

DOMESTIC DEALER AGREEMENT – SPECIALITY MARKET

THIS DOMESTIC DEALER AGREEMENT is made this 21st day of JUNE, 2016 ("Effective Date"), by and between Garmin USA, Inc., a Kansas corporation with its principal office at 1200 East 151st Street, Olathe, Kansas 66062, United States of America (hereinafter "Garmin") and COTE [name], a NC corporation with its principal office at 106 E. Connecticut Ave. Southern Pines, NC (hereinafter "Dealer"). TIMEWORKS 28387

In consideration of the mutual agreements contained herein and the mutual benefits to be derived therefrom, the parties, intending to be legally bound, hereby covenant and agree as follows:

I. APPOINTMENT

1.1 Appointment. Garmin hereby appoints Dealer as a non-exclusive independent Dealer for the Products. As used herein the term "Products" means the products listed in Garmin's current Dealer Price List, as may be amended by Garmin from time to time. Garmin reserves the right to change or discontinue any of the Products at any time. Dealer agrees not to appoint any third party to perform any of Dealer's obligations under this Agreement without the prior written consent of Garmin.

II. TERMS OF SALE

2.1 Purchase Orders. All orders for Products shall be made in a fashion acceptable to Garmin which may include Dealer's written purchase orders. All orders shall be subject to this Agreement and Garmin's order confirmation form and invoice, which are incorporated herein by reference. Any additional or different terms or conditions shall be void and of no effect. No order for any Products shall be binding on Garmin unless accepted in writing by a duly authorized employee of Garmin.

2.2 Prices. Products shall be sold to Dealer at the prices that shall be quoted to Dealer upon acceptance of each order.

2.3 Payment. Unless other payment terms are agreed in writing by Garmin, Dealer shall make full payment in advance for all Products ordered from Garmin by Dealer. In the event that Garmin shall agree to extend any credit terms to Dealer, any amount owed to Garmin which is not paid when due shall bear interest at the rate of 1% per month or, if less, the highest rate permitted by applicable law. Dealer shall reimburse Garmin for all costs and expenses (including attorneys' fees) incurred by Garmin in collecting any payment owed to Garmin hereunder. Dealer shall not deduct from the amount payable under any invoice issued by Garmin any amount on account of any special discount or cooperative advertising plan. Credit for any applicable discount or cooperative advertising plan shall be handled by Garmin's accounting department.

2.4 Delivery. Except as otherwise stated in Garmin's order confirmation, all Products shall be shipped "EXW" Ex Works (Garmin's facility in Kansas). For purposes of this Agreement, the term "EXW" shall have the meaning ascribed thereto in INCOTERMS 2010 as published by the International Chamber of Commerce. Title and risk of loss shall pass to Dealer upon delivery of the products by Garmin to the carrier at the FOB/FCA point, unless as otherwise agreed upon in a signed writing by Garmin.

2.5 Chargebacks. Chargebacks, fines, and penalties are not accepted by Garmin without prior approval by Garmin. With the issuance of a debit, visual evidence must be provided to substantiate the debit (e.g. photograph of pallet for packaging errors, no marking on cartons, etc). These debits will be denied if issued by Dealer more than 30 days after receipt of shipment. Any claim, chargeback, or debit memo assessed more than one year after the date of the disputed transaction will be denied. Any credits, allowances or other amounts payable or creditable by Garmin to Dealer shall be subject to offset for any claims or other amounts owed by Dealer to Garmin.

2.6 Security Interest. Garmin hereby reserves, and Dealer hereby grants to Garmin, a purchase money security interest in each product or other goods sold hereunder and all the proceeds thereof. Dealer's failure to pay any amount when due shall give Garmin the right to repossess and remove the product or goods.

Dealer who purchase such Products within six (6) months of the date of shipment by Garmin to Dealer provided that such Products have not been altered or modified by Dealer. Dealer shall not extend any warranty regarding the Products other than Garmin's then standard warranty.

2.8 Limitation of Liability. UNDER NO CIRCUMSTANCES SHALL GARMIN BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, PUNITIVE, OR INCIDENTAL DAMAGES AND DEALER'S SOLE REMEDY OR RIGHT OF RECOVERY FOR ANY ACTION OR OMISSION BY GARMIN OR ANY BREACH BY GARMIN OF THE TERMS HEREOF SHALL BE THE RECOVERY OF ANY SUMS ACTUALLY PAID TO GARMIN AS TO ANY INVOICE, PRODUCT, OR ORDER UPON WHICH DEALER IS SPECIFICALLY MAKING CLAIM. IT BEING CLEARLY UNDERSTOOD BY DEALER THAT PAYMENT OF ITS OBLIGATIONS TO GARMIN IS A CONDITION PRECEDENT TO ANY CLAIM IT MIGHT OTHERWISE MAKE AGAINST GARMIN.

III. OBLIGATIONS OF DEALER

3.1 Compliance with Law. Dealer shall comply fully with all laws (including export control laws) of the United States of America and any other countries that may be applicable to the sale of Products by Dealer. Dealer warrants that it will comply in all respects with the export and re-export restrictions set forth in any export license (if necessary) for every item shipped from Garmin and will otherwise comply with the Export Administration Regulations or other United States laws and regulations in effect from time to time.

3.2 Routed Transaction. In the event of a routed transaction, Dealer agrees to determine whether there are any export license requirements, to obtain any export license or other official authorization, and carry out any Customs formalities for the export of the Products.

3.3 Indemnification. Dealer agrees to indemnify and hold Garmin harmless from and against all losses, damages or expenses of any kind, including attorneys' fees, that Garmin may suffer or incur as a result of any acts or omissions of Dealer, or any of its directors, officers, employees, or agents; provided however, that Dealer shall have no indemnification obligations for losses, damages, or expenses caused by the negligence or intentional acts or omissions of Garmin or any of its directors, officers, employees, or agents.

IV. CONFIDENTIALITY AND PROPRIETARY RIGHTS

4.1 Confidential Information. Dealer acknowledges that the Confidential Information (as defined below) comprises valuable trade secrets and is proprietary to Garmin. Dealer shall hold the Confidential Information in strict confidence and shall not disclose the same to any other person, firm, or corporation, except as required to perform its obligations under this Agreement. The foregoing obligation shall not apply to any information that becomes public through no fault of Dealer. As used herein the term "Confidential Information" means all know-how, designs, drawings, pricing information, specifications and other information, whether or not reduced to writing, relating to the design, manufacture, use and service of any products of Garmin as well as any other information relating to the business of Garmin that may be divulged to Dealer that is not generally known to the public. Dealer shall not use the Confidential Information for any purpose other than to perform its obligations under this Agreement. Dealer shall not copy or reverse engineer any Products.

4.2 Trademarks and Trade Names. All Products sold to Dealer shall bear Garmin's trademarks. Dealer shall not remove, conceal, or alter any such trademarks. Dealer acknowledges and agrees that this Agreement gives Dealer no rights in Garmin's trademarks except that Garmin grants Dealer a limited non-exclusive license during the term of this Agreement to reproduce Garmin's trademarks in advertisements and other promotional materials relating to the Products in accordance with such standards for use of its trademarks as may be established from time to time by Garmin. Such license shall expire immediately upon the expiration or termination of this Agreement. Dealer shall not register in any Internet domain any domain name which incorporates as any part of such domain name the Garmin name or any other trademark used by Garmin. Dealer agrees that damages may be an inadequate remedy to protect Garmin against any breach by Dealer of this Section IV. Accordingly, Garmin shall be entitled to the granting of injunctive relief by a court of competent jurisdiction against any action by Dealer.

V. TERM AND TERMINATION

5.1 Term. The effective date of this Agreement shall be the date first above written. The initial term of the Agreement shall be one year at which time it will automatically be renewed for successive one-year periods until terminated as provided below or by mutual consent.

5.2 Termination. This Agreement may be terminated prior to expiration of the initial or any renewal term by written notice to the other party as follows:

- (a) by either party, without cause, by giving at least thirty (30) days prior written notice of termination;
- (b) by Garmin, effective immediately, in the event that Dealer breaches any of the terms of this Agreement;
- (c) by Garmin, effective immediately, if Dealer shall become the subject of any voluntary or involuntary bankruptcy, receivership or insolvency proceeding; or shall make an assignment for the benefit of creditors; and
- (d) by Garmin, effective immediately, if in the opinion of Garmin, there has occurred any material change in the ownership, management, or financial condition of Dealer.

5.3 Rights of Parties on Expiration or Termination. The following provisions shall apply on the expiration or termination of this Agreement:

- (a) All indebtedness of Dealer to Garmin shall become immediately due and payable and Garmin shall be entitled to reimbursement of attorneys' fees that it may incur in collecting such indebtedness;
- (b) Dealer shall cease all use of any trademarks or designs owned by Garmin; and
- (c) The expiration or termination of this Agreement shall not release Dealer from the payment of any sums then owing or from any other obligations herein provided to be performed after such expiration or termination.

5.4 Limitation of Liability. UNDER NO CIRCUMSTANCES SHALL GARMIN BE LIABLE TO DEALER BY REASON OF THE EXPIRATION OR TERMINATION OF THIS AGREEMENT FOR ANY COMPENSATION, REIMBURSEMENT, OR DAMAGES FOR ANY REASON WHATSOEVER, INCLUDING, WITHOUT LIMITATION, (A) LOSS OF PROSPECTIVE PROFITS, (B), GOODWILL OR LOSS THEREOF, OR (C) EXPENDITURES OR INVESTMENTS MADE BY DEALER IN RELIANCE ON THE EXISTENCE OF THIS AGREEMENT.

5.5 Survival. The provisions of Articles II (Sections 2.3, 2.6 and 2.8), III (Sections 3.1 and 3.3), IV, and V (Sections 5.3 and 5.4) hereof shall survive any expiration or termination of this Agreement.

VI. MISCELLANEOUS

6.1 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto on the subject matter hereof and supersedes all prior agreements and understandings of every kind and nature between them. No amendment or modification to this Agreement shall be effective unless in writing and signed by both parties. This Agreement shall be binding on and inure to the benefit of the successors and assigns of Garmin. Dealer shall not assign or transfer any of its rights or obligations hereunder. The failure of Garmin at any time to require performance by Dealer of any of the provisions hereof shall not operate as a waiver of Garmin's right to require strict performance of the same or other provisions thereafter.

6.2 Force Majeure. Neither party shall be in default hereunder by reason of any failure or delay in the performance of any obligation under this Agreement (other than an obligation to make payments in accordance with this Agreement) where such failure or delay arises out of any cause beyond the reasonable control and without the fault or negligence of such party. Dealer is an independent purchaser and seller of Products. Dealer shall not be considered an agent, employee, partner, or legal representative of Garmin for any purpose.

6.3 No Press Release. Neither party will issue any press release or public announcement regarding the existence or content of this Agreement without the other party's prior written approval as to the form, manner, and content of such release or announcement.

6.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas, without reference to the principles of conflicts of laws. Each party hereto hereby irrevocably and unconditionally: (a) consents and submits to the exclusive jurisdiction of any state court located in the State of Kansas (the "Kansas Courts"), for any actions, suits, or proceedings arising out of or relating to this Agreement or the transactions contemplated by this Agreement (and agrees not to commence any litigation relating thereto except in such courts), and (b) waives any objection to the laying of venue of any such litigation in the Kansas Courts and agrees not to plead or claim in any Kansas Court that such litigation brought therein has been brought in any inconvenient forum..

6.5 Counterparts. This Agreement may be signed in duplicate originals or in separate counterparts which are effective as if the parties signed a single original. A facsimile or scan of any original signature transmitted by one party to the other party is effective as if the original was sent to the other party. The parties agree to accept a digital image of this Agreement, as executed, as a true and correct original and admissible as best evidence to the extent permitted by a court with proper jurisdiction.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized representatives as of the day and year first above written.

[DEALER]

Garmin USA, Inc.

COTE TIMEWORKS
Company Name

By: _____

Name: JONATHAN COTE
Title: OWNER

By: _____

Name: Dan J. Bartel
Title: Vice President, Worldwide Sales