

### **322F.2 Notice of termination.**

1. *a.* A supplier shall terminate a dealership agreement for equipment other than outdoor power equipment by cancellation, nonrenewal, or a substantial change in competitive circumstances only upon good cause and upon at least ninety days' prior written notice delivered to the dealer by certified mail or restricted certified mail. A supplier shall terminate a dealership agreement for outdoor power equipment by cancellation or nonrenewal only upon good cause and upon at least ninety days' prior written notice delivered to the dealer by restricted certified mail or hand delivered by a representative of the supplier to the dealer or a designated representative of the dealer.

*b.* A written termination notice must specify each deficiency constituting good cause for the action. The notice must also state that the dealer has sixty days to cure a specified deficiency. If the deficiency is cured within sixty days from the date that the notice is delivered, the notice is void. However, if the deficiency is based on a dealer's inadequate representation of a manufacturer's product relating to sales, as provided in section 322F.1, the notice must state that the dealer has eighteen months to cure the deficiency. If the deficiency based on inadequate representation of a manufacturer's product relating to sales is cured within eighteen months from the date that notice is delivered, the notice is void.

2. The supplier shall have the right to terminate immediately without notice in the event the action is for good cause as defined in section 322F.1, subsection 7, paragraphs "*b*" through "*m*".

90 Acts, ch 1077, §3; 2003 Acts, ch 55, §4