

RETAIL BROKERAGE AGREEMENT

This RETAIL BROKERAGE AGREEMENT (the "Agreement"), is entered by and between:
DISTINGUISHED PROGRAMS INSURANCE BROKERAGE LLC, a Delaware limited liability company
d/b/a DISTINGUISHED EXPRESS
d/b/a Distinguished Express Insurance Brokerage LLC, in California,
and
accepting this Agreement, including its employees and representatives, herein referred to as "Broker",

and by and between:

DISTINGUISHED SPECIALTY INSURANCE BROKERAGE LLC, a New York limited liability company
d/b/a DISTINGUISHED SPECIALTY
and
accepting this Agreement.

RETAIL BROKERAGE AGREEMENT

This RETAIL BROKERAGE AGREEMENT (the "Agreement"), is entered by and between:

DISTINGUISHED PROGRAMS INSURANCE BROKERAGE LLC, a Delaware limited liability company, d/b/a DISTINGUISHED EXPRESS d/b/a Distinguished Express Insurance Brokerage LLC, in California, and Broker accepting this Agreement, including its employees and representatives, herein referred to as "Broker",

and by and between:

DISTINGUISHED SPECIALTY INSURANCE BROKERAGE LLC, a New York limited liability company d/b/a DISTINGUISHED SPECIALTY and Broker.

WHEREAS, DISTINGUISHED PROGRAMS INSURANCE BROKERAGE LLC and DISTINGUISHED SPECIALTY INSURANCE BROKERAGE LLC are each limited liability companies separately and individually licensed. Agreements between DISTINGUISHED PROGRAMS INSURANCE BROKERAGE LLC and Broker, and DISTINGUISHED SPECIALTY INSURANCE BROKERAGE LLC and Broker, are combined into this one Agreement solely for the convenience of the Broker and is not intended to have any other legal effect;

DISTINGUISHED PROGRAMS INSURANCE BROKERAGE LLC and DISTINGUISHED SPECIALTY INSURANCE BROKERAGE LLC, its employees and representatives are collectively referred to herein as "Distinguished."

This Agreement shall be effective as of the date executed by Distinguished, below.

NOW, it is understood and agreed by Broker that by registering to do business with Distinguished and accepting this Agreement, Broker warrants to be bound by the terms and conditions of this Agreement in conducting business with Distinguished generally or through any Distinguished operated or affiliated websites. By accepting this Agreement, Broker's representative, so accepting represents and warrants that he or she has been authorized to enter into this Agreement on behalf of Broker.

1. SCOPE OF AGREEMENT:

- A.** The relationship of the parties shall be that of independent contractors and nothing herein shall create the relationship of principal and agent or employer and employee either between the parties hereto or between Distinguished and Broker's customers, or between Broker and the insurers represented by Distinguished.
- B.** Broker acknowledges and agrees that no binding authority is or shall be granted, delegated to or conferred upon Broker by this Agreement.
- C.** This Agreement shall apply to all business submitted by Broker to Distinguished for placement by Distinguished with its markets, including insurance policies previously placed and in force as of the date hereof.
- D.** Broker acknowledges that Broker's access to and use of Distinguished operated or affiliated websites is subject to this Agreement as well as all applicable laws and regulations.
- E.** Broker acknowledges that it is bound by the "Terms of Use" and Privacy Statement of any website operated by or affiliated with Distinguished through which Broker and Distinguished conduct business and that the "Terms of Use" and/or Privacy Statement of any such website may be changed, modified, supplemented or updated ("Changes") by Distinguished without advance notice and Broker will be bound by any such Changes immediately and upon the date of any such Changes.
- F.** Distinguished, through this Agreement, grants to Broker a limited license to access and make personal use of Distinguished operated and affiliated websites but not modify any portion of such websites except with the express written consent of Distinguished. This license does not allow any resale or commercial use of any such website or the Contents (Contents as used herein is as defined in the Terms of Use) of such websites and does not authorize any collection or use of any product listings, descriptions or prices outside this Agreement. No Distinguished operated or affiliated website or portion thereof may be reproduced, duplicated, copied, sold, resold, visited or otherwise exploited for any purpose other than as set forth in this Agreement without the express prior written consent of Distinguished. Distinguished (or the respective third party owners of

Content) reserve all rights not expressly granted herein. Any unauthorized use shall immediately terminate the permission or license granted herein.

2. REPRESENTATIONS AND WARRANTIES:

- A.** Each party represents and warrants that it holds in good standing all licenses, permits, and authorizations required by applicable federal, state and/or local law or regulation in order to produce business in connection with this Agreement, and all such licenses will be maintained in full force and effect throughout the term of this Agreement. Each party reserves the right at any reasonable time, to request from the other party copies of all such licenses, permits or authorizations and any renewals thereof.
- B.** In placing business through Distinguished pursuant to this Agreement, each party shall remain in full compliance with:
 - i.** all applicable federal, state and local laws, rules, regulations and requirements; and
 - ii.** all applicable insurance licensing laws, rules, regulations and requirements.
- C.** Errors & Omissions Insurance Requirements
 - i.** At all times that this Agreement shall be in effect, Broker shall be covered by a policy of insurance broker's errors and omissions insurance with an insurer of a Best's rating of A- or better with limits of liability not less than \$1,000,000 for each wrongful act and \$1,000,000 aggregate. , Broker will purchase the maximum extended reporting period provided by the policy if coverage is cancelled or not renewed. Broker shall furnish a copy of the policy declaration page together with all exclusions contained in the policy to Distinguished upon request.
 - ii.** At all times that this Agreement shall be in effect, Distinguished shall be covered by a policy of insurance broker's errors and omissions insurance with an insurer of a Best's rating of A- or better with limits of liability not less than \$1,000,000 for each wrongful act and \$1,000,000 aggregate. Distinguished will purchase the maximum extended reporting period provided by the policy if coverage is cancelled or not renewed. Distinguished shall furnish a copy of the policy declaration page together with all exclusions contained in the policy to Broker upon request.

3. BROKER'S AUTHORITY AND RESPONSIBILITY:

- A.** Broker acknowledges and understands that it is not an agent of Distinguished, and the terms of this Agreement are not intended to be and shall not be construed to establish Broker as an agent of Distinguished; and this Agreement is not, and shall not be construed to be an agency agreement.
- B.** As respects each application for insurance submitted by Broker to Distinguished, Broker represents and agrees that:
 - i.** Broker is acting as a representative of the applicant;
 - ii.** Broker is not an agent nor representative of the insurer; and
 - iii.** It is incumbent upon Broker to, and Broker shall, inform each applicant that:
 - a)** Broker is acting as a broker representing the applicant, and not Distinguished nor the insurer, when submitting an application to Distinguished; and
 - b)** Broker is not an agent of Distinguished and does not have any authority to represent Distinguished or the insurer, or to make any representations or commitments on behalf of Distinguished or any insurer.
- C.** Per the terms of this Agreement, Broker may submit applications for insurance to Distinguished for insurance coverage on behalf of Broker's customers. Broker may submit such insurance applications for its customer through Distinguished operated websites, or through email, mail or facsimile to designated Distinguished locations. . In doing so, Broker acknowledges that it shall take all necessary measures to ensure it:
 - i.** shall act in good faith using its best efforts to ensure that all information provided in the application for insurance to Distinguished is:
 - a)** true and complete in all material respects and that such information does not contain any untrue statement of a material fact or omit to state a known material fact that could render any other information provided misleading or the risk improperly stated or ineligible for insurance.
 - b)** specifically communicated to the Broker by the customer applying for insurance.
 - ii.** shall notify Distinguished promptly should it become aware of any events, occurrences, facts, circumstances or information that might reasonably be expected to have a material adverse effect on any of the general affairs, business, risk insured, financial position or results of operation of any potential or existing insured customer; and
 - iii.** represents and warrants that it has (i) authority to submit insurance applications on behalf of each customer;(ii) valid insurance license to conduct such business on behalf of the customer applicant; and (iii) documentation to support the statements contained in the application. Broker shall maintain originals or copies of any and all such materials in its files that support compliance with the requirements herein for six (6) years, and provide such materials to Distinguished upon request.
- D.** In placing non-admitted business through Distinguished pursuant to this Agreement, submission of an insurance application

and/or binding insurance with a non-admitted insurer through Distinguished constitutes a certification by Broker that Broker shall comply with all applicable:

- i. insurance licensing laws, rules and regulations;
- ii. surplus line laws, rules and regulations, including but not limited to:
 - a) Making a diligent effort to place this insurance with duly admitted insurers;
 - b) Notifying the insured in writing that the policies issued by the unauthorized insurer may not be subject to all the regulations of the Superintendent of Insurance pertaining to policy forms and rates and that in the event of insolvency of the unauthorized insurers, losses will not be covered by the State's security/guaranty fund.
 - c) Procuring and submitting all necessary information and/or documents required for surplus line filings to Distinguished, so as to neither delay nor prohibit the timely filing of the surplus line placement.

Distinguished shall process all supplied required surplus line filings and tax remittances as required under the applicable surplus line laws.

- E. Broker is solely responsible for the selection and placement of the appropriate type of insurance, limits, deductibles, terms and conditions on behalf of its customers. Broker is expected to possess reasonable knowledge of the types of policies, different terms, and the insurance coverage available in the jurisdiction and for the risk for which their customer seeks to be protected.
- F. Broker may only receive premiums from its customers in a "fiduciary" capacity, not as owners but "custodians" of funds. On this basis, Broker must abide by applicable insurance codes requiring Broker to maintain separate "trust" bank accounts for premiums and return premiums. Such premiums must be held separately from the Broker's business operating funds so as to protect premium funds from Broker's creditor or usage.
- G. Broker is aware of, understands and acknowledges that Broker and Broker's employees and representatives are bound by the Distinguished operated or affiliated website Privacy Statements (detailing Distinguished's information, practices and procedures for protected personal information collected through such website) and "Terms of Use" (detailing Broker's agreement with Distinguished for use of such website, generally).
- H. Broker represents and warrants that it will provide its customers, prior to binding coverage, a true and accurate copy of the Purchasing Group Participation Agreement and Disclosure Statement annexed hereto as Exhibit A.
- I. Upon receipt of a Quote or Proposal from Distinguished:
 - i. Broker shall review, and is solely responsible for ensuring the accuracy of the Quote or Proposal and to determine, among other things, whether the Quote is (a) consistent with the information provided in the application; (b) adequate and appropriate for the customers' needs; and (c) consistent with any applicable other or excess or underlying insurance issued to the customer for the proposed policy period and subsequent renewals.
 - ii. When Broker presents Distinguished's Quote or Proposal to its customer, Broker shall provide its customer a true and accurate copy of the quote as provided by Distinguished.
- J. Broker assumes all responsibility for the adequacy of the limits of insurance, deductible, terms and conditions and form of coverage obtained from Distinguished.

4. DISTINGUISHED'S AUTHORITY AND RESPONSIBILITY:

- A. Distinguished will use commercially reasonable efforts to obtain insurance from its markets for the risks presented in the application submitted by Broker; provided, however, that Distinguished shall have no obligation to pursue insurance coverage with respect to those risks that are ineligible or for which coverage is unavailable through Distinguished. Anything in this Agreement to the contrary notwithstanding, Distinguished does not guarantee that it can or will obtain insurance for Broker's customers.
- B. Quotes Generated by Distinguished.
 - i. Once the Broker submits an initial application, and it is determined that the risk(s) is/ are eligible for coverage, Distinguished will:
 - a) generate a quote for the insurance coverage with same or similar terms, conditions, limits and deductible(s) as requested in the application; or
 - b) generate a non-binding quote estimate for the coverage requested and request additional information necessary for Distinguished to provide a final quote; or
 - c) advise that coverage is unavailable.

5. ELECTRONIC PLATFORM:

- A. Where quotes are obtained through any Distinguished operated or affiliated websites, Distinguished expressly reserves the right to rescind any erroneous quotation so generated.

- B.** At all times, policy terms and conditions are the effective and binding terms of coverage and are not effected or altered in any manner by information contained on any Distinguished operated or affiliated websites. The information presented by any such website is intended for general use and presents general information and is not intended to and does not contain a complete description of any product or services which may be offered for sale by any company or agency. No product or service offered by Distinguished or any operating affiliate of Distinguished or, sold by Distinguished or any operating affiliate of Distinguished, will be effective in any jurisdiction in which such offer or solicitation, purchase or sale would be unlawful under the insurance or other laws or regulations of such jurisdiction.
- C.** Due to various insurance and other regulatory restrictions, certain products and services described on Distinguished operated or affiliated websites are not available to all users. Not all insurance coverages or products are available in all jurisdictions, and all coverages and products are subject to applicable insurer's underwriting requirements. All materials on Distinguished operated or affiliated websites are presented solely for the purpose of providing insurance information and quotes in states in which the applicable entity is authorized to do business.
- D.** Broker is responsible for maintaining and promptly updating the registration associated with all Distinguished operated or affiliated websites to keep the information true, accurate, current and complete. If Broker provides any information that is untrue, inaccurate, not current or incomplete, or Distinguished has reasonable grounds to suspect that such information is untrue, inaccurate, not current or incomplete, Distinguished has the right to immediately suspend or terminate Broker's account, this Agreement, and prevent further use of any Distinguished operated or affiliated websites.
- E.** When Broker or its employees or representatives sign up for an account, they will be sent a link to reset their password. If they subsequently forget their password, Distinguished will send a password reset link to their email; however, to keep all information secure, Distinguished cannot provide anyone with their password. Each password issued to Broker or Broker's employees or representatives is Broker's responsibility and Broker must protect the confidentiality of both the password and account. Broker assures that each employee or representative using an Distinguished operated or affiliated website registers individually and uses only his or her account on such website. Broker is responsible for all orders placed or business conducted using a Broker or Broker employee or representative password.
- F.** Broker shall, and shall assure that its employees or representatives utilizing any Distinguished operated or affiliated websites:
- i.** Change their initial login password to a personal password immediately upon initial login to their account.
 - ii.** Change any subsequent reset login password to a personal password immediately upon subsequent login to the account.
 - iii.** Not give out their password to any other person.
 - iv.** Never leave a personal computer or other device unattended while using such website.
 - v.** Always log off the system after using such website.
 - vi.** Cancel the account of any former employee immediately upon termination or resignation.
- G.** Distinguished shall not be liable for any loss incurred as a result of Broker's former employees or anyone else using a Broker's or Broker's employee's or representative's password or account, either with or without Broker's knowledge. Broker shall indemnify and hold harmless Distinguished for loss or damage due to the unauthorized use of the Broker's or Broker's past or present employee's or representative's account or password.
- H.** Disclaimer and Limitation of Liability. Broker's use of any Distinguished operated or affiliated websites is at Broker's sole risk. All services and Content are provided on an "as is" or "as available" basis, and Distinguished expressly disclaims all warranties and conditions of any kind whether express or implied and makes no warranty that any such website and Content are accurate, timely, uninterrupted, virus-free or error- free, or that any such problems will be corrected. Distinguished will not be liable for any indirect, direct, incidental, special, consequential or exemplary damages including but not limited to damages for loss of any kind, monetary or nonmonetary, tangible or intangible, irrespective of Distinguished's notice or knowledge, resulting in any manner from Broker's use of or inability to use any Distinguished operated or affiliated websites or Content.
- I.** Third-Party Content and Websites. Broker acknowledges that, to the extent that any of the Content included in any Distinguished operated or affiliated websites is provided by third party content providers, Distinguished has no editorial control or responsibility over such content. Broker acknowledges that any such website may contain hyperlinks to other sites and content owned and operated by parties other than Distinguished and Distinguished does not control such websites and cannot be held responsible for their content or accuracy and does not endorse these sites unless specifically so stated.

6. DELIVERY OF POLICY DOCUMENTATION:

- A.** A policy, renewal or endorsement to a policy accepted by a customer is referred to in this Agreement as a "Policy".
- B.** The Broker agrees to accept delivery on behalf of its customer of all Policy and other Policy related documentation (the "Policy Documentation"). The Broker warrants that, where applicable, it has authority to accept electronic and other delivery of Policy

Documentation on behalf of each customer.

- C. The Broker agrees to carefully review the Policy Documentation received from Distinguished for accuracy and to determine, among other things, whether the Policy Documentation is (a) as requested; (b) consistent with all information provided by the Broker and the customer; (c) adequate and appropriate for the customers' needs; and (d) consistent with other insurance issued to the customer for the policy period.
- D. The Broker agrees to promptly deliver the Policy Documentation to the customer and to communicate any questions it or its customer may have regarding such Policy Documentation or the risks insured thereby or otherwise to Distinguished.

7. BILLINGS AND ACCOUNTS:

Distinguished primarily conducts billing through Broker. However, Distinguished, at its sole discretion, may offer to bill Broker's customers directly on a policy-by-policy basis. If such offer is made, Broker may accept or decline direct billing.

A. Agency Billing:

- i. Broker shall accept Distinguished's billings, which at Distinguished's sole discretion, may take the form of binders, invoices, statements or similar documents (referred to herein as "Billings"). The balance due as shown on such Billings shall be paid by Broker by the due date stated therein.
- ii. Broker unconditionally guarantees payment of all amounts shown on such Billings, including premium, commission, fees and taxes (referred to herein as "Insurance Costs") on business subject to this Agreement including deposit, earned, extension and adjustable Insurance Costs, irrespective of whether Insurance Costs are collected by Broker. Without limiting the foregoing, Broker's guarantee of all Insurance Costs and obligations to make payment to Distinguished is not contingent upon the issuance of a policy. Any credit extended on behalf of Broker or its customer, whether to customer, Broker or Distinguished for the benefit of Broker or Broker's customer shall be at the sole risk of Broker.
- iii. Broker shall be solely responsible for the collection and payment of all Insurance Costs (including minimum earned Insurance Costs), counter-signature fees and resulting charges required by any state or any other applicable fees and taxes; and Broker agrees to make full payment to Distinguished under the terms and conditions established herein or at the time insurance coverage is bound.
- iv. In the event of any disagreement between Distinguished and Broker concerning the amount of any Insurance Costs due under this Agreement, the party owing such payment shall make payment of any such disputed amount notwithstanding such disagreement. The parties will use their best commercially reasonable efforts and act in good faith to resolve such dispute after such payment is made.

B. Direct Billing:

- i. When offered by Distinguished and elected by Broker, Distinguished may bill Broker's customers directly and provide the customer invoices, statements and similar documents reflecting premium, fees and taxes.
- ii. Distinguished will assume responsibility for premium collection and Broker will have no right or authority on direct bill policies to enter into premium finance arrangement with their customer.
- iii. Distinguished will provide Broker with electronic copies of all statements and documentation sent to the Broker's customers.
- iv. In the event Broker receives or collects payment for a Direct Bill account, Broker will immediately forward the payment without deduction of commissions to Distinguished.
- v. Broker shall not cause insurance to be placed for Direct Billing without the express acceptance and approval of the insured.

C. Electronic Billing:

- i. Broker may utilize the Distinguished electronic payment system and acknowledges that:
 - a) All electronic payments are processed by an independent third party payment processor on behalf of Distinguished and are subject to applicable processing fees assessed by the third party payment processing service; and
 - b) Distinguished will not maintain a record of any credit card, transaction or ACH payment information.

8. CLAIMS:

- A. For those policies requiring direct reporting of claims (claims that go directly from the Broker to the insurer), Broker shall, upon receipt of verbal or written notice, immediately notify the insurer(s), in accordance with the policy, of all claims, suits and notices of loss arising under insurance placed by Distinguished pursuant to this Agreement.
- B. For those policies requiring reporting of claims to Distinguished, Broker shall, upon receipt of verbal or written notice, immediately notify Distinguished, in accordance with the policy, of all claims, suits and notices of loss arising under insurance placed by Distinguished pursuant to this Agreement.

- C. Distinguished shall not be deemed to be an insurer and shall have no insurer's obligation, nor any insurer's liability whatsoever with respect to any loss, claim, damage or injury incurred by any person in connection with the business subject to this Agreement.

9. OWNERSHIP OF EXPIRATIONS:

Upon termination of this Agreement, the records of the Broker and the use and control of expirations with respect to business written pursuant to this Agreement shall be the exclusive property of the Broker, provided within fifteen (15) days of written notice from Distinguished, the Broker (i) cured any legal violation(s) that would prevent Broker from servicing such expirations, and (ii) provides written notice to Distinguished that (a) all such legal violations have been cured; and (b) Broker will renew and replace all active policies written pursuant to this Agreement, with an alternative market or insurer upon its normal expiration.

10. COMMISSIONS AND FEES:

- A. Distinguished may share its commission with the Broker on a case-by-case basis in accordance with mutually agreed rates as documented on individual accounts in which Broker played a role in the insurance transaction, either by producing the customer, assisting in the placement or otherwise participating in the negotiation of the coverage.
- B. In respect to the insurers who authorize the payment of premium by Distinguished net of commission, Brokers will pay premiums received, net of commissions, to Distinguished by the due date as indicated by invoice from Distinguished to Broker.
- C. In respect to the insurers who do not authorize the payment of premium by Distinguished net of commission, Broker will pay premiums received, including commissions, to Distinguished by the due date as indicated by invoice from Distinguished to Broker. Distinguished will pay to Broker all commissions received on a month-by-month basis and within thirty (30) days after each month's end.
- D. The Broker agrees to refund to Distinguished any unearned commissions from canceled binders or policies or reduced premiums, within thirty (30) days after Broker is advised of the cancellation or reduction in premium at the same rate as such commissions were originally paid.
- E. Distinguished is not and shall not be a party to any arrangement or agreement between Broker and any of its customers for the payment of a fee or other compensation to Broker. Any such agreement or arrangement shall be in compliance with all applicable laws and shall be strictly between Broker and its customers and Distinguished shall have no rights or obligations in connection therewith.
- F. Notwithstanding anything to the contrary contained in this Agreement, Distinguished maintains its right to charge policy related fees, as part of its insurance transactions, as shown in the insurance proposals or binders or invoices or other insurance related documents.
- G. Commissions:
 - i. With regard to Agency Billing, no commissions are payable to Broker on premiums that the Broker is unable to collect. Distinguished reserves the right to, but is not obligated to, solicit payment directly from the insured and/or to engage the services of a collection agency, to collect Agency Billing premiums that the Broker was unable to collect. In such a case, no commissions shall be paid to broker which Distinguished collects, regardless of the amount collected by Distinguished.
 - ii. With regard to Direct Billing, no commissions are payable to Broker on uncollected premiums and/or unearned premiums that Distinguished is unable to collect from the insured or receives through a collection agency.
- H. Broker shall be responsible for ensuring that any brokerage fees charged to policyholders satisfy any applicable state regulations governing such transactions.

11. CANCELLATION OF INSURANCE:

- A. Anything to the contrary in this Agreement notwithstanding, Distinguished shall have the right, at its sole discretion, to cancel any binder, policy or contract of insurance on business placed pursuant to this Agreement in accordance with the cancellation provisions of such binder, policy or contract including, but not limited to, cancellation for non-payment of Insurance Costs. Broker or insured shall not be entitled to a credit for any cancellation unless such credit has been granted to Distinguished by the insurer.
- B. Earned Insurance Costs shall be computed and charged on every insurance contract canceled after the inception date in accordance with the cancellation provisions of the contract and/or rules of the insurer. In the event Broker fails to make timely

payment of any amount required under this Agreement, Distinguished shall have the right, in addition to any other remedy, to cancel policies for non-payment of Insurance Costs.

12. INTELLECTUAL PROPERTY AND ADVERTISING:

- A.** Neither Distinguished nor Broker shall publish, circulate or issue any advertisement, letter, circular, pamphlet or other publication or statement, written, or otherwise, referring to the other or to the others insurance programs, without the prior written consent of the other.
- B.** Broker may not frame or utilize framing techniques to incorporate any trademark, logo or other proprietary information (including images, text, page layout or form) of Distinguished without Distinguished's express written consent. Broker may not use any meta-tags or any other "hidden text" utilizing any of the Distinguished name(s) or service marks without the express written consent of Distinguished. Except as otherwise expressly stated, all content appearing on any Distinguished operated or affiliated website is the copyrighted work of Distinguished, or third party content suppliers, and is protected by U.S. and international copyright laws. The compilation (meaning the collection, arrangement and assembly) of all content is the exclusive property of Distinguished and is protected by U.S. and international copyright laws.

13. INQUIRIES AND COMPLAINTS:

- A.** Broker warrants and represents that any inquiries or complaints of alleged violation of any regulation or law related to Distinguished or policies obtained by Distinguished will be brought to the prompt attention of Distinguished and copies of any communications alleging such infraction shall promptly be forwarded to Distinguished.
- B.** In the event that during or after the term of this agreement, Broker is served with process regarding or relating to any litigation or investigation, inquiry, request or otherwise by any governmental authority or agency related to Distinguished policies, Broker shall promptly notify Distinguished of same and shall promptly hand deliver to Distinguished or cause to be delivered by overnight or next-day delivery service to Distinguished an original of any such process and/or notification and all attachments thereto.

14. RECORDKEEPING AND AUDIT:

- A.** Broker shall keep records of the business written or transacted for or on behalf of Distinguished, including underwriting files, and shall maintain all such records for a period of not less than six years from the expiration of the business in question or minimum time limits required by law or regulation.
- B.** Distinguished, its designated representative(s) and/or regulatory authorities shall be afforded full and complete access to Broker's records, for the purpose of auditing Broker with respect to all transactions arising out of or in connection with any business pursuant to this Agreement, upon reasonable notice and during the regular business hours of Broker.

15. HOLD HARMLESS:

- A.** Distinguished shall indemnify and hold harmless Broker and its officers, directors and employees against any and all liabilities, claims, causes of action, losses, or damages, including attorneys' fees, arising from or attributable to claims by policyholders and caused solely by the acts or omissions of Distinguished, except with respect to claims arising from or attributable to Broker's negligence or willful acts, which shall remain Broker's obligation.
- B.** Broker shall indemnify and hold harmless Distinguished and its officers, directors, employees, agents, representatives and indemnitees and any affiliates or successor entities against any and all third party liabilities, claims, causes of action, losses, or damages, including attorneys' fees, arising from or in any way related to any negligent or wrongful acts or omissions of the Broker, or any officer, director, employee, agent, or representative of Broker (collectively "Broker") any such act by Broker's Retail Broker, or any of its officers, directors, employees, agents or representatives or any breach by Broker of any obligation arising under this Agreement, except with respect to policyholders' claims arising from Distinguished's sole negligence or willful acts, which shall remain Distinguished's obligation.
- C.** Each party agrees that as a condition precedent to any such indemnification, the party seeking indemnification shall notify the other party promptly of any claim or suit against such first party and to allow the indemnifying party to make such investigation, settlement or defense thereof as such party deems prudent.

16. CONFIDENTIALITY:

- A.** The Parties understand that in fulfilling their obligations under this Agreement each may disclose to the other information regarding that Party's business, operations, and clients which is confidential, proprietary, and/or personal in nature to that Party

or that Party's clients. Each Party hereby agrees that as a condition to being provided such information, that neither Party will use any such information except in connection with the performance of duties hereunder.

- B.** As used herein the term "Confidential Information" shall mean and include all confidential, proprietary and/or personal information and materials concerning a Party's business plans, marketing materials, clients, vendors, customers, insurers, and services, intellectual property, and software, and information related to insureds and insurers obtained in connection with the business placed or sought to be placed under this Agreement, which is not otherwise known or available to the public and the dissemination of which would impair the value of the information or materials or be considered a violation of a party or third parties privacy. (the "Confidential Information").
- C.** Both Parties will maintain and use appropriate safeguards and measures to ensure the security and confidentiality of Confidential Information, protect against any anticipated threats or hazards to the security and integrity of the Confidential Information, and prevent any unauthorized access to or use of the Confidential Information that could result in substantial harm or inconvenience to any customers, consumers and claimants. The obligation to maintain the privacy and security of the Confidential Information will survive the expiration or termination of this Agreement.
- D.** Both Parties agree that they will not, directly or indirectly, use, disclose or make available to any third party, including any of its affiliates or subsidiaries, any information provided by the other party regarding any client or customer except (1) as may be required to properly perform its duties in the normal course of business for client or customer pursuant to this Agreement or (2) as agreed by each Party's client or customer, and provided that any third party receiving such information agrees to use appropriate safeguards and measures to prevent any unauthorized access to or use of the Confidential Information that could result in substantial harm or inconvenience to the client or customer.

17. PRIVACY OF INFORMATION:

Both Parties to this agreement shall comply with all federal and state privacy laws and all rules and regulations of state insurance regulatory agencies, including but not limited to the protection of the personal and Confidential Information and privacy rights of customers, consumers claimants, and the other party. Both parties will, to the extent required by law, maintain and use appropriate safeguards and measures to ensure the security and confidentiality of such personal and Confidential Information, protect against any anticipated threats or hazards to the security and integrity of the personal and confidential information, and prevent any unauthorized access to or use of the personal and confidential information that could result in substantial harm or inconvenience to any customers, consumers and claimants. The obligation to maintain the privacy and security of the personal and Confidential Information will survive the expiration or termination of this Agreement.

18. TERMINATION OF AGREEMENT:

- A.** This Agreement may be terminated at any time by written notice of either party to the other.
- B.** Termination shall be deemed to have occurred automatically upon the suspension or revocation of Broker's license, in the event of a change of ownership of Broker as discussed in section 19, below, or as required by any applicable federal or state law or regulation in order to produce business in connection with this Agreement.
- C.** The respective rights and obligations of the parties pursuant to this Agreement with respect to business placed by Distinguished shall not be affected by such termination. Additionally, the obligations contained in sections in sections 5, 8, 12, 13, 14, 15, 16, 17,19, and 20 shall survive termination of this Agreement.

19. NO ASSIGNMENT:

Broker may not assign all or any part of this Agreement without the express prior written consent of Distinguished. Broker agrees to notify Distinguished prior to the transfer of ownership of more than fifty (50%) percent of the ownership interest in Broker. This Agreement shall terminate immediately in the event of any change in control of the majority ownership of Broker unless the Broker has received Distinguished's prior written authorization.

20. DISPUTES AND MEDIATION:

- A.** If a dispute arises from, out of, or relating to this Agreement or concerning the respective rights or obligations of the parties hereto, and discussions between Broker and Distinguished fail to resolve the dispute to their mutual satisfaction, the parties shall engage in formal mediation instituted within thirty (30) days of their having reached an impasse with a mediator appointed by the American Arbitration Association ("AAA") pursuant to their applicable rules then in effect. The AAA office to be utilized is its office in New York. The mediation shall be held within forty-five (45) days of the selection of a mediator, and shall continue so long as both parties so consent. The cost of the mediator and the use of a facility or office, if there is such a use fee, shall be borne equally by the parties.

- B. Should the mediation prove unsuccessful, each of the parties (i) consent to the exclusive jurisdiction of the courts of the State of New York located in the County of New York and of the federal district court located in the Southern District of the State of New York, and (ii) to the maximum extent permitted by law, waives any right to a jury trial.

21. ENTIRE AGREEMENT:

- A. This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated hereby and supersedes any and all prior agreements, negotiations, correspondence, undertakings, promises, covenants, arrangements, communications, representations, and warranties, whether oral or written, of any party to this agreement. The captions in this Agreement are for convenience of reference only, do not form a part hereof and do not in any way modify, interpret or construe the intentions of the parties. This Agreement may be executed in counterparts, all of which shall constitute one and the same instrument.
- B. If any one or more of the provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Agreement will not be affected thereby and the parties will use all reasonable efforts to substitute one or more valid, legal and enforceable provisions which, insofar as practicable, implement the purposes and intents hereof. To the extent permitted by applicable law, each party waives any provision of law which renders any provision of this Agreement invalid, illegal or unenforceable in any respect.

22. WAIVER:

The failure of either party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement, or to exercise any option herein contained, shall not be construed as a waiver or a relinquishment of such provisions, but the same shall continue and remain in full force and effect.

23. CHOICE OF LAW:

This Agreement shall be governed by and construed according to the laws of the State of New York, without giving effect to its conflicts of law principles. Distinguished and Broker agree to the exclusive jurisdiction of the courts of the State of New York located in the County of New York and of the federal district court located in the Southern District of the State of New York.

24. NOTICES:

All notices required or permitted hereunder shall be effective five (5) business days after the mailing thereof, in a stamped or postage paid envelope addressed, or upon facsimile or email transmission.

If to Distinguished, to:

Michael Roopnarine, Managing Vice President
Distinguished Programs Insurance Brokerage, LLC
1180 Avenue of the Americas, 16th Fl., New York NY 10036
Fax: 212-297-3101
Compliance@distinguished.com

If to the Broker, to:

The address provided in the registration information of the representative accepting this Agreement.

Once this Agreement is accepted it shall be deemed effective.

25. ATTORNEY'S FEES:

If any party to this Agreement shall be required to retain the services of any attorney to enforce the provisions of this Agreement, the parties agree that the prevailing party shall be entitled to reasonable attorneys' fees and costs incurred in enforcing this Agreement.

EXHIBIT A – THIS IS A SAMPLE ONLY

(In cases where we offer coverage (GL or Umbrella) through one of our purchasing groups, a formal rendition of this document will be attached to the proposal. The name of the purchasing group is not shown in this sample as it varies based on the coverage)

THIS PARTICIPATION AGREEMENT AND DISCLOSURE STATEMENT MUST BE PROVIDED BY YOU TO THE INSURED PRIOR TO BINDING ANY COVERAGE.

PARTICIPATION AGREEMENT AND DISCLOSURE STATEMENT

<Actual Purchasing Group name will show here> (“Purchasing Group”) is a purchasing group as defined in the federal Risk Retention Act Amendments of 1986, and is organized under the laws of the state of Delaware. Purchasing Group, through its authorized brokers, is authorized to purchase insurance for its members (apartments, condominium(s), cooperatives, homeowner associations, office buildings, strip shopping centers, stand-alone retail, light industrial, museums, hotels, resorts, or casinos, together with various interest holders). Purchasing Group's retained broker purchases master policies of insurance on behalf of its members in the Purchasing Group. The cost of obtaining these policies includes premiums, commissions paid to agents or brokers, fees to third-party claims adjusters and claims payment services, and general administration fees and expenses, including fees paid to Distinguished Programs Manager, which performs various services, including clerical, accounting and statistical services. Purchasing Group's officers or designees may at their discretion allocate such costs associated with obtaining and administering these policies among the members of the Purchasing Group. All such premiums, commission, fees and expenses are non-auditable. By accepting the insurance offered in the Proposal for Insurance, incorporated into this document by reference, the entity(s) identified in the “Named Insured” Proposal schedule (hereafter, “Member”) becomes a Member of Purchasing Group and agrees to participate in the insurance program offered by Purchasing Group through its authorized insurance broker.

Member hereby acknowledges that the cost to Purchasing Group for securing the insurance policies on behalf of its members includes the premiums, commissions, and the administrative and management fees and expenses referred to above (“Program Costs”). Member (i) understands that the quoted amount payable by the Member includes its share of these Program Costs, as allocated by Purchasing Group's officers or designees, and (ii) agrees to pay its share of these Program Costs, included in the quotation, as a condition of membership in <Actual Purchasing Group name will show here>. Member further acknowledges that the Program Costs may also include taxes and fees assessed by individual states.

As a member of Purchasing Group, Member shall be entitled to participate in the insurance program offered by Purchasing Group, through its authorized broker, and shall have an opportunity with all other members to apply for and purchase insurance coverages offered on behalf of Purchasing Group. Except as otherwise specified in this document, Member shall have no rights regarding the general governance of Purchasing Group and shall not have or succeed to any voting rights with respect to the corporate affairs of Purchasing Group.

IN WITNESS WHEREOF, this Agreement has been signed by the parties hereto and shall be effective as of the date signed by Distinguished below.

Broker Name (Legal Entity Name):	
Principal / Authorized Officer Name:	
Principal / Authorized Officer Signature:	Date:
Legal Entity Name: Distinguished Programs Insurance Brokerage LLC	
Principal / Authorized Officer Name: Michael Roopnarine, Managing Vice President	
Principal / Authorized Officer Signature:	Date:
Legal Entity Name: Distinguished Specialty Insurance Brokerage LLC	
Principal / Authorized Officer Name: William Thompson, Vice President	
Principal / Authorized Officer Signature:	Date: