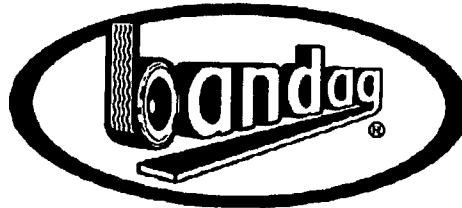


FRANCHISE DISCLOSURE DOCUMENT

BRIDGESTONE BANDAG, LLC
An Iowa Limited Liability Company
2000 Bandag Drive
Muscatine, Iowa 52761-5371
(563) 262-1400
www.bandag.com

DEPARTMENT OF CORPORATIONS
RECEIVED LOS ANGELES OFFICE

(APR 03 2013)



NO DETOURS.™

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 March 27, 2013

See State Cover Page for any particular state effective dates

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. **REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

Call the state franchise administrator listed in Exhibit L for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise.

1 THE FRANCHISE AGREEMENT REQUIRES THAT, EXCEPT AS TO DISPUTES ARISING OUT OF AMOUNTS THAT YOU OWE BANDAG, IF WE CANNOT AMICABLY SETTLE A DISPUTE BETWEEN US THAT YOU ATTEMPT TO RESOLVE THE DISPUTE WITH US BY NON-BINDING MEDIATION AT A SITE MUTUALLY AGREED UPON BETWEEN US OR REQUIRED BY THE MEDIATOR, OUT-OF-STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN A STATE OTHER THAN IN YOUR OWN STATE.

2 THE FRANCHISE AGREEMENT REQUIRES THAT, EXCEPT AS TO DISPUTES ARISING OUT OF PAST DUE AMOUNTS OWED BANDAG, THE ENFORCEMENT OF RIGHTS IN THE BANDAG TRADEMARKS AND BANDAG'S RIGHTS TO COMPEL INSPECTIONS AND AUDITS, DISPUTES INVOLVING A CLAIM FOR DAMAGES OF LESS THAN \$100,000 AND THAT HAVE NOT BEEN RESOLVED BY MEDIATION BE RESOLVED BY BINDING ARBITRATION CONDUCTED AT THE AMERICAN ARBITRATION ASSOCIATION OFFICE NEAREST THE PARTY AGAINST WHOM THE ARBITRATION IS BROUGHT. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH BANDAG IN IOWA THAN IN YOUR HOME STATE.

3 THE FRANCHISE AGREEMENT REQUIRES THAT ANY SUIT BROUGHT BY YOU WHICH IS NOT SUBJECT TO ARBITRATION MUST BE LITIGATED IN THE FEDERAL DISTRICT COURT IN THE SOUTHERN DISTRICT OF IOWA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST MORE TO LITIGATE WITH BANDAG IN IOWA THAN YOUR HOME STATE.

4 THE FRANCHISE AGREEMENT STATES THAT IOWA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

5 SPOUSE(S) OF FRANCHISE OWNERS MAY BE REQUIRED TO EXECUTE A PERSONAL GUARANTY MAKING SUCH SPOUSE(S) JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISEE WHETHER OR NOT SUCH

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