**BAILMENT AGREEMENT**

This agreement (the “Agreement”) made and entered into on this \_\_\_\_\_\_\_\_, 20\_\_, by and between ITURAN USA, Inc. (the “Company”), a Delaware corporation, having its principal place of business at 1700 NW 64 Street, Suite 100, Ft. Lauderdale, Florida 33309, and \_\_\_\_\_\_\_\_\_\_\_\_\_, (“Contractor”) with an address located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for the purpose of setting forth the terms and conditions by which the Company will supply Contractor with certain products and equipment, and the terms under which Contractor will be permitted to maintain an inventory of such products and equipment. In consideration of the mutual covenants, agreements and obligations specified herein, and any compensation paid to Contractor for its services, the parties agree to the following:

**RECITALS**

A. Company owns the described products (the “Products”), which has the value and stated condition as listed in Attachment A and currently are in possession of Contractor.

B. As inducement for Company to continue supplying Contractor with Products, Company and Contractor desire to enter into this Agreement with respect to the Products, on the following terms and conditions.

NOW THEREFORE, in consideration of the matters described above, and of the mutual benefits and obligations set forth in this agreement, the parties agree as follows:

1. **Term of Bailment**. The term of this Agreement shall commence on the date stated above and shall terminate on [date of termination]. Company may demand redelivery of the Products at any time prior to the expiration of this Agreement on five (5) days’ written notice given to Contractor of Company’s intention to withdraw the Products, and this Agreement shall terminate when the Products has been redelivered to Company.
2. **Delivery and Acceptance.** Delivery of the Products shall be made to Contractor at 1700 NW 64 Street, Suite 100, Fort Lauderdale. Acceptance or retention by Contractor of the Products shall constitute acknowledgment that the Products were received in good and workable condition.
3. **Conditions of Bailment**.
4. Contractor shall keep and maintain the Products with proper care so that no Products shall be damaged, and Contractor assumes liability for damage or loss from all causes except damage caused by manufacturing defects, or inherent causes, to the limit of the value established for the Products by Company. The parties agree that Company has established the fair and reasonable value of the Products, and that the consideration established for this Agreement includes Contractor’s responsibility to prevent damage or loss to the Products from all causes not excepted above;
5. Contractor shall provide monthly inventory reporting to Company setting forth a schedule of all Products held by Contractor in such format as may be requested by Company;
6. Contractor shall be solely responsible for any lost, missing or stolen inventory;
7. Contractor shall notify Company within 24 hours of installations or replacements pursuant to such format and/or process as may be requested by Company.
8. **Return of Products.** Any defective or non-functioning Product shall be returned to Company pursuant to Company’s standard RMA process, as amended from title to time, receipt of which is hereby acknowledged by Contractor. Upon expiration of the term of this Agreement, Contractor shall redeliver all Products in Contractor’s possession to Company, by releasing the Products to Company or to Company’s agent or by shipping the Products by pre-paid freight, as Company may direct.
9. **Title.** The Products are, and will remain, and at all times shall be deemed to be, the sole and exclusive property of Company, and Contractor has no right of ownership in the Products. The Products shall not be transferred or delivered to any other person or corporation without prior written consent or instruction of Company, and neither this Agreement nor the bailment contemplated hereunder may be assigned by Contractor, either by Contractor’s own act or by operation of law.
10. **Attorney’s Fees**. If one party commences a lawsuit against the other in relation to this Agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all other sums that either party may be called on to pay, a reasonable sum for the successful party’s attorneys’ fees.
11. **Entire Agreement**. This Agreement shall be deemed to express, embody and supersede all previous understandings, agreements and commitments, whether written or oral, between the parties hereto with respect to the subject matter hereof and to fully and finally set forth the entire agreement between the parties hereto. No modifications or amendments of this Agreement shall be binding unless stated in writing and signed by both parties hereto. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, a document (or signature page thereto) signed and electronically transmitted is to be treated as an original document.
12. **Governing Laws**. This Agreement shall be governed by the laws of the State of Florida without regard to its conflict of law principles that would apply the laws of another jurisdiction. Any suit, action or proceeding arising out of or in connection with this Agreement shall be exclusively initiated in the courts of Broward County Florida, with Florida law governing.
13. **Notice**. Any notice to be given shall be sent, by registered mail with postage prepaid, to the party to be notified at the address set forth at the beginning of this Agreement, or at such other address as the party to be notified shall have directed, and shall be deemed to be given when so mailed.

**In witness whereof**, the parties hereto have executed this Agreement on the date first above written.

**ITURAN USA, INC.**

a Delaware Corporation

By:

**Ariad Sommer**

Chief Executive Officer

**Contractor:**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Signature Date