

VELOCITY RISK UNDERWRITERS, LLC

AGENCY APPOINTMENT AGREEMENT

Velocity Risk Underwriters, LLC ("Velocity"), is authorized by State National ("Company") to solicit the coverages set forth on Schedule A attached hereto and incorporated herein by reference, such coverages are hereinafter individually and collectively referred to as "Company Business" and, if applicable, to make the appointments as set forth in this Agreement ("Agreement"). Pursuant to this Agreement, Velocity appoints the Agency or Agent whose name and business address is set forth herein to represent Company for only those lines of Company Business specified herein. The appointed agency ("Agency") or agent ("Agent") set forth herein agrees to be bound by the following:

TERMS AND PROVISIONS

SECTION I — APPOINTMENT REQUIREMENTS AND INDEPENDENT CONTRACTOR RELATIONSHIP

APPOINTMENT. To obtain an appointment to write any of the lines of Company Business, an Agency or Agent must:

1. Have and continuously maintain all licenses in the state in which it does business as required by applicable state law and to otherwise be in good standing with the Department of Insurance of that state; and
2. All employees, representatives or agents of the Agency or Agent required to be licensed pursuant to applicable state law must be duly licensed in the state in which they conduct business and otherwise comply with all laws and regulations of such state; and
3. Abide by all of the terms and provisions of this Agreement.

This Agreement supersedes and replaces any prior or contemporaneous agreements or understandings, whether oral or written, existing between the parties hereto in reference to the subject matter of appointment.

INDEPENDENT CONTRACTOR RELATIONSHIP. The Agent or Agency acknowledges that, pursuant to this Agreement, an independent service contractor relationship between Velocity and the Agent or Agency is established. Nothing contained herein shall be construed as giving rise to an employee/employer, partnership or joint venture relationship between the Agent or Agency or its agents and Velocity.

SECTION II — TERM AND RENEWALS

This Agreement shall be effective commencing at 12:01 A.M. on the day set forth on the signature and execution page hereof (the "Original Effective Date") and shall continue until terminated pursuant to the provisions set forth in Section V.

Initials _____

SECTION III — RESPONSIBILITIES OF APPOINTED AGENCY OR AGENT

A. GOVERNING RULES AND LAW. The Agency or Agent agrees to know and abide by the terms and provisions of this Agreement, which Agreement shall be subject to the provisions of the applicable statutory provisions relative to the Agency or Agent, Velocity or Company. In addition, the Agency or Agent appointed pursuant to this Agreement agrees to conduct all business operations on behalf of Velocity in compliance with the terms of this Agreement, all Company underwriting manuals and other producer policies and guidelines provided to the Agency or Agent by Velocity or Company (such manuals, policies and guidelines are collectively referred to as "Documents").

B. BINDING AUTHORITY. The binding authority of the Agency or Agent is subject to, and limited by, the authority and procedures for Company Business set forth in the Documents and applicable laws and regulations. Binding authority of agents of the Agency, or the Agent, ceases at such times as the agent is no longer employed by the Agency or Agent or such agent is not otherwise in full compliance with any provision of this Agreement. All binding authority for Company Business ceases immediately upon termination of this Agreement.

C. PREMIUM SUBMISSION. All premiums and monies received by the Agency or Agent for Company Business shall be in the form of credit card or money order, cashier's check, or company or personal check from the insured or another party on the insured's behalf, and shall immediately be remitted directly to Company by mail or processed electronically via the Company's policy administration system. Agency or Agent shall not accept cash as payment without prior written approval from Velocity. The Agency or Agent may not charge or collect any fee or surcharge, including fees for inspections or photographs, from an applicant or insured in excess of the authorized Company premium, surcharge, assessment, or fees, if any.

D. APPLICATIONS. The Agency or Agent, in accordance with the procedures established by Velocity, shall be responsible for ensuring that all submitted Company applications are complete and accurate and in compliance with applicable application requirements for that coverage. Applications must be signed by the insured(s). All applications are to be submitted via Company's on-line application processing system. Applications will be considered bound only at that time that the applicant and Agency or Agent have agreed to binding and both parties have attested to the information provided on the application by their respective signatures and applicable premium is received by Velocity. Backdating of applications is grounds for immediate termination of this Agreement by Velocity.

E. CLAIMS REPORTING. The Agency or Agent shall report to Velocity immediately all claims, suits, and notices of loss and further agrees to cooperate to facilitate the investigation, adjustment, settlement and payment of any claim and agrees to forward to Velocity any and all documentation relating thereto, including, but not limited to, claim forms or reports, legal notices on demands as well as any other information the Agent or Agency possesses regarding a claim or potential loss.

F. BOOKS AND RECORDS. The Agency or Agent, for a period of five (5) years from the date of any document's creation, and for a period of five (5) years after any policy expires, terminates, or is not renewed, or as required by any applicable federal or state law or regulation, whichever is greater, shall maintain legible and accurate copies of all applications and related documents including, but not being limited to, binder logs, policy logs, correspondence, reports, photos, claims information, books, premium payment records, accounts and records and any other documentation, electronic, film or otherwise ("Company Records") used, prepared or obtained by the Agency or Agent, its agents and employees in

conducting Company Business.

The Agency or Agent, at its sole expense, shall immediately comply with any request or requirement to produce, reproduce, copy, deliver, or otherwise make available any or all of Company Records to Company, Velocity, or their designee.

The Agency or Agent shall implement and maintain adequate procedures to safeguard the confidentiality of personal financial information relevant to Company Business, applicants and policyholders as required by the Gramm-Leach-Bliley Financial Modernization Act, 15 U.S.C. § 6801 et seq. ("GLB") and all applicable federal and state laws.

All materials and other supplies furnished to Agency or Agent by Velocity shall be returned to Velocity or accounted for upon demand.

G. ERRORS AND OMISSIONS COVERAGE. As of the Original Effective Date, the Agency or Agent shall have an Errors and Omissions policy in full force and effect providing coverage for the Agency or Agent and all of its agents in an amount not less than \$1,000,000 annual aggregate and shall continue to maintain Errors and Omissions coverage with at least the same minimum limits for the term of this agreement.

This Agreement may be immediately terminated by Velocity in the event that the Agency or Agent fails to provide written proof of Errors and Omissions Coverage or otherwise fails to maintain such coverage as required by this Agreement.

H. INDEMNIFICATION. Without, in any manner, limiting or diminishing Velocity's or Company's right to make a claim pursuant to Section III G. of this Agreement, the Agency or Agent does and shall indemnify and hold harmless Company and Velocity, their parent, subsidiary, and affiliate companies, and their respective Board Members, shareholders, officers, agents, representatives, employees, designees, committees, and committee members (collectively, the "Indemnified Parties") from any liability, damage, claims, or causes of action with regard to any and all losses, claims, damages, fees, and expenses, including legal or other expenses (including, but not limited to reasonable attorney's fees and costs incurred and all pretrial, trial, post-trial, post-judgment and appellate levels), reasonably incurred or paid by any of the Indemnified Parties on account of any negligent or wrongful act, error or omission of the Agent or Agency, its agents, employees, or representatives in the rendering of services pursuant to this Agreement or any breach or default hereof (including but not being limited to, failure to remit premiums or other fees or sums due Velocity or failure to comply with the provisions of the federal Fair Credit Reporting Act, Gramm-Leach-Bliley Act, or similar state and federal laws) except to the extent that Velocity has caused or contributed to such liability or damage.

Velocity shall indemnify and hold harmless the Agent or Agency, its officers and employees from any liability, damage, claims or causes of action with regard to any and all losses, claims, damages, fees and expenses, including legal or other expenses (including, but not limited to reasonable attorney's fees and costs incurred at all pretrial, trial, post-trial, post-judgment and appellate levels), reasonably incurred or paid by the Agent or Agency as a result of any negligent or willful misconduct of Velocity in the performance of any duty set forth in this Agreement except to the extent that the Agent or Agency or any of its officers, employees, representatives or agents caused or contributed to such claim, cause of action, liability or damage.

I. MAINTAINING AGENCY INFORMATION. The Agency or Agent shall notify Velocity within ten (10) business days of any change in the ownership or management of the Agency's or Agent's business operations. Changes include, but are not limited to, any change in the principal agent, officers, directors, and/or managers of the Agency, or changes in physical address, mailing address, e-mail address, phone number(s), and fax number(s), name changes, or changes in the Social Security number, Tax Identification Number, and ownership of the Agency or Agent.

Agent or Agency shall advise Velocity promptly if the Agent or any officer, director, manager, principal, owner or employee of Agency, or any of the Agent's or Agency's agents or sub producers are convicted of a felony, or other offense set forth in the federal Violent Crime and Law Enforcement Act of 1994, or are otherwise not in compliance with any provision of this Agreement. This is an ongoing obligation.

J. COUNTERSIGNATURE. A Power of Attorney is herein created pursuant to this Section. The Agency or Agent acknowledges, authorizes, and grants said Power of Attorney (the "Power") to Velocity and, by doing so, expressly authorizes Velocity in its sole discretion to countersign, electronically, or otherwise, on behalf of the Agency or Agent, as necessary, all Company policies, endorsements, and renewals, and any other endorsements required as a result of changes in applicable law or regulations.

K. APPOINTMENT FEES. All statutory or administratively required Agent or Agency appointment fees will be paid by Velocity, upon acceptance of appointment by Velocity. Appointment fees after the first year will be paid by Velocity if the Agent or Agency has new written premium with Velocity in the prior 12 months. Otherwise these fees will reduce any commissions due the Agent or Agency.

L. BROKERAGE OF VELOCITY BUSINESS. The Agent or Agency shall not submit applications to Velocity pursuant to a formal or informal brokering arrangement with an agent who is not authorized and/or appointed by Velocity.

M. RESPONSIBILITY OF AGENCY OR AGENT. The Agency or Agent shall be liable for ensuring that all agents employed by the Agency or Agent are aware of, and fully comply with, the terms and provisions of this Agreement, the Documents and applicable law and regulations, in all aspects relevant to the conducting of Company Business by the Agent or Agency and its agents and the fulfilling of all responsibilities of the Agent or Agency as set forth in this Agreement.

N. PRINCIPAL AGENT RESPONSIBILITY. The Principal Agent of the Agency as designated by the execution of this Agreement shall be responsible for the Agent's or Agency's compliance with and performance of, the obligations as set forth in this Agreement. These obligations include, but are not limited to, ensuring the confidentiality of all information contained in consumer reports. Agent or Agency agrees that its Principal Agent shall ensure the proper use of such information by all of Agent or Agency's employees and any other party acting on the behalf of the Agent or Agency. Agent or Agency agrees to abide by all federal and state statutes and regulations related to proper notification, ordering, use, disclosure and destruction of records containing personally identifiable information.

SECTION IV — DUTIES OF VELOCITY

A. COMMISSIONS. Velocity shall pay commissions due as a result of the Agent's or Agency's writing of Company Business to the respective authorized and/or appointed Agent or Agency, in amounts and in the manner as set forth on Schedule A attached hereto, less any deductions, setoffs, reimbursements, holdbacks or return commissions due from Agency or Agent for any cancellations, endorsements, waived premium or other adjustments. Commissions shall be payable to the Agency or Agent via check or electronically when available, and in accordance with the applicable provisions of the Documents and this Agreement. Velocity reserves the right to withhold and not pay any commission to the Agency or Agent should the Agent or Agency or its employed agent's authority to conduct Company Business be suspended or terminated or should the Agency or Agent not otherwise fully comply with the terms of the Agreement, applicable laws and regulations.

Whenever premium is returned to any policyholder the Agency or Agent agrees to refund unearned commission at the same rate at which commissions were originally paid to the Agency or Agent, such refund being calculated as of the date such refund is due. If Velocity has made any payments on the Agent's or Agency's behalf, the Agent or Agency agrees to refund such monies as set forth in Schedule A hereto, to Velocity. Velocity shall be entitled to set off and retain on a monthly basis any sums owing by Agency or Agent to Velocity against any sums due said Agency or Agent from Velocity hereunder.

Agency or Agent shall not retain or receive any compensation on any business written in jurisdictions in which Agency or Agent is not licensed, not authorized hereunder or not appointed by Velocity.

No commissions will be paid on premiums the Agency or Agent has requested Velocity collect or which have been placed in collection.

B. COMMISSION STATEMENTS. Velocity shall issue paper or electronic commission statements to the Agency or Agent by the last day of each calendar month detailing the Agency's or Agent's policy and commission activity for each line of Company Business for all policies issued during the previous calendar month. Agency's or Agent's failure to pay any amount due Velocity pursuant to such commission statements may result in immediate termination of this Agreement by Velocity.

C. AGENCY OR AGENT RESPONSIBILITY. As a material inducement for entering this Agreement, Agency or Agent hereby warrants and represents that it is authorized and entitled to receive all fees, commissions and other sums that may be payable hereunder by Velocity and that Agency or Agent possesses and shall maintain for as long as this Agreement is in effect, all licenses that may be required to accept and receive such compensation. Agency or Agent shall be solely responsible for any payment which may be due to an agent for any commission or other sum and shall indemnify and hold Velocity and Company harmless for any claims, demands, actions, payments, expenses, attorney's fees and costs (at all pretrial, trial, appellate, and post-judgment levels), and liability for any such commission or payment demanded or claimed by any agent, employee, or representative of the Agency or Agent.

D. INDEMNIFICATION. Velocity does and shall indemnify, defend, and hold harmless Agent or Agency from and against any liability, fees, and costs arising out of or relating to the actions, errors or omissions of Agent or Agency in obtaining or using credit history and/or insurance scores on behalf of Velocity or Company, provided that in all such instances, Agent or Agency has followed the instructions and procedures established by the Velocity or Company and complied with all applicable laws and regulations.

SECTION V — TERMINATION AND SUSPENSION

A. TERMINATION.

1. **Termination Without Cause.** This Agreement may be terminated by the Agency, Agent or Velocity at any time upon at least sixty (60) days advance notice, which notice shall be in writing via certified mail, return receipt requested. The effective date of any such termination shall be as stated in the notice.
2. **Termination for Cause.** Notwithstanding any other provisions herein concerning termination and in addition to any other termination provision set forth in this Agreement, this Agreement and the authorization and/or appointment of the Agency or Agent, as applicable, may be terminated by Velocity immediately and without notice or right to cure, except as otherwise set forth in Section V A (3) hereof, upon the occurrence of any one of the following events:
 - (a) The termination, suspension, dissolution or withdrawal from the state by Velocity or Company; or
 - (b) The termination, revocation or suspension by any governmental or regulatory entity of any state(s) in which Agency or Agent does business with Velocity, of the authority of the Agency or Agent or any agent in their employ to place Company Business for Velocity or Company; or
 - (c) The expiration or other loss of Agent's or Agency's license or any license held by any officer, director, principal or manager of the Agent or Agency in any state(s) in which Agent or Agency does business with Velocity; or
 - (d) Where applicable, the failure of the Agency or Agent and its agents to maintain the mandated continuing education, licensure and appointment requirements of the state in which the Agency or Agent does business with Velocity; or
 - (e) Failure of the Agency or Agent to remit all premiums and/or fees collected on behalf of Velocity or Company; or
 - (f) The Agent's or Agency's transfer of all, or substantially all, of its business; or
 - (g) The Agent or Agency becomes subject to any insolvency, bankruptcy, or financial recognition proceeding, or makes an assignment of all or substantially all of its assets for the benefit of creditors; or
 - (h) The occurrence of any violation or breach by the Agency or Agent of: (a) the laws, regulations, or directives of any state(s) in which Agent or Agency does business with Velocity; or (b) this Agreement or the Documents; or
 - (i) The failure of the Agency or Agent to cooperate in the use, disclosure or production of Company or Velocity Records; or

(j) The occurrence of any event or events which, in the sole but reasonable discretion of Velocity, constitutes either: (a) a material impairment to Agent's or the Agency's ability to properly render those services and fulfill those obligations as required of the Agency or Agent under this Agreement; or (b) conduct evidencing an inability, failure or refusal of the Agency or Agent to abide by the terms and provisions of this Agreement; or

(k) Failure of Agency or Agent to follow established guidelines and procedures as contained in any Company manual, directive or bulletin or any of the Documents; or

(l) Failure of the Agency or Agent to maintain Errors and Omissions coverage in accordance with the provisions of Section III G;

(m) The Agent's hypothecation, pledge, assignment or other encumbrance of commission paid to it, or the right to future commission payments to Agent, pursuant to this Agreement.

3. **Cure Period.** With respect to Sections V(A)(2)(d) and V(A)(h) through V(A)(m) above, Agent or Agency shall have ten (10) days after receipt of written notice of such default or breach to cure said default or breach to the satisfaction of the Velocity. Agent's or Agency's failure to cure within the cure period shall permit Velocity to terminate this Agreement as of the end of the cure period.

B. SUSPENSION. Upon the occurrence of any act, default, breach or omission that could constitute grounds for termination of this Agreement or the Agency or Agent's appointment in accordance with paragraph A. of this Section V, in lieu of terminating this Agreement, Velocity may, at its sole discretion, suspend for a stated period the authority of the Agency or Agent to bind new Company Business or to write new Velocity applications. During this suspension, if Agency or the Agent binds new Company Business or writes a new Velocity application, whether directly or indirectly through another agent, Velocity may immediately terminate the Agency's or the Agent's authority and/or appointment and this Agreement.

C. LIMITED AGENCY OR AGENT AUTHORITY. As a further alternative to termination of this Agreement, Velocity may in its sole discretion, but is not required to, grant an Agency or Agent a limited authority to service and renew existing policies, execute endorsements and undertake such other Agency or Agent functions as may be authorized by Velocity in its sole discretion. The grant of limited authority by Velocity shall not include the authority for the Agency or the Agent to write new Company Business and such limited authority shall be conducted by the Agency or the Agent in accordance with all other applicable provisions of this Agreement and the Documents and subject to any other standards, requirements, or rules determined by Velocity, in its sole discretion.

D. ADMINISTRATIVE PAYMENT. In addition to any other rights of Velocity set forth herein or in the Documents, Velocity may require payment by the Agency or the Agent of an amount not to exceed the gross amount of any commission derived by the Agency or the Agent on any Company policy or policies written or bound in violation of this Agreement or the Documents, or applicable laws or regulations. Failure of the Agency or the Agent to make such payment upon written demand by Velocity is grounds for immediate termination of the Agreement by Velocity.

SECTION VI — GENERAL PROVISIONS

- A. CONTROLLING LAW.** Any matters related to or arising under this Agreement shall be controlled and be subject to the laws of the state indicated in Schedule A.
- B. ENTIRE AGREEMENT.** This Agreement supersedes and terminates all prior agreements between the parties. This Agreement, together with all Schedules hereto, which Schedules are incorporated herein by reference and adoption, constitute the sole and entire Agreement setting forth the benefits and obligations of the parties hereto with respect to the subject matter thereof.
- C. AMENDMENT AND MODIFICATION.** This Agreement may not be modified except in writing signed by the parties hereto. However, the parties acknowledge that Velocity may, from time to time, unilaterally adopt requirements and/or standards applicable to Agencies and Agents, which requirements and/or standards shall be adhered to and enforced by Agencies and Agents and be deemed incorporated into this Agreement and shall be deemed as a part of the Documents, as defined and referred to herein.
- D. SURVIVAL OF OBLIGATIONS.** The parties hereto acknowledge that they shall continue to be bound by, and shall perform, subsequent to the termination or expiration of the Agreement, all of the obligations set forth herein necessary to fulfill the obligations of the parties pursuant to this Agreement.
- E. SEVERABILITY.** In the event any provision of this Agreement is held to be invalid by a court of competent jurisdiction, the remainder of this Agreement not held otherwise unenforceable shall be deemed valid and enforceable.
- F. WAIVER.** The failure of Velocity to take any action, or to delay taking any action, respecting any default by the Agency or the Agent or any other Velocity right hereunder shall not be deemed to constitute a waiver of the default, any subsequent default, or any other right hereunder or an amendment to this Agreement.
- G. HEADINGS.** The section and paragraph headings herein are for convenience of reference only and do not define or limit any of the provisions hereof.
- H. CONSIDERATION.** All parties to this Agreement do acknowledge that there is good and valuable consideration for the undertakings and obligations set forth herein.
- I. REMEDY.** Subject to the provisions of the Documents, all parties shall have all remedies available according to the laws of the State in which the Company Business is produced hereunder.
- J. ADVERTISING.** The Agency or the Agent shall not use Velocity's, Company's, or any of their affiliates', names or logos in any advertising, circular, stuffer, brochure, or promotional material without Velocity's prior written consent. Velocity shall not use the Agency's, Agent's, or any of its affiliates', names or logos in any advertising, circular, stuffer, brochure, or promotional material without the Agent's or Agency's prior written consent.

K. CONFIDENTIALITY. The term “Confidential Information” shall mean this Agreement, the Documents, and all data, trade secrets, business information, and other information of any kind whatsoever that a party (“Discloser”) discloses, in writing, orally, visually or in any other medium, to the other party (“Recipient”) or to which Recipient obtains access and that relates to Discloser or, in the case of Velocity and/or Company, to the Agency or the Agent, or its customers, employees, third-party vendors or licensors. Confidential Information includes Customer Information, as defined below. A “writing” shall include an electronic transfer of information by e-mail, over the internet or otherwise.

Velocity acknowledges that Agent or Agency and its agents have a responsibility to its customers and other consumers using its services to keep information it has received or produced about their usage of its services and about their accounts (“Customer Information”) strictly confidential. Each of the parties to this Agreement, as Recipient, hereby agrees that it will not, and will cause its employees, officers, directors or agents, consultants, affiliates and independent contractors not to, disclose Confidential Information of the other party or use Confidential Information, including Customer Information, during or after the Term of this Agreement, other than on a “need to know” basis and then only: (a) to affiliates of Discloser; (b) to Recipient’s employees or officers; (c) to affiliates of Recipient, its independent contractors at any level, agents and consultants, provided that all such persons are subject to a written confidentiality agreement that shall be no less restrictive than the provisions of this Section; (d) pursuant to the exceptions set forth in 15 U.S.C. 6802(e) and accompanying regulations, which disclosures are made in the ordinary course of business and (e) as required by law or as otherwise expressly permitted by this Agreement. Recipient shall not use or disclose Confidential Information of the other party for any purpose other than to carry out this Agreement. Recipient shall treat Confidential Information of the other party with no less care than it employs for its own Confidential Information of a similar nature that it does not wish to disclose, publish or disseminate, but not less than a reasonable level of care.

Recipient shall notify Discloser of any actual or threatened requirement of law or legal process to disclose Confidential Information promptly upon receiving actual knowledge thereof and shall assist and cooperate with Discloser's reasonable, lawful efforts to resist, limit or delay disclosure. Such requirements include, but are not limited to, requests or demands for Confidential Information by banks or insurance examiners and regulators, or courts of competent jurisdiction.

The Recipient agrees that Confidential Information shall remain confidential and shall not be used or disclosed to any third party other than to perform the business of insurance as permitted by law and pursuant to this Agreement. In the event the Recipient intends to disclose Confidential Information, the Recipient agrees to provide affected customers and/or consumers with the required legal notice and an opportunity to tell the Recipient that they do not want the receiving party to share the information.

The Recipient acknowledges and agrees that any violation of this subsection K shall cause immediate and irreparable harm to the Discloser and, in addition to any other available rights and remedies, the Discloser shall be entitled to immediate injunctive and other relief to prevent the further use and disclosure of the Confidential Information. This Section shall survive any termination or expiration of this Agreement.

L. WEBSITE. Agency or Agent agrees to adhere to the terms and conditions governing Agency’s or Agent’s use of any existing Velocity or Company website or any website Velocity or Company may own, make available, operate, acquire, use from time to time, create or sponsor in the future, and any services available under such websites. Agent's or Agency’s use of these websites constitute agreement to the terms and conditions that exist at that point in time.

M. NOTICES. Any and all notices, designations, consents, offers, acceptances, or any other communications provided for herein, or as may otherwise be required or necessitated by this Agreement, shall be given as provided for herein, and if not specifically provided, such actions may be undertaken in writing and sent via facsimile, hand delivery, overnight carrier, or by registered or certified mail and shall be addressed or delivered as follows:

As to Velocity:

VELOCITY RISK UNDERWRITERS, LLC.
Attention: Kelly F. Fogarty
3835 Cleghorn Ave. Ste. 200B
Nashville, TN 37215
Phone Number: 615 942 0744
Email: kfogarty@velocityrisk.com

As to the Appointed Agency or Agent: Name:

Attn. (principal agent):

Address: _____

Phone Number: _____

Email: _____@_____ . _____

Notices sent by hand delivery shall be deemed effective on the date of hand delivery. Notices sent by overnight courier shall be deemed effective on the next business day after being placed into the hands of the overnight courier. Notices sent by registered or certified mail shall be deemed effective on the third (3rd) business day after being deposited into the postoffice.

N. OWNERSHIP OF EXPIRATIONS. Following the termination of this Agreement, the Agent or Agency having promptly accounted for and paid over to Velocity premiums and other sums for which Agency or Agent is liable, the records, use and control of expirations, shall remain the property of Agent or Agency and be left in the undisputed possession of Agency or the Agent. "Expirations" means all records and information pertaining to customers, and the right, to the exclusion of the other party to this Agreement, to solicit renewals and new business from such customers. Velocity and Company shall retain all policies until such time as natural expiration of the existing policy occurs. In the event the Agent or Agency has failed to account for, or promptly pay to Velocity, all premiums and other sums due hereunder, or has breached or is in default under this Agreement, said Expirations shall be the sole and exclusive property of Velocity and Agency or Agent shall take any and all action necessary to effect such rights and interests of Velocity.

O. MEDIATION/ARBITRATION. If the parties are unable to resolve a dispute arising out of or relating to this Agreement, the parties will in good faith attempt to resolve such dispute through non-binding mediation before a mediator acceptable to both sides, provided, however, a dispute relating to infringement of intellectual property rights or confidentiality shall not be subject to this provision.

Any controversy or claim, other than those specifically excluded, between or among the parties not resolved through mediation under the preceding provision, shall at the request of a party be determined by binding arbitration. The arbitration shall be conducted by one independent arbitrator who shall be a retired judge or attorney practicing in the areas of insurance and information technology law, as applicable. The Arbitration shall be held in Nashville, TN in accordance with the United States Arbitration Act (Title 9, U. S. Code), notwithstanding any choice of law provision in this Agreement, and under the auspices and the Rules of Practice and Procedure for the Arbitration of Commercial Disputes of JAMS, Inc. then in effect. If JAMS, Inc. is unable or legally precluded from administering the arbitration, then it shall be conducted under the auspices and Commercial Arbitration Rules of the American Arbitration Association. Each party may serve a single request for production of documents. If disputes arise concerning these requests, the arbitrator shall have sole and complete discretion to determine the disputes. The arbitrator shall give effect to statutes of limitation in determining any claim, and any controversy concerning whether an issue is arbitrable shall be determined by the arbitrator. The arbitrator shall follow the law in reaching a reasoned decision and shall deliver a written opinion setting forth findings of fact, conclusions of law and the rationale for their decision. The arbitrator shall reconsider the decision once upon the motion and at the expense of a party. The Section of this Agreement entitled "Confidentiality" shall apply to the arbitration proceeding, all evidence taken, and the opinion, which shall be Confidential Information of both parties. Judgment upon the decision rendered by the arbitrator may be entered in any court having jurisdiction.

No provision of this Section shall limit the right of a party to obtain provisional or ancillary remedies from a court of competent jurisdiction before, after, or during the pendency of any arbitration for matters or claims based on an allegation of irreparable harm and the need for injunctive relief. The exercise of a remedy does not waive the right of either party to resort to arbitration. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of either party to submit the controversy or claim to arbitration if the other party contests such action for judicial relief.

If either party commences legal or arbitral proceedings to enforce the provisions of this Agreement, the prevailing party, as determined by the court or arbitrator, shall be entitled to recover, from the other party, reasonable costs incurred in connection with such enforcement including, but not limited to, attorneys' fees (at all pretrial, trial, post-trial, post-judgment, and appellate levels), expenses, and costs of investigation, litigation, arbitration, appeal, and collection.

P. PRINCIPAL AGENT RESPONSIBILITY. The Principal Agent of the Agency or Agent as designated by the execution of the Agreement shall be responsible for the Agency's or Agent's compliance with, and performance of, the obligations as set forth in this Agreement. Agency or Agent shall only permit licensed and, where applicable, Velocity-appointed Agents, [as defined in the Agreement], to utilize Velocity's internet services, including Company's policy administration system, and shall not disclose, reveal, divulge or otherwise provide the Agency's or Agent's password to any third party.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed this _____ day of _____, 20____ (the Original Effective Date).

{ Agency: _____
Signature: _____
Title: _____
(Agency Principal)

SCHEDULE "A"

TERRITORY, COVERAGES AND COMMISSION SCHEDULE

This Schedule "A" is attached to and by reference made a part of the Agency Appointment Agreement ("Agreement") between Velocity and _____ ("Agency" or "Agent").

It is mutually understood and agreed as follows:

1. Velocity grants authority to Agency or Agent to solicit the following type(s) of insurance in accordance with the terms and conditions of the Agreement.

2. **Governing law.** Any matters related to or arising under this Agreement shall be controlled and be subject to the laws of the state of _____ Tennessee _____.

3. **Commission.** The Agency or Agent shall be entitled to receive as its base compensation for all Company Business produced under the Agreement, a percentage of the total collected written premium for any risk produced by Agency or Agent pursuant to the Agreement, in accordance with Table A below ("Commission"). "Total collected written premium" for any policy shall be defined as premium paid for Company Business produced hereunder, net of, and not including, assessments, cancellations, endorsements, return premium, waived premium, other premium adjustments, or any dishonored checks or payments. Commission shall be paid to Agency or Agent in a timely manner, but not later than the last day of the calendar month following the calendar month in which each Company policy becomes effective or is issued, whichever is later.

Table A

Line of Business	State(s)	Commission (New/Renewal)
Homeowners Wind Only Take-Out	FL	10%/10%
Dwelling Fire Wind Only Take-Out	FL	10%/10%
Condominium Wind Only Take-Out	FL	10%/10%

{ Agency: _____
Signature: _____
Title: _____

(Agency Principal)