENO ST
CARLSBAD
NEW MEXICO 88220-5633
5758855970

Southern Tire Mart, LLC
2023 APPALOOSA
SUNLAND PARK
NEW MEXICO 88063-9406
5755891100

NEW YORK

McCarthy Tire Service Company of New York, Inc.
942 E MAIN ST
COBLESKILL
NEW YORK 12043-5721
5182343586

McCarthy Tire Service Company of New York, Inc.
3160 LAKE ROAD
HORSEHEADS
NEW YORK 14845
6077337044

McCarthy Tire Service Company of New York, Inc.
7255 NORTHERN BLVD
EAST SYRACUSE
NEW YORK 13057-9734
3154521818

Custom Bandag of Newburgh, LLC
123 DUPONT AVE
NEWBURGH
NEW YORK 12550-4000
8455612282

Hurtubise Tire, Inc.
107 GOUNDRY STREET
NORTH TONAWANDA
NEW YORK 14120-5909
7166938777

Long-Park Tire, Inc.
23751 NYS ROUTE 342
WATERTOWN
NEW YORK 13601-5162
3157826000

McCarthy Tire Service Company of NJ, LLC
1010 FULTON STREET
FARMINGDALE
NEW YORK 11735-4245
6316947670

NORTH CAROLINA

Parrish Tire Company
300 E 36TH ST
CHARLOTTE
NORTH CAROLINA 28206-2022
7403722013

McCarthy Tire Service Company of NC, Inc.
227 ATANDO AVE 231
CHARLOTTE
NORTH CAROLINA 28206-1906
7043756400

Tires Incorporated of Clinton
317 SOUTHEAST BLVD CLINTON
NORTH CAROLINA 28328-3625
9105924741

Aiken-Black Tire Service
823 1ST AVE MW
HICKORY
NORTH CAROLINA 28601-6064
8283223738

McCarthy Tire Service Company of NC, Inc.
2120 Industrial Park Drive
WILSON
NORTH CAROLINA 27893-9300
2529916636

Parrish Tire Company
1041 PARRISH DR
YADKINVILLE
NORTH CAROLINA 27055-5661
3369617223

Piedmont Truck Tires, Inc.
704 Myrtle Drive
GRAHAM
NORTH CAROLINA 27253-1955
3362239412

NORTH DAKOTA

Northwest Tire, Inc.
4001APPLE CREEK RD
BISMARCK
NORTH DAKOTA 58504-3110
7012250903

OK Tire Store, Inc.
2224 MAIN AVE
FARGO
NORTH DAKOTA 58103-1338
7012376525

OHIO

Premier Bandag #8, Inc.
2360 West Main Street
ALLIANCE
OHIO 44601
3308233822

Bob Sumerel Tire Co., Inc.
2807 INTERNATIONAL ST
COLUMBUS
OHIO 43228-4616
6145279700

Grismer Tire Co.
900 S PERRY ST
DAYTON
OHIO 45402-2527
9372249815

Best One Tire & Service of Lima, Inc.
701 E HANTHORNE RD
LIMA
OHIO 45804-3823
4192292380

Premier Bandag #5, Inc.
5997 MEIJER DR
MILFORD
OHIO 45150-2191
7653484900

Pomp's Tire Services, Inc.
205 OAK LEAF OVAL
OAKWOOD VILLAGE
OHIO 44146-6156
4407350800

JamAdmin Inc
4934 LEWIS AVENUE
TOLEDO
OHIO 43612-2825
4196611800

Bob Sumerel Tire Co., Inc.
204 DEEDS DRIVE
DOVER
OHIO 44622-9652
3306021733

Central Ohio Bandag, LLP
1600 S POINT DR
ZANESVILLE
OHIO 43701-7366
7404549728

OKLAHOMA

Southern Tire Mart, LLC
605 N MERIDIAN AVE
OKLAHOMA CITY
OKLAHOMA 73107-5724
4059438341

OREGON

Pomp's Tire Service, Inc.
10360 N VANCOUVER WAY
PORTLAND
OREGON 97217-7530
503491256

Farwest Tire & Auto, Inc.
1550 NORTH 7TH STREET
COOS BAY
OREGON 97420
5412672173

PENNSYLVANIA

McCarthy Tire Service Company of PA II, Inc.
7061 CARLISLE PIKE
CARLISLE
PENNSYLVANIA 17015-8897
7177660447

Henise Tire Service, Inc.
558 E PENN AVE
CLEONA
PENNSYLVANIA 17042-2031
7172722051

Good Tire Service, Inc.
336 TROY HILL RD
KITTANNING
PENNSYLVANIA 16201-7654
7245432010

Bob Sumerel Tire Co., Inc. 55
LEETSDALE INDUSTRIAL DRIVE
LEETSDALE
PENNSYLVANIA 15056
7242664850

McCarthy Tire Service Company
340 Kidder Street
WILKES BARRE
PENNSYLVANIA 18702-5606
5708223151

McCarthy Tire Service Company
500 N MAIN ST
YEAGERTOWN
PENNSYLVANIA 17099-9645
7172486210

SOUTH CAROLINA

McCarthy Tire and Service Company of SC & GA, Inc.
4909 HIGHWAY 153
EASLEY
SOUTH CAROLINA 29642
8642694151

SOUTH DAKOTA

W.W. Tire Service, Inc.
204 W MAIN ST
BRYANT
SOUTH DAKOTA 57221-0000
6056282501

Pomp's Tire Service, Inc.
2607 BRIDGE VIEW DR
RAPID CITY
SOUTH DAKOTA 57701-0109
6053481244

Pomp's Tire Service, Inc.
2000 E 39TH ST N
SIOUX FALLS
SOUTH DAKOTA 57104-7012
6053579720

TENNESSEE

Best One Retreading of Cleveland, Inc.
100 NORTH ST NW
CLEVELAND
TENNESSEE 37312-4023
4235599762

Bain & Holden Tire Company
100 N AMHURST PL
ENGLEWOOD
TENNESSEE 37329-3306
4238877932

Best One Retreading of Knoxville, Inc.
2323 CHIPMAN ST
KNOXVILLE
TENNESSEE 37917-6114
8655250356

Steepleton Tire Company
777 S LAUDERDALE ST
MEMPHIS
TENNESSEE 38101-0090
9017746440

S & S Firestone, Inc.
1118 MENZLER RD
NASHVILLE
TENNESSEE 37210-4752
6152449611

TEXAS

E.B. Creager Tire & Battery, Inc.
5002 LEOPARD AT NAV
CORPUS CHRISTI
TEXAS 78408-0000
3618840379

Southern Tire Mart, LLC
816 W MOCKINGBIRD LN
DALLAS
TEXAS 75247-6012
2146387200

Southern Tire Mart, LLC
1833 MONY ST
FORT WORTH
TEXAS 76102-1703
8173329000

Southern Tire Mart, LLC
9300 CURRENCY ST
HOUSTON
TEXAS 77013-6112
7136722200

Southern Tire Mart, LLC
4113 E HWY 84 LUBBOCK
TEXAS 79404-0000
8067485900

Southern Tire Mart, LLC
6081 I-10 EAST
SAN ANTONIO
TEXAS 78219-0000
2106666100

Goolsbee Tire Service, Inc.
2880 HIGHWAY 271
TYLER
TEXAS 75708-6428
9035933561

Kent's Tire Service
1305 30TH ST
WICHITA FALLS
TEXAS 76302-1008
9403328720

UTAH

Commercial Tire, Inc.
55 N 400 W
NORTH SALT
LAKE
UTAH 84054-2704
8019365555

Southern Tire Mart, LLC
5345 W 2400 S
WEST VALLEY CITY
UTAH 84120-1264
8014871087

VERMONT

Pete's Tire Barns, Inc.
62 RANDBURY RD
RUTLAND
VERMONT 05701-4719
8027470752

VIRGINIA

Gretna Tire, Inc.
29 N MAIN ST
GRETNA
VIRGINIA 24557-0458
4346562244

McCarthy Tire Service Company of Virginia, Inc.
9073 EUCLID AVE
MANASSAS
VIRGINIA 20110-5306
7033689288

McCarthy Tire Service Company of Virginia, Inc.
1627 WILLIS ROAD
RICHMOND
VIRGINIA 23237
8007243506

McCarthy Tire Service Company of Virginia, Inc.
1513 SEIBELLE DRIVE NE
ROANOKE
VIRGINIA 24012
8007243506

WASHINGTON

Commercial Tire, Inc.
1315 N 5TH AVE
PASCO
WASHINGTON 99301-4172
2083224177

Commercial Tire, Inc.
1409 E SPRAGUE AVE
PASCO
WASHINGTON 99302-3110
5095340681

Pomp's Tire Service, Inc.
402 LUND RD
AUBURN
WASHINGTON 98001-5261
2538336100

Pomp's Tire Service, Inc.
1283 NW STATE AVE
CHEHALIS
WASHINGTON 98532-1830
3607486611

Pomp's Tire Service, Inc.
6200 238TH ST SE
WOODINVILLE
WASHINGTON 98072
4254826596

WISCONSIN

Southside Tire Co., Inc.
W 6304 NORTHWESTERN AVE
FOND DU LAC
WISCONSIN 54937-1554
9209217110

Pomp's Tire Service, Inc.
1123 CEDAR ST
GREEN BAY
WISCONSIN 54301-4703
4144358304

Pomp's Tire Service, Inc.
2301 KILGUST RD
MONONA
WISCONSIN 53713-4838
6082226763

Pomp's Tire Service, Inc.
2315 S CALHOUN RD NEW
BERLIN
WISCONSIN 53151-2707
2627827757

Pomp's Tire Service, Inc.
1410 S MAIN ST
RICE LAKE
WISCONSIN 54868-2829
7152343111

Southside Tire Co., Inc.
9009 SCHOFIELD AVE
SCHOFIELD
WISCONSIN 54476-4646
7153590366

WYOMING

Tire Den, Inc.
202 INDUSTRIAL DR
ROCK SPRINGS
WYOMING 82901-4050
3073824700

List of Company Owned Franchise Locations as of December 31, 2023

ALASKA

GCR Tires & Service
1150 E INTERNATIONAL AIRPORT ANCHORAGE
ALASKA 99518-1407
9075622010

GCR Tires & Service 1000 RILEY CT
FAIRBANKS
ALASKA 99701-0000
9074565717

List of franchise locations that transferred ownership within the Bandag network during the 12 month period ending December 31, 2023

CALIFORNIA

Eco-T Tire & Retreading LLC
2495 South K Street
TULARE
CALIFORNIA 93274
5596855050

MAINE

Hogan Tire, Inc.
135 BANGOR ST
HOULTON
MAINE 04730-3001
2075322211

MINNESOTA

Royal Tire, Inc.
1020 TOWN RD
MONTEVIDEO
MINNESOTA 56265-8801
8005685411

Royal Tire Inc.
6233 Bandel Road NW
ROCHESTER
MINNESOTA 55901
5072887752

Royal Tire, Inc.
4021 ROOSEVELT RD
SAINT CLOUD
MINNESOTA 56301-9531
3202587070

MISSOURI

Best-One Fleet of St. Louis, Inc.
5475 BROWN AVE
SAINT LOUIS
MISSOURI 63120-1709
3143837300

PENNSYLVANIA

JSK Properties, Inc.
7061 CARLISLE PIKE
CARLISLE
PENNSYLVANIA 17015-8897
7177660447

List of Franchise Locations that left the Bandag System in the 12-month period prior to December 31, 2023

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

ARIZONA

Southern Tire Mart, LLC (Ceased Operations)
3801 W CLARENDON AVE
PHOENIX
ARIZONA 85019-3717
6022727601

Southern Tire Mart, LLC (Ceased Operations)
3775 E 43RD PL
TUCSON
ARIZONA 85713-5403
5205711133

COLORADO

Southern Tire Mart, LLC (Ceased Operations)
794 22 RD
GRAND JUNCTION
COLORADO 81505-9728
9702418800

LOUISIANA

Southern Tire Mart, LLC (Ceased Operations)
14215 FLORIDA BLVD
BATON ROUGE
LOUISIANA 70819-3212
2252753600

NEW HAMPSHIRE

Stratham Tire, Inc. (Ceased Operations)
23 LONDONDERRY RD
LONDONDERRY
NEW HAMPSHIRE 03053-3314
6304265115

NORTH DAKOTA

Northwest Tire, Inc. (Ceased Operations)
535 22ND AVE E
DICKINSON
NORTH DAKOTA 58601-6936
7012250903

Northwest Tire, Inc. (Ceased Operations)
1500 20TH AVE SE
MINOT
NORTH DAKOTA 58701-6037
701852330

PENNSYLVANIA

Elliott's Tire, Inc. (Ceased Operations)
236 E CUNNINGHAM ST B
UTLER
PENNSYLVANIA 16001-6019
7242873701

TEXAS

Southern Tire Mart, LLC (Ceased Operations)
13501 REGIONAL DR
LAREDO
TEXAS 78045-9402
9567181050

Southern Tire Mart, LLC (Ceased Operations)
2939 W PECAN STREET
PFLUGERVILLE
TEXAS 78660
8777868473

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 Lancing, 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, WHICH IS $5,379,063.

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. <u>No Waiver or Disclaimer of Reliance</u>. 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.

_____

By:_____
(print name and title of person signing)

BRIDGESTONE BANDAG, LLC

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. <u>No Waiver or Disclaimer of Reliance</u>. 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.

_____

By:_____
(print name and title of person signing)

BRIDGESTONE BANDAG, LLC

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:_____	By:_____
(print name and title of person signing)	
	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 in 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.O1 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. <u>No Waiver or Disclaimer of Reliance</u>.** 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.

_____	BRIDGESTONE BANDAG, LLC
By:_____ (print name and title of person signing)	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. 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 OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE 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 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 ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard 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 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 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.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

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 that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

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.

8. The following 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":

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:

> 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 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. <u>No Waiver or Disclaimer of Reliance</u>. 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.

_____

By:_____
(print name and title of person signing)

BRIDGESTONE BANDAG, LLC

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.

_____

By:_____
(print name and title of person signing)

BRIDGESTONE BANDAG, LLC

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. **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.

4. The following language is added as new Section 12 of the Franchise Agreement:

12. <u>No Waiver or Disclaimer of Reliance</u>. 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.

_____

By:_____
(print name and title of person signing)

BRIDGESTONE BANDAG, LLC

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	Pending
Hawaii	July 4, 2024
Illinois	June 27, 2024 (Exempt)
Indiana	June 27, 2024
Maryland	Pending
Michigan	June 27, 2024
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	June 27, 2024
South Dakota	June 27, 2024
Virginia	July 24, 2024
Washington	Pending
Wisconsin	June 27, 2024

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, 2024

The franchise sellers for this offering are Dale Mercer and Jason Roanhouse. 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, 2024. This Disclosure Document included the following Exhibits:

A.	Bandag Dealer Franchise Agreement
B.	Audited Financial Statements of Bridgestone Bandag Franchising, LLC Guaranty 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.

See Exhibit I for our registered agents authorized to receive service of process.

Date of Issuance: June 27, 2024

The franchise sellers for this offering are Dale Mercer and Jason Roanhouse. 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, 2024. This Disclosure Document included the following Exhibits:

A.	Bandag Dealer Franchise Agreement
B.	Audited Financial Statements of Bridgestone Bandag Franchising, LLC Guaranty 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