



OTHER TERMS AND CONDITIONS OF THE FANATIC DEALER PARTICIPATION AGREEMENT

1. Trademarks and Serial Numbers. During the term of this Agreement, Dealer may use Falken's trademarks and trade names (collectively, "Marks") only for the purpose of advertising, promoting and selling the Tires, but not otherwise. Dealer agrees that it shall not use any of the Marks on any Dealer created advertising or promotional materials without Falken's prior written approval, which approval may be withheld in Falken's sole and absolute discretion. Dealer shall use the Marks only in connection with and in a manner consistent with the scope of this Agreement and, if instructed by Distributor or Falken, accompanied by the symbol ® designating the federal registration of the Marks. Dealer acknowledges that the Marks and all rights therein are owned by and belong to Falken or its parent company, Sumitomo Rubber Industries, Ltd. ("SRI") and will not, during the term of this Agreement or thereafter, attack the title of Falken or SRI in and to the Marks, nor will do anything to destroy, impair or in any way impede the effect and validity of the Marks. Dealer shall refrain from removing, altering or obliterating Marks or serial numbers from the Tires or from utilizing any Marks on any other products. Dealer shall acquire no rights whatsoever in any Marks by virtue of this Agreement.

2. Disclosure and Protection of Confidential Information. The Parties agree that all information furnished by Distributor or Falken to Dealer or by Dealer to Distributor or Falken hereunder, in whatever form, except promotional and advertising material, is "Confidential Information." The receiving entity (the "Receiving Entity") agrees that it will use all Confidential Information disclosed to it by another entity (the "Disclosing Entity") only in furtherance of its performance under this Agreement, and for no other purpose, disclosing Confidential Information only to those of its employees or other authorized agents (who shall have agreed in writing to be bound by reasonable confidentiality obligations) as will be directly concerned with performance under this Agreement. Except as provided above, the Receiving Entity agrees that during the term of this Agreement (including any renewals or extensions hereof) and for a period of ten years after the termination or expiration hereof, it will not disclose Confidential Information of the other to any other person or entity without the express, prior written consent of the Disclosing Entity. Each Party agrees that it will protect the confidentiality of the Confidential Information with the same degree of care with which it protects its own confidential information. The foregoing confidentiality obligations shall survive termination of this Agreement and shall remain binding on the Parties and their respective affiliates, successors and assigns until a written release of such restrictions is executed by the other. All Confidential Information furnished to a Party hereunder (including all copies thereof) is and shall remain the property of the Disclosing Entity, and shall be returned or otherwise disposed of as instructed by the Disclosing Entity promptly upon demand or upon the termination or expiration of this Agreement.

3. Relationship of the Parties. Each Party, for all purposes hereunder, shall be an independent contractor. Neither Party nor its officers, employees or agents are granted by this Agreement or otherwise any express or implied right or authority by the other, neither Party or its officers, employees or agents shall take any action which would have the effect of creating the appearance of such authority, to assume or create any obligation or responsibility on behalf of or in



the name of the other or any of its affiliates, or to bind the other or any of its affiliates in any manner or thing whatsoever. Falken is not a party to this Agreement but is a third party beneficiary of this Agreement. The Parties agree that Falken shall have the rights specified in the provisions of this Agreement and the power to enforce those rights directly against either or both of the Parties.

4. Miscellaneous. Neither Party may assign or transfer any rights or obligations under this Agreement, without the prior written consent of the other Party. Any notice required under this Agreement shall be in writing and effected by delivery to such Party in person, by Federal Express or other reputable courier, by facsimile (provided that an additional copy of such document or consent is delivered by regular mail), or by sending the same by registered or certified mail, return receipt requested, and shall be deemed received upon personal delivery if delivered personally, by Federal Express or other reputable courier or by facsimile, or four (4) business days after deposit in the mail in the United States, postage prepaid, addressed to the person to receive such notice or communication at the address for the Party as set forth in the Enrollment Application. Either Party may change its address to which notices are to be sent to it by giving notice of such change in the manner provided in this Section. Failure of either Party to enforce any of the terms of this Agreement shall not be construed as a waiver of rights thereunder preventing the subsequent enforcement of such provisions or the recovery of damages for breach thereof. If any portion of this Agreement, including the Exhibits hereto and made a part hereof, is held to violate, or to be invalid or unenforceable under, any applicable laws of any government or subdivision thereof, or the portion declared to be in violation of or invalid or unenforceable under any such law shall be reformed (to the extent possible) or treated as being of no force or effect, and this Agreement shall be construed as though such portion had not been inserted herein, and the remainder of this Agreement shall remain in full force and effect. This Agreement, all transactions executed hereunder and the legal relations between the Parties shall be governed and construed solely in accordance with the laws of the State of California, without reference to its conflict of laws rules. In the event of a controversy or claim arising out of or relating to this Agreement, or the breach hereof, the Parties consent to the jurisdiction and venue of a court of applicable subject matter jurisdiction located in San Bernardino County, California or the Central District of California. This Agreement, together with the Exhibits attached hereto and made a part hereof, constitutes the entire Agreement between the Distributor and Dealer, superseding any prior agreement between the Parties or their predecessors or affiliates with respect to the subject matter hereof. No modification or amendment to this Agreement shall be binding unless in writing and signed by authorized representatives of both Distributor and Dealer and approved in writing by Falken.



FANATIC DEALER PARTICIPATION AGREEMENT

EXHIBIT A-1

2018 Falken Fanatic Program Outline

Tire Lines:	Azenis FK450 A/S Azenis FK510 Azenis FK-453 Azenis FK-453 CC Sincera SN250 A/S Sincera SN201 A/S Ziox ZE-950 A/S Ziox S/TZ05	Ziox CT60 A/S Rubitrek A/T Wild Peak M/T Wild Peak A/T3W Wild Peak H/T Eurowinter HS449 Espia EPZ II
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Minimum Tire Lines:	3 at each Location
Minimum Initial Purchase:	24 Tires per Location
Minimum Quarterly Purchase:	60 Tires per Location

Program Rewards:	Participation Level	FAN-Lite	FAN	FAN+	FANATIC
(Cash rewards per Tire purchased)	Minimum Quarterly Purchases (Per Location)	60	125	250	400
	Qualifying Tire Lines	\$3.00	\$4.00	\$5.00	\$6.00