



Synchrono Group, Inc. dba SynchronoSure

PRODUCER AGREEMENT

As used in this Agreement, Synchrono Group, Inc. dba SynchronoSure with its principal place of business at 8521 Six Forks Road, Suite 105, Raleigh, NC 27615 (referred herein as “**SYNCHRONOSURE**”) shall refer to any business unit or entity that may be affiliated through common ownership and/or managed by SYNCHRONOSURE as agent for maintaining Producer relationships.

Agreement between

SYNCHRONOSURE

and

[*LEGAL NAME OF AGENCY*] with its principal address at [*ADDRESS*]

referred herein as “**Producer**”

Each a “**Party**” and together “**the Parties**”

Whereas Producer is desirous of placing contracts of insurance through companies represented by SYNCHRONOSURE (those companies referred herein as “**Insurers**”) and utilizing the underwriting facilities, knowledge, and services of SYNCHRONOSURE.

In consideration of SYNCHRONOSURE placing risks of Producer's clients (referred herein as “**Insureds**”) from time to time with Insurers and for mutual promises and covenants set forth in this document it is agreed as follows.

1. **AUTHORITY**

1.1. Producer is an agent for the Insured and acts on behalf of the Insured, and is not acting as an agent, sub-agent, or broker for either SYNCHRONOSURE or Insurers. This Agreement or the relationship between the parties and their officers and employees is not intended, and shall not be construed, to create a partnership, joint venture, or employment relationship between: (a) SYNCHRONOSURE / Insurers; and (b) Producer. Producer is for all purposes an independent contractor.

1.2. SYNCHRONOSURE shall be the sole judge of whether to accept or reject, any applications of insurance for risks submitted by Producer and shall incur no liability for failure to place any such risk. Producer shall have no authority to bind any Insurer for SYNCHRONOSURE, commit to or issue binders, policies, or other written evidence of insurance on behalf of SYNCHRONOSURE or to make representations not strictly in accordance with the provisions of the policies and contracts placed under the terms of this Agreement. Producer shall not make, alter, or vary any terms of coverage, or modify terms of payment of any premium or deposit, or incur any liability for SYNCHRONOSURE. Producer may issue Certificate(s) of Insurance on approved Acord form but is not authorized to include language that changes, in any manner, the terms or conditions of the policy.

2. **RESPONSIBILITY**

2.1. Producer warrants and represents that Producer is properly licensed to transact business as an agent or broker in accordance with the insurance laws, rules, and regulations of each state in which Producer transacts business. Producer will maintain such license or licenses in good standing and any certificates of authority appointments and insurance as required by laws rules and regulations for the conduct of business under this Agreement for the duration of this agreement. Within 30 days of each anniversary of the date of this Agreement or otherwise promptly upon SYNCHRONOSURE's request, Producer will recertify its compliance with this Section in a form provided by SYNCHRONOSURE.



SYNCHRONOSURE may also request (and if so, Producer shall promptly supply) proof to SYNCHRONOSURE of such licensing certificates or appointments.

2.2. Producer will promptly notify SYNCHRONOSURE of any suspension, cancellation, or disciplinary action in respect of its license(s) certificates appointments or insurances.

2.3. Producer will indemnify defend and hold harmless SYNCHRONOSURE from any loss, fine, sanction, penalty, claim, liability, damage and expense (including attorney's fees and expenses of litigation) howsoever arising from Producer's failure to comply with its obligations under Section 2.1 above.

3. **SURPLUS LINES INSURANCE**

3.1. Producer shall not place an order with SYNCHRONOSURE for any excess or surplus lines insurance unless:

3.1.1. Producer shall have first complied with any applicable state laws rules or regulations requiring the Producer to attempt to procure such insurance from insurers authorized to do business in that State(s);

3.1.2. The Producer is properly licensed to conduct excess or surplus lines business in that State(s).

3.2. The Producer is responsible for collection and payment of surplus lines taxes and shall also be responsible for compliance with all relevant surplus lines laws of the pertinent State(s), including (as applicable) but not limited to, the collection and timely payment of surplus lines taxes, filing affidavits or certifications, advising the Insured, providing statutory and/or regulatory disclosures, obtaining signed disclosure forms, filing documentation to stamping authorities, signing policy documents, statutory or regulatory reporting relating to surplus lines business conducted by Producer, and retaining all necessary information and documents in the appropriate manner and for the appropriate periods as defined by State laws rules and regulations (and in no event less than 5 years).

- 3.3. For any excess or surplus lines business placed with SYNCHRONOSURE by Producer, Producer warrants and represents that it has complied and will comply with Sections 3.1 and 3.2 above and will indemnify defend and hold harmless SYNCHRONOSURE and the relevant Insurer from any loss, fine, sanction, penalty, claim, liability, damage and expense (including attorney's fees and expenses of litigation) howsoever arising from Producer's failure to comply with its obligations under Sections 3.1 and 3.2 above.
- 3.4. If requested, Producer will provide promptly to SYNCHRONOSURE evidence of compliance in accordance with Sections 3.1 and 3.2 above. SYNCHRONOSURE reserves the right to withhold payment of any commission otherwise payable under Section 4 until receipt of satisfactory evidence. Provision of evidence by Producer and any consequent decision by SYNCHRONOSURE to release commission in accordance with this Section 3.4 shall have no bearing on and will not give rise to any waiver forbearance estoppel or other limitation or restraint on or otherwise prejudice SYNCHRONOSURE's right to rely upon and enforce the indemnity in Section 3.3 above in full.
- 3.5. In the event that SYNCHRONOSURE elects to bill Insureds directly in accordance with Section 6 below, SYNCHRONOSURE undertakes to bill and collect from the Insured any applicable surplus lines tax on behalf of the Producer. Unless otherwise agreed, SYNCHRONOSURE will report on and remit to Producer any surplus lines tax collections in the same way and at the same time as any commissions pursuant to Section 4 below.
- 3.6. For all excess and surplus lines business undertaken pursuant to this Agreement and save where required to communicate directly with the Insured by law or regulation, SYNCHRONOSURE shall send all policy documents (including quotes wordings and endorsements) and other notifications to the Producer for onwards transmission to the Insured. In such cases, receipt by the Producer shall be deemed receipt by the Insured.

4. COMMISSION

- 4.1. Subject to the terms and conditions of this Agreement, SYNCHRONOSURE agrees to pay Producer commission on business produced by the Producer through this Agreement. The amount of commission shall be calculated upon premium collected by SYNCHRONOSURE and at the percentage rate(s) set out in Appendix One.
- 4.2. Producer shall be liable to SYNCHRONOSURE and shall pay return commissions at the same rate as originally allowed to Producer for all return premium adjustments or cancellations, including return premium on cancellations ordered or made by the Insurer or Finance Company. Such return commissions shall be paid in full to SYNCHRONOSURE either as an offset against commissions due to Producer or otherwise by the due date indicated on SYNCHRONOSURE's invoice to the Producer.
- 4.3. If a return premium becomes due under any contract of insurance and SYNCHRONOSURE has been issued a credit or payment has been rendered for such premium by the Insurer:
- 4.3.1. In the case of Agency Billing in accordance with Section 5, SYNCHRONOSURE will pay to Producer such return premium less the unearned portion of any commissions previously retained by the Producer. Producer warrants that it is authorized to receive and give receipt for return premium on behalf of the Insured, and agrees that neither SYNCHRONOSURE nor the relevant Insurer shall have any further liability to pay such return premium upon payment to and receipt by Producer. Producer will indemnify defend and hold harmless SYNCHRONOSURE and the relevant Insurer from any loss, fine, sanction, penalty, claim, liability, damage and expense (including attorney's fees and expenses of litigation) howsoever arising from Producer's failure to account return premium to the Insured.
- 4.3.2. In the case of Direct Billing in accordance with Section 6, SYNCHRONOSURE will reimburse the Insured on a gross basis and Producer will refund the return commission to SYNCHRONOSURE in accordance with Section 4.2 above.

4.4. Unless Section 5 Agency Bill Business applies, at 12:01AM Eastern Time on the 1st of each calendar month, SYNCHRONOSURE will run and forward to Producer commission statements based on premium collected and return commission due during the preceding calendar month. SYNCHRONOSURE may, at its sole discretion, offset any sums owed to it by the Producer on the monthly commission statement. Subject to Section 3.4, SYNCHRONOSURE shall make payment to Producer of any sums due under this Agreement within 15 days thereafter.

5. **PRODUCER BILL BUSINESS** SYNCHRONOSURE may, at its discretion and at any time, grant and withdraw (without liability to Producer) authority to the Producer to collect premiums fees and taxes on its behalf. For premiums fees and taxes collected on this basis:

5.1. **PREMIUM AND ACCOUNTS**

5.1.1. Producer guarantees the full payment due to SYNCHRONOSURE of all premiums (including deposit, earned, extension and adjustable premiums) fees and applicable taxes, less earned commissions, on every insurance contract bound or written for Producer pursuant to this Agreement and collected by Producer. Producer shall be liable to and will indemnify SYNCHRONOSURE for payment of all collected premiums (net of earned commission) fees and taxes.

5.1.2. SYNCHRONOSURE shall allow Producer as commission the percentage of premium written and collected at the rate(s) set out in Appendix One. Producer shall issue to SYNCHRONOSURE a monthly account current statement no later than 15 days after the end of each calendar month. The net balance, including offset for any amounts owed by Producer to SYNCHRONOSURE, will be due and payable to SYNCHRONOSURE at the same time.

5.1.3. The omission of any item(s) from a monthly account current statement or other error shall not affect Producer's responsibility to account for and pay all amounts due, or prejudice the rights of SYNCHRONOSURE to collect all amounts due from Producer, or extend the time within which Producer must make payment.

5.1.4. Producer's obligation to make payment to SYNCHRONOSURE is not contingent upon the issuance of a policy.

5.1.5. Any credit extended to the Insured or others shall be at the sole, risk and responsibility of the Producer unless agreed to in writing by SYNCHRONOSURE.

5.2. FUNDS HELD IN TRUST Producer shall hold in trust as a fiduciary for SYNCHRONOSURE all premiums fees and taxes (other than earned commission) collected from Insureds (together “**Collected Policyholder Funds**”) for business generated under this Agreement to the extent required by the insurance laws rules and regulations of each state in which Producer conducts business. Producer shall deposit Collected Policyholder Funds in a designated trust account on receipt and shall not commingle Collected Policyholder Funds with its corporate accounts. Provided that and for such periods as Producer is in compliance with all terms of this Agreement, Producer shall be entitled to retain any interest earned on Collected Policyholder Funds while so held by the Producer.

5.3. ADJUSTABLE PREMIUM Notwithstanding anything to the contrary herein set forth, in the situation where premiums for a policy or policies which have been issued cannot be fully determined in advance and where an adjustment or determination is made by an audit, retrospective rating or by interim reports, such premiums are fully earned and due at the invoice date as evidenced by a SYNCHRONOSURE or Insurer invoice.

5.4. COLLECTIONS

5.4.1. Producer will make all reasonable efforts to collect all amounts due to SYNCHRONOSURE.

5.4.2. Producer will be relieved, at the sole discretion of SYNCHRONOSURE, of responsibility for collecting premiums fees and taxes if:

5.4.2.1. Producer notifies SYNCHRONOSURE in writing no earlier than forty-five (45) days after an invoice date, stating that Producer has made diligent efforts and is unable to collect such premiums fees and taxes; and

5.4.2.2. The relevant Insurer also releases SYNCHRONOSURE of liability for such premiums fees and taxes.

5.4.3. A copy of the Producer's invoice to the Insured, as well as copies of correspondences pertaining to the collection, must be sent by the Producer with any notification under Section 5.4.2 above.

5.4.4. If SYNCHRONOSURE has not received payment due for the applicable coverage within sixty (60) days of the invoice date, SYNCHRONOSURE (or the relevant Insurer) may, at its option, collect directly from the Insured the premium due. In the event SYNCHRONOSURE (or relevant Insurer) collects the premium or any part thereof directly from the Insured, Producer shall not be entitled to any commission on the premiums so collected.

6. **DIRECT BILL BUSINESS** SYNCHRONOSURE may, at its sole discretion, bill Insureds directly. For business billed directly by SYNCHRONOSURE, Producer acknowledges that SYNCHRONOSURE will rely on electronic forms of payment from Insureds. SYNCHRONOSURE may request the assistance of Producer with collection efforts, and Producer agrees to comply with such requests. SYNCHRONOSURE may rely on outside parties for collection efforts, including attorneys and collection agencies, and the Producer acknowledges that any commission owed on premium so collected will be reduced by the amount of the costs incurred by SYNCHRONOSURE and associated with collection efforts.
7. **CLAIMS** Producer shall notify promptly to such person(s) or entity(ies) as SYNCHRONOSURE may designate in writing in each issued policy of insurance (the “**Claims Administrator**”) any claims, suits or notices of loss, circumstances which might reasonably be expected to result in a claim, suit or notice of loss, and or as otherwise required under the terms and conditions of the relevant policy, and shall cooperate fully with

SYNCHRONOSURE and the Claims Administrator to facilitate the investigation and adjustment of any claim when and as requested by SYNCHRONOSURE and/or the Claims Administrator.

8. **OWNERSHIP OF EXPIRATIONS** In the event of termination of this Agreement and provided that Producer has accounted for and paid to SYNCHRONOSURE all premiums fees taxes and other monies due in accordance with the terms of this Agreement and that Producer retains a broker or agent of record letter from the Insured, SYNCHRONOSURE will not directly target and solicit the renewal of any business written under this Agreement for 12 months after termination, save that this shall not apply to general marketing campaigns for the SYNCHRONOSURE brand. If a proper accounting and payment has not been made to SYNCHRONOSURE, the ownership of the records and the ownership of the right of use and control of the expirations shall vest in SYNCHRONOSURE.

9. **COLLECTION OF AMOUNTS** In the event SYNCHRONOSURE shall have to bring any action or proceeding to enforce collection of any amount due under the terms of this agreement Producer agrees to pay all costs incident thereto, including reasonable attorney's fees and expenses, incurred by reason of such action or proceeding.

10. **CANCELLATION OF INSURANCE**

10.1. SYNCHRONOSURE will not recognize flat cancellations unless written proof of coverage prior to the inception date of the contract for insurance is provided, and such credit has been granted to SYNCHRONOSURE by its Insured principal. In the event of flat cancellation, Producer acknowledges that SYNCHRONOSURE's policy fees and loss control fees will be fully earned and not refundable unless precluded by applicable state law or regulation in which case policy fees and loss control fees will be earned as permitted by state law.

10.2. Earned premium shall be computed and charged on every binder policy or contract cancelled after the inception date in accordance with the cancellation provision of the applicable binder policy or contract and/or rules of the Insurer.

10.3. If Producer or Insured (as applicable) does not make timely payment of any sums due SYNCHRONOSURE, then SYNCHRONOSURE may, without limitation of or prejudice to other remedies, initiate with Insurer to cancel the binder, policy or contract for non-payment.

10.4. If coverage is bound by SYNCHRONOSURE, all additional fees (including without limitation policy fees and loss control fees) charged by SYNCHRONOSURE for the entire policy term shall be fully earned upon binding unless precluded by applicable state law or regulation in which case such fees will be earned on a pro-rata basis or as permitted by state law. Installment billing fees will be earned as collected.

10.5. Producer hereby acknowledges that SYNCHRONOSURE, or its Insurers, is under no duty to reinstate a policy if the policy is cancelled, and no policy will be reinstated without SYNCHRONOSURE's express written agreement. Where applicable, Producer's deposit of money directly to SYNCHRONOSURE's lock box for payment on a delinquent account will not constitute acceptance of these funds by SYNCHRONOSURE with regard to reinstating any policy being cancelled.

10.6. Producer shall not accept from Insured the late payment of premiums with prior knowledge, whether actual or constructive, that the policy for which the late premiums have been collected is cancelled.

10.7. SYNCHRONOSURE will be under no obligation to give Producer advance notice of expiration of any policies which Producer procures through SYNCHRONOSURE.

11. FINANCED PREMIUMS On all premiums which have been financed, SYNCHRONOSURE (or the relevant Insurer) will remit payment for any return premium less unearned commissions directly to the finance company unless otherwise specified. The ultimate liability of SYNCHRONOSURE for payment to a finance company shall never exceed the amount of return premium less unearned commission developed. Producer agrees to hold SYNCHRONOSURE harmless from any responsibility for payment to a finance company and further agrees that financing arrangements do not diminish the responsibility for the timely payment of premium by the Producer.

12. ELECTRONIC DELIVERY OF RECORDS AND DOCUMENTS

SYNCHRONOSURE delivers notifications and communications electronically to the extent permitted by law, and requires payments of any amounts owed by electronic forms of payment including credit cards or ACH. The Producer understands and agrees that this applies to all types of records, documents and transactions that may be provided, delivered or otherwise made available. Electronic delivery includes, to the extent permitted by law, the Policy, forms, endorsements, documents, invoices, and other records, and to the form of electronic payment for any amounts due for the policy or related to a policy. This also includes, to the extent permitted by law, the general use of electronic documents, records, and electronic transactions in connection with the administration of policy, including the delivery of the Policy electronically, invoicing for premium and any fees due, and payment of amounts due.

13. ADVERTISING AND SOCIAL MEDIA

13.1. Except as required by laws and regulations or as expressly authorized under Section 13.2 below, Producer shall not use or cause to have used any name, logo, trademark, tradename, service mark or other the like of SYNCHRONOSURE or any of its affiliates in any advertising, promotional materials or public manner of any nature without specific authorization and prior written approval from SYNCHRONOSURE. In the event SYNCHRONOSURE suffers a loss or expense arising out of any unauthorized advertisement, publication or statement of the Producer, the Producer shall be liable for and hereby agrees to indemnify SYNCHRONOSURE and hold SYNCHRONOSURE harmless from all resulting damages, fines, and penalties and costs

13.2. The Parties acknowledge that each other's website, social media accounts and other marketing collateral may refer to carriers and underwriting agencies with which they do business. Accordingly, either Party may refer to the other Party, provide a link to the other Party's website, provide news links related to the other Party and use the other Party's logo as a means to link to this information until such time as this Agreement has been terminated and all policies written under this Agreement have expired been cancelled or non-renewed. However, each Party reserves the right to withdraw amend

or limit this authorization at any time or for any reason and without any liability howsoever arising to the other Party. For the avoidance of doubt, each Party retains ownership of its own intellectual property rights including without limitation names trademarks tradenames service marks and logos.

13.3. The Parties agree to follow each other on any social media platforms which they use for their commercial purposes, including (where applicable and without limitation) Facebook, Twitter, Instagram, and LinkedIn, and to encourage their employees to do likewise. However, nothing in this Section 13.3 shall require a Party to continue doing so in circumstances where, acting in good faith, it considers that it would be prejudicial to its own commercial interests.

14. **WAIVER OR DEFAULT** Failure of SYNCHRONOSURE to enforce any provision of this Agreement or to terminate it because of a breach hereof shall not be deemed to be a waiver of such provisions or of any breach committed by the Producer.

15. **SEVERABILITY** If any clause or provision of this Agreement shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity or any other clause or provision, which shall remain in full force and effect. Each of the provisions of the Agreement shall be enforceable independently or any other provision unless expressed otherwise herein.

16. **NO RESPONSIBILITY OR GUARANTEE** Producer understands that SYNCHRONOSURE assumes no responsibility toward any policy with regard to the adequacy, amount or form of coverage and agrees to indemnify and hold SYNCHRONOSURE harmless from any claim asserted against SYNCHRONOSURE in following the instructions of the Producer. SYNCHRONOSURE is not an Insurer and does not guarantee the financial condition of the Insurers with whom it may place risks. SYNCHRONOSURE shall have no liability for non-payment of claims due to the insolvency of an Insurer or otherwise under contracts of insurance placed by SYNCHRONOSURE.

17. **PRIVACY POLICY** Neither Producer nor SYNCHRONOSURE shall disclose or use Nonpublic Personal Information (as that term and similar terms are defined in the Gramm-



Leach-Bliley Act, 15 (J.S.C. Section 6801 ct. seq.) and the applicable state insurance laws and regulations enacted or adopted pursuant to the Gramm—Leach-Bliley Act (individually and collectively, “**the Act**”) that is received from or collected on behalf of either Party except as necessary to permit the Parties to perform their duties under this Agreement, or as otherwise permitted or authorized by the Act. Both Parties shall implement and maintain commercially reasonable administrative, technical, and physical safeguards to protect the security confidentiality and integrity of such Nonpublic Personal Information.

18. **OPTION TO CURE AND SUSPENSION**

18.1. In the event of any default of its obligations or breach by Producer of this Agreement, and provided that a cure is permitted by applicable law or regulation, SYNCHRONOSURE may at its sole discretion and without prejudice to any of its rights under this Agreement:

18.1.1. give Producer by written notice 30 days to cure the default or breach (“**the Cure Period**”) before exercising its other rights under this Agreement; and

18.1.2. suspend Producer’s access to SYNCHRONOSURE’s policy systems and insurance products and all commission payments to Producer until such time as the default or breach has been remedied.

18.2. In this event, SYNCHRONOSURE shall not exercise its rights or take any remedial action or terminate if applicable in accordance with the terms of this Agreement during the Cure Period, save where, acting reasonably and in good faith, it considers it is necessary to protect its rights before the expiry of the Cure Period. Nothing in this Section 18 shall otherwise restrict waive limit or affect any Party’s rights or obligations accruing under this Agreement.

18.3. SYNCHRONOSURE may at its sole discretion extend the Cure Period if the Producer can evidence good faith efforts to cure the default or breach.

19. **TERMINATION OF AGREEMENT**

19.1. This Agreement may be terminated immediately at any time by either party giving written notice to the other by certified mail, return receipt requested. This Agreement will also terminate:

19.1.1. Automatically, if any public authority cancels or declines to renew the Producer's license or certificate of authority;

19.1.2. Automatically, on the effective date of the sale, transfer, merger of or change of control in Producer's business although SYNCHRONOSURE may, upon review and at its sole discretion, appoint the successor as a producer; or

19.1.3. Immediately, upon either party giving written notice to the other of termination because of fraud, insolvency, failure to pay balances, or willful or gross misconduct.

19.2. All representations and obligations of the Producer herein shall survive the termination of this Agreement.

19.3. After the date of termination of this Agreement, the Producer shall complete the collection and accounting to SYNCHRONOSURE for all premiums taxes fees commissions and other transactions unaccounted for on the date of termination or arising thereafter in respect of outstanding policies of insurance, including but not limited to, return premiums and return commissions. Outstanding policies will be permitted to run to expiration or may, at SYNCHRONOSURE's discretion, be subject to cancellation or non-renewal in accordance with applicable State insurance regulations.

20. **ERRORS AND OMISSIONS AND FIDELITY INSURANCE**

20.1. Producer warrants that it now has and shall maintain uninterrupted for the duration of this Agreement the following insurances issued by an insurance company rated A- or better by A.M Best and which maintains a Financial Size Category of VII or higher:



20.1.1. Insurance Agent's Errors and Omissions coverage with a minimum policy limit of one million dollars (\$1,000,000)

20.1.2. Fidelity/Crime/Employee Dishonesty coverage with a minimum policy limit of:

20.1.2.1. For retail producers: One hundred thousand dollars (\$100,000);
or

20.1.2.2. For wholesale producers: Two hundred and fifty thousand dollars (\$250,000)

20.2. In respect of each policy of insurance:

20.2.1. Producer will promptly furnish proof of coverage upon request of SYNCHRONOSURE.

20.2.2. Producer will provide SYNCHRONOSURE with prompt written notice of any change, cancellation, or other termination.

20.3. Within 30 days of each anniversary of the date of this Agreement or otherwise promptly upon SYNCHRONOSURE's request, Producer will recertify its compliance with Section 20.1 in a form provided by SYNCHRONOSURE.

21. **NO RE-BROKERING** Producer shall not act as an underwriter or re-broker (double broker) for any application or policy underwritten pursuant to this Agreement without the express written consent of SYNCHRONOSURE.

22. **MARKETING TERMS** Upon execution of this Agreement, Producer hereby consents to SYNCHRONOSURE periodically communicating with Producer via faxes and emails for product and service updates and general announcements. These communications will cease upon the expiration and final policy administration of all policies bound under this Agreement or upon written notice from Producer to SYNCHRONOSURE to opt out of receiving such communications.

23. **HOLD HARMLESS** Producer shall indemnify, defend and save harmless SYNCHRONOSURE from any loss, claim, liability, damage and expense (including attorney's fees and expenses of litigation) which SYNCHRONOSURE may incur or suffer by reason of material inaccuracy of any representation or breach of any term, condition, or warranty contained in this Agreement by Producer.
24. **ALTERNATIVE DISPUTE RESOLUTION** THE PARTIES TO THIS AGREEMENT HEREBY EXPRESS THAT AS A CONDITION PRECEDENT TO ANY RIGHT OF ACTION UNDER THIS AGREEMENT, ALL DISPUTES, CONTROVERSIES OR CLAIMS OF ANY KIND AND NATURE BETWEEN THE PARTIES HERETO, ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT INCLUDING ITS FORMATION VALIDITY OR INTERPRETATION, PERFORMANCE OR BREACH, WHETHER SOUNDING IN CONTRACT OR TORT AND WHETHER ARISING DURING OR AFTER TERMINATION OF THIS AGREEMENT, SHALL BE RESOLVED EXCLUSIVELY BY FOLLOWING DISPUTE RESOLUTION MECHANISM.
- 24.1. Negotiation - The parties hereto shall first engage in a good faith effort to negotiate any such controversy or claim by communications between them. Said negotiations may be oral or written. To the extent they are oral, any agreed resolution must be confirmed in writing to be binding.
- 24.2. Mediation - Should the above-stated negotiations be unsuccessful, the parties shall engage in mediation pursuant to the American Arbitration Association Commercial Mediation Rules.
- 24.3. Arbitration - Should the above-stated mediation be unsuccessful, the parties shall agree to binding arbitration with the express understanding that this Agreement is affected by interstate commerce in that the goods and services which are the subject matter of this Agreement pass through interstate commerce. Said arbitration shall be conducted pursuant to the American Arbitration Association Commercial Arbitration Rules (“**the Arbitration Rules**”). The Producer and SYNCHRONOSURE agree that the arbitration proceeding will be presided over by a single independent arbiter, certified by the

American Arbitration Association, agreed to by the parties. The costs for the arbiter and arbitration proceeding will be borne equally by the Producer and SYNCHRONOSURE. The Producer and SYNCHRONOSURE will each be responsible for their own legal expenses unless awarded by the arbiter in its decision. The arbiter shall be precluded from awarding punitive damages to either party. Judgment upon the final decision of the arbiter may be entered in any court of competent jurisdiction.

24.4. Injunctive Relief - Notwithstanding anything to the contrary SYNCHRONOSURE shall have the right to apply at any time to a court of competent jurisdiction to enjoin any breach of this Agreement that would be deemed material and result in immediate and irreparable injury to SYNCHRONOSURE, which is, not properly or completely compensable by damages in action at law, and to recover all costs of such action, including reasonable attorney's fees. All of the rights and remedies of SYNCHRONOSURE hereunder shall be cumulative and not alternative.

24.5. THE PARTIES UNDERSTAND AND AGREE:

24.5.1. EACH OF THEM IS WAIVING RIGHTS TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL;

24.5.2. PRE-ARBITRATION DISCOVERY IN ARBITRATION PROCEEDINGS IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS;

24.5.3. THE ARBITRATORS' AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING;

24.5.4. EITHER PARTY'S RIGHT OF APPEAL OR TO SEEK MODIFICATION OF RULNGS BY THE ARBITRATORS, IS STRICTLY LIMITED;

24.5.5. VENUE FOR MEDIATION AND/OR ARBITRATION UNDER THIS SECTION SHALL BE IN THE CITY OF RALEIGH, STATE OF NORTH CAROLINA.



25. **GOVERNING LAWS** This Agreement shall be deemed to have been made and performed in Wake County, North Carolina and shall be governed by, and construed and enforced in accordance with the laws of the State of North Carolina. The rights duties and obligations of the parties to this agreement, to such extent they are not dealt with specifically or by necessary implication in this instrument, shall be in accordance with the customs prevailing in the insurance business in North Carolina.
26. **ENTIRE AGREEMENT** This Agreement constitutes the entire agreement between SYNCHRONOSURE and Producer and supersedes and replaces any previous agreements between SYNCHRONOSURE and Producer. No oral promises or representations shall be binding, nor shall this Agreement be modified, except by agreement in writing and executed by SYNCHRONOSURE. This Agreement shall apply to current policies already placed through SYNCHRONOSURE and in force at the date hereof and all future policies which may be placed by SYNCHRONOSURE for Producer.
27. **NO RIGHT AGAINST INSURERS** The Producer shall have no right claim or cause of action against an Insurer in respect of SYNCHRONOSURE's obligations to pay commission to the Producer under this Agreement.
28. **THIRD PARTIES** It is the intention of the Parties that Insurers with whom Producer conducts business under this Agreement through SYNCHRONOSURE shall be third-party beneficiaries of the promises of Producer in this Agreement, and as such shall be entitled to enforce such promises in their own name and on their own behalf.
29. **EXECUTION AND ACCEPTANCE OF AGREEMENT** Producer acknowledges that a breach of any of the terms, conditions, or provisions of this Agreement by the Producer may give rise to a cause of action by SYNCHRONOSURE against the Producer and/or may result in disciplinary action by SYNCHRONOSURE, including but not limited to the termination of this Agreement, all in the sole discretion of SYNCHRONOSURE. Each individual who executes this Agreement in a representative capacity represents and warrants that he or she has the full right and power to execute this Agreement and to bind the entity or individuals on whose behalf he or she so signs. If the Producer is an individual, the individual must sign. If the Producer is a



partnership, one of the partners must sign. If the Producer is a corporation, an authorized officer must sign and indicate the title of such authorized officer. The Parties agree that this Agreement (or any counterpart or amendment) may be electronically signed. The Parties agree that the electronic signatures are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility. In executing this Agreement electronically, the Parties hereto intend on being bound to the respective terms and conditions herein stated.

SynchroSure grants Producer to operate on the following financial and accounting basis:

- Producer Bill Basis as outlined in Section 5 PRODUCER BILL BUSINESS**
- Direct Bill Basis as outlined in Section 6 DIRECT BILL BUSINESS**

Producer: _____
(Agency Name)

By: _____ **Date:** _____
(Signature)

(Signatory's Name)

Title: _____
(Must be Owner, Partner or Authorized Officer)

Agreement Accepted and Effected by SYNCHRONOSURE:

By: _____ **Date:** _____

Name: STEVEN J HARTMAN
Title: CEO

APPENDIX ONE: COMMISSIONS

For the purposes of Section 4 of the Agreement, SYNCHRONOSURE and Producer hereby agree that Producer shall be compensated based on the following percentages of premium net of taxes and fees and which has been collected by SYNCHRONOSURE.

CARRIER	LINE OF BUSINESS	ADMITTED (A) or NON-ADMITTED (N)	STATES	NEW BUSINESS	RENEWAL BUSINESS

DRAFT