

PRODUCER AGREEMENT

This Producer Agreement (this "Agreement") is made and entered into between **Service First Insurance Group, LLC** (the "MGA") and IMS (the "Agent").

A. TERM OF AGREEMENT. This Agreement shall be effective as of January 1, 20 16, and shall continue until terminated pursuant to the provisions set forth in Section H below.

B. APPOINTMENT, AUTHORITY AND INDEPENDENT CONTRACTOR STATUS OF AGENT.

- 1. Appointment and Authority.** While this Agreement is in effect and subject to the terms and conditions of this Agreement, MGA appoints the Agent as an agent for Cypress Property & Casualty Insurance Company (the "Insurer") and within the approved territory identified in the Schedules to this Agreement, to act as follows:
 - a. The Agent is authorized to solicit and submit applications, to issue and deliver binders, endorsements and other evidence of insurance the Insurer is licensed to write, as authorized in the Schedules to this Agreement and the Insurer's underwriting guidelines, bulletins and other instructions, which are incorporated herein by reference. The Agent acknowledges, however, that the Insurer, subject to all applicable law, reserves the right to reject and cancel any policy risk undertaken by Agent that is not entirely satisfactory to the Insurer. If, however, the Insurer cannot cancel such policy risk due to applicable law, then the Agent, at the MGA's request, is required to place such policy risk with a market other than the Insurer's within fifteen days of the MGA's request.
 - b. The Agent is authorized to receive on behalf of the Insurer and remit upon receipt premiums from the Insurer's policyholders directly to the MGA and to direct all of the Insurer's policyholders to pay premiums directly to the MGA as required by the MGA's billing program.
 - c. The Agent shall accept policyholders' requests to cancel policies and to forward immediate written notice of such requests to the MGA. The Agent has no authority to initiate policy cancellations.
 - d. The approved territory within which Agent shall operate, as identified in the Schedules to this Agreement, is not hereby assigned exclusively to Agent, nor shall Agent have the exclusive right to sell any of the Insurer's products.
 - e. The Agent has no authority to change, omit, add to, or waive any question, statement, or answer on any application or any provision of any policy issued by the Insurer, waive forfeitures, extend time of payment, quote rates other than those expressly authorized by the Insurer, or obligate or bind the Insurer in any way not specifically authorized in this Agreement.
- 2. Independent Contractor Status.** The Agent is an independent contractor and neither Agent nor Agent's employees or assistants are employees of the Insurer or the MGA. Subject to the terms and conditions of this Agreement, the Agent shall be free to exercise the Agent's own judgment as to the persons or entities from whom the Agent solicits insurance and the time, place and manner of such solicitations. The Agent's workplace shall be of the Agent's own choosing at a site other than the Insurer's or the MGA's premises. The Agent agrees to notify the MGA immediately in writing if the Agent changes addresses or begins operating out of an additional location/office, and shall have no authority to submit applications or issue binders from the additional location until the MGA authorizes the additional location in writing. The Agent has exclusive control and responsibility to hire, supervise, and pay its employees or

assistants and to select the companies for which it acts as an agent. The Agent warrants and represents that the Agent is fully trained and appropriately licensed to perform pursuant to this Agreement and is not in need of any training by the Insurer or the MGA. The Agent is responsible for maintaining the appropriate license(s) in order that the Agent can lawfully perform pursuant to this Agreement. The Agent is solely responsible for all costs and expenses incurred by Agent, its employees or assistants in the operation of the Agent's business or otherwise, including but not limited to agency expenses, license fees and taxes.

C. RESPONSIBILITIES OF AGENT.

- 1. Notification to the MGA.** The Agent shall forward copies of either the binder issued or application taken by the Agent, and otherwise notify the MGA in writing of all liability accepted not later than fifteen (15) business days following the inception date of coverage or the date of acceptance of such coverage, whichever occurs first.
- 2. Claims Reporting.** The Agent shall report to the MGA immediately all claims, suits, and notices of loss and further agrees to cooperate with the MGA to facilitate the investigation, adjustment, settlement and payment of any claim and agrees to forward any and all documentation relating thereto, including but not limited to claim forms or reports, legal notices or demands as well as any other information the Agent possesses regarding a claim or potential loss of the Insurer.
- 3. Supplies.** At the Agent's own expense, the Agent shall furnish all supplies and materials necessary to perform under this Agreement. The Agent agrees that if the Insurer or the MGA does furnish to the Agent any supplies (including, but not limited to, policy applications, software rating computer disks, or underwriting manuals) such supplies shall remain the property of the Insurer and/or the MGA and shall be accounted for and returned by the Agent upon demand.
- 4. Records.** The Agent shall maintain legible and accurate copies of all documents used, prepared or obtained in conducting business hereunder for five years or longer if necessary to comply with applicable law and regulations relating to the maintenance of the books and records of the Insurer. The Agent agrees that all records of the Agent pertaining to the business of the Insurer shall be subject to inspection at any time during and after the term of this Agreement by representatives of the Insurer or the MGA.
- 5. Advertisements.** The Agent shall not publish or distribute any advertisements, circulars or other materials referring to the Insurer or the MGA without first securing the written approval of the MGA. The Agent need not obtain approval prior to using advertisements that do not refer to the Insurer or the MGA.
- 6. Compliance with Insurance Code.** The Agent shall comply with the insurance codes and regulations of the Insurer's state(s) of domicile as set forth in the Schedules.
- 7. Taxpayer Identification.** The Agent shall provide the MGA with a signed, completed copy of a W-9 taxpayer identification. Agent shall promptly notify the MGA of any changes on the W-9.
- 8. Licenses.** The Agent shall promptly notify the MGA in writing of each employee who is a personal lines producer and provide the MGA with a copy of each employee's state license. The Agent shall promptly notify the MGA in writing if any such employee's agent license is suspended or revoked, or if the employee's employment by the Agent is terminated.
- 9. Lines of Business.** The Agent acknowledges and agrees that the Insurer reserves the exclusive right to determine the lines of business in which the Insurer will engage. The Agent agrees that, subject to compliance with the statutes and regulations of the state of the Insurer's domicile, the Insurer may withdraw from particular lines of business, notwithstanding their

presence or reference in this Agreement or its accompanying schedules. Additionally, when the Insurer withdraws from any line of business, any policies issued with respect to such line of business may be canceled (and the unearned premium returned and unearned commission reimbursed). Any such withdrawal from a line of business and/or cancellation of an application shall be without the Insurer or the MGA incurring any liability whatsoever to the Agent for any (i) costs, expenses, or losses or (ii) direct, indirect, consequential, or special damages the Agent incurs due to such withdrawal and/or cancellation by the Insurer. The Agent agrees to restrict insurance effected to such classes and limits of risks which the MGA may from time to time authorize by a letter of instruction, an underwriting guide update or amendment, other written advisories, and the Schedules attached hereto. The Agent further agrees to suspend binding or writing new business (not including renewals) on behalf of the Insurer, for insurance contracts that provide coverage for fire, windstorm, explosion, riot and civil commotion, or extended coverage when:

- a. A hurricane, tropical storm or tornado watch or warning has been posted, or when there is a definite indication or general public knowledge that a named storm may be expected in the immediate future within the vicinity of the risk in question, and said suspension of writing or binding is in conformity with the MGA's or Insurer's storm procedures;
- b. A named storm is in progress;
- c. A civil disorder, disturbance, civil commotion or riot is in progress;
- d. There is a definite indication or general public knowledge that a civil disorder, disturbance, civil commotion or riot is imminent or may be expected in the immediate future within the vicinity or area of the risk in question;
- e. The risk that is the subject matter of the insurance to be issued by Insurer is located or situated in an area, subdivision, municipality, city, county, commonwealth, or state, which is under curfew or martial law because of civil unrest, and the Agent has not received prior written approval from Insurer to write or bind under the conditions of curfew or martial law in the area; or
- f. The Insurer issues a request relating to the implementation of its exposure management plan (e.g., the closure of a specific county or zip code to new risks).

Additionally, to the extent authorized to bind flood insurance on behalf of the Insurer, the Agent agrees to follow the guidelines of the National Flood Insurance Program currently in effect and as may be amended from time to time.

D. INDEMNIFICATION AND INSURANCE.

- 1. Indemnification by MGA.** The MGA shall indemnify and hold the Agent harmless from all costs, expenses, claims, and losses including, without limitation, attorneys' fees, costs and expenses incurred in investigating or defending any claims, actions or demands or enforcing this indemnity which Agent incurs which arise out of the MGA's errors or omissions in the preparation, handling or servicing of insurance, except to the extent that the Agent caused, contributed to, or compounded such errors or omissions. The obligation of the MGA to indemnify is conditioned upon prompt written notification by the Agent to the MGA of any claim made or legal action brought against the Agent which is subject to indemnifications as set forth above and the MGA has the right to direct the investigation, settlement and defense of any such claim or legal action. The MGA agrees to pay Agent for any expenses, costs, or losses incurred which are covered by this indemnity within a reasonable time, in no event more than thirty days, after receiving written notice from the Agent of the incurring of such expenses, costs, or losses by the Agent.

- 2. Indemnification by Agent.** The Agent shall defend, indemnify and hold harmless the Insurer and the MGA from all costs, expenses, claims, and losses, including, without limitation, attorneys' fees, costs, and expenses incurred in investigating or defending any claims, actions or demands or enforcing this indemnity, which the Insurer or the MGA incurs which arise out of any breach of this Agreement by the Agent, or the servants, agents, subagents or employees of the Agent, or negligent acts, willful misconduct, or errors or omissions of the Agent, or the servants, agents, subagents or employees of the Agent, except to the extent that the Insurer or the MGA caused, contributed to, or compounded such errors or omissions. The Agent's obligation to indemnify is conditioned upon prompt notification by the Insurer or the MGA to the Agent of any claim made or legal action brought against the Insurer or the MGA which is subject to indemnification as set forth above and the Agent has the right to direct the investigation, settlement, and defense of any such claim or legal action. The Agent agrees to pay Insurer or the MGA, as appropriate, for any expenses, costs, or losses incurred which are covered by this indemnity within a reasonable time, in no event more than thirty days, after receiving written notice from the Insurer or the MGA of the incurring of such expenses, costs, or losses by the Insurer or the MGA.
- 3. Errors & Omissions Insurance.** The Agent shall maintain in full force and effect during the term of this Agreement a policy or policies of errors and omissions ("E&O") insurance issued by an insurer acceptable to the MGA, and affording coverage in the minimum amount of \$1,000,000 for acts of the Agent, its subagents and employees with a maximum deductible of \$25,000. Such E&O insurance shall be maintained by the Agent at the Agent's sole cost and expense, and shall be primary and non-contributing coverage over any other valid and collectible insurance available to the Insurer or the MGA. The Agent shall furnish a copy of the certificate or binder for such insurance to the MGA each year as soon as practicable after the effective date.

E. COMMISSION.

- 1. Commission Rate.** The MGA agrees to pay commissions to the Agent in accordance with the MGA's current Commission Schedule incorporated herein by reference. The commission rate as shown on the Commission Schedule shall remain continuously in effect during the term of this Agreement, unless revised as set forth below.
- 2. Revision of Commission Rate.** The commission rate in the Commission Schedule may be revised by mutual written agreement between the Agent and the MGA, or unilaterally by the MGA after giving the Agent at least sixty days advance written notice of the proposed revision and the effective date. The revision shall then be effective on the date specified in the notice without further action required by the MGA or the Agent.
- 3. Offset.** The Agent agrees that any amounts due the Agent that are held by the MGA, including undistributed commissions due, may at any time be applied to and constitute an offset against balances due the Insurer or the MGA from the Agent.
- 4. Refund.** If either during the term of this Agreement or after its termination, the Insurer or the MGA refunds premiums under any policy by reason of cancellation, or otherwise, the Agent shall immediately return to the MGA the amount of commission received by the Agent with respect to such premiums refunded. The MGA reserves the right to offset such amounts against any amounts due to the Agent.
- 5. Assignment of Commission.** The Agent shall obtain prior written consent from the MGA before assigning commissions, and agrees that no purported assignment of commissions shall bind the MGA unless such prior written consent has been given.

- 6. Authority to Withhold.** The MGA may withhold commission payments if the Agent does not provide to the Insurer or the MGA in a timely manner documentation in its possession that the law requires the Insurer or the MGA to maintain. Upon receipt, the Insurer shall release any withheld commission payments to the Agent.

F. PREMIUM COLLECTION.

- 1. General.** Unless otherwise directed, all premiums are to be collected pursuant to the MGA's billing program, which provides that after the Agent collects the initial premium, the MGA shall bill the policyholders directly for all subsequent premiums, or changes in premiums, and the policyholders are directed to make payments as instructed in the MGA's billing statements.
- 2. Payments Made to the Agent.** Premium payments made payable to or received by the Agent from policyholders are to be submitted to the MGA without any deduction for the Agent's commission and are to be submitted immediately upon receipt. Any such premium payments received by Agent shall be held by Agent in a fiduciary capacity as trustee for the Insurer.
- 3. Time of Payment.** All premiums are due and payable to the MGA on or before the effective date of coverage.
- 4. Commissions.** Commission on policy premiums shall be paid to the Agent within sixty days after the end of the month in which such premiums are received and recorded by the Insurer and the MGA, subject to offset at the sole option of the MGA of any balances due from the Agent.

G. RECORDS AND LIST OF EXPIRATIONS.

- 1. Ownership of Records.** While this Agreement is in effect, the Agent owns all files, documents, writings, notes, written memoranda and expirations (hereafter referred to as the "Records" for purposes of this Section G) produced by the Agent in connection with or associated with any policy issued by the Insurer.
- 2. Termination of Agreement.** Upon the termination of this Agreement, if the Agent accounts for and pays all premiums and other sums for which Agent may be liable to the Insurer and/or the MGA, then the Records shall remain the property of the Agent, and be left in the Agent's possession. If, however, this Agreement expires or terminates and the Agent has not accounted for and paid all premiums or other sums owing to the MGA, then the ownership of the Records shall be transferred to the MGA, and the Agent shall not be permitted to use any information contained in the Records.
- 3. Disagreement as to Agent's Liability.** Should the Agent disagree with the MGA on the amount the Agent owes as of the termination of this Agreement, ownership of the Records shall remain with the Agent, provided that the Agent promptly furnishes collateral acceptable to the MGA in the amount of the disputed liability, to be held by the MGA until the difference is resolved. If the Agent fails to furnish acceptable collateral upon the MGA's demand, then the ownership of the Records shall be transferred to the MGA, and the Agent shall not be permitted to use any information contained in the Records.

H. TERMINATION OF THIS AGREEMENT.

- 1. Notice.** This Agreement may be terminated with or without cause by either party upon ten days' advance written notice. Both parties expressly waive any right to a longer notice period provided by law.
- 2. Agent's Failure to Pay.** If the Agent is delinquent in either accounting or payment of monies due the MGA, the MGA may, by written notice to the Agent, immediately terminate this

Agreement. Any costs incurred by the MGA to collect monies owed, including, but not limited to attorneys' fees, collection agency fees, and all related costs for trial and any appeal, shall be paid by the Agent.

- 3. Termination of Agent Upon Certain Events.** Notwithstanding any other provision in this Agreement, the Agent shall immediately cease to be an agent of the Insurer and this Agreement shall terminate on the earliest of the following dates:
- a. The date of the Agent's death or total and permanent disability;
 - b. The date the Agent shall fail to pay over on demand monies belonging to the MGA;
 - c. The date the authority of the Agent to act in accordance with the terms and conditions of this Agreement is terminated by any insurance regulatory body having authority over the Insurer or the MGA;
 - d. The date the Agent shall be adjudicated bankrupt or shall make an assignment for the benefit of creditors, or the date a receiver is appointed for the estate of the Agent;
 - e. The date of the dissolution and/or liquidation of the Agent (if a partnership or corporation);
 - f. The date the Agent performs any action or fraud or malfeasance, withholding of Insurer or MGA funds, or makes a purposeful misrepresentation regarding the business of the Insurer or the MGA; or
 - g. The date of a change in control of the Agent, whether in a single transaction or a series of transactions. A change in control shall include, but not be limited to: (i) if the Agent is a corporation, a sale or transfer of a majority of the issued and outstanding stock of the agent; (ii) if the Agent is a proprietorship or partnership, a sale or transfer of a majority interest in the proprietorship or partnership; (iii) a sale of the Agent's assets used in the Agent's insurance business; (iv) a sale of the Agent's insurance business; or (v) a sale of all or a portion of the Agent's insurance book.

I. RIGHTS UPON TERMINATION.

- 1. Termination of Agent's Authority.** Except as otherwise provided herein, upon termination of this Agreement, all powers and authority of the Agent shall terminate immediately. However, if this Agreement is terminated as provided in Section H(1), the Agent may not bind insurance or effect changes to coverage, but the Agent may, during the notice period, submit new applications and requests for endorsements in writing to the MGA for prior approval, the MGA reserves the right to exercise such approval or authorization at its sole discretion.
- 2. Continuing Obligations of Agent.** After termination of this Agreement, the Agent shall perform those duties that the MGA in writing directs the Agent to perform limited to those duties that the Agent would have been obligated to perform at the MGA's request hereunder prior to termination of this Agreement. The Agent may continue to countersign endorsements that are sent after termination to the Agent by the MGA for countersigning; however, the Agent shall not countersign any endorsements that increase the Insurer's liability or extend the term of any insurance policies without written authorization from the MGA.
- 3. Non-Renewal of Policies.** After the termination of this Agreement, all policies of the Agent will continue in force until the normal expiration dates unless the Insurer, in compliance with all applicable statutes and regulations, exercises its right to terminate such policies at an earlier date. For the purpose of this subsection, policies written for a term longer than one year shall be treated as having an expiration date at the end of each twelve (12) months following the

inception date of the policy and the Insurer may terminate the policy at the end of any such twelve (12) month period.

J. ASSIGNMENT.

The Agent may not assign or transfer the Agent's interest in this Agreement, whether voluntary, involuntary, by act of law or otherwise except as specifically set forth herein. The Agent may not assign its rights or delegate any of its obligations hereunder without the prior written consent of MGA. MGA will only consent if such successor or successors then meet the Insurer and MGA requirements for appointment and agree to comply with the terms thereof. The Insurer and MGA are under no obligation to appoint the Agent's successor or successors.

K. CONFIDENTIAL INFORMATION.

- 1. Definition.** For purposes of this Agreement, "Confidential Information" includes the Insurer or the MGA's rating discs, manuals and any other information which is disclosed to the Agent by the Insurer or the MGA and designated as confidential, proprietary or its equivalent; provided that "Confidential Information" shall not include information that was known to the Agent prior to disclosure by the Insurer or the MGA or is or becomes public knowledge without fault of the Agent.
- 2. Restrictions on Use and Disclosure.** The Agent agrees not to disclose Confidential Information to any third party or to use Confidential Information other than for the purposes of this Agreement or as may be required by law. The Agent agrees to make Confidential Information available only to its employees and subcontractors who have a need for access and only after such employees and subcontractors agree in writing to the use and disclosure requirements of this Section. Upon termination of this Agreement, all Confidential Information shall be returned to the MGA.

L. MISCELLANEOUS.

- 1. Modification.** This Agreement may be supplemented, amended or revised only in writing by mutual agreement of the Agent and the MGA, except as provided in Subsections E(2).
- 2. Waiver.** No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
- 3. Governing Law, Jurisdiction, Venue, and Service of Process.** This Agreement shall be governed by, interpreted, and enforced in accordance with the laws of the State of Florida, without giving effect to any choice or conflict of law provision. Agent hereby consents to personal jurisdiction in the courts of the State of Florida exclusively. The Agent agrees that service of process in any proceeding in any such court may be effected by Certified Mail at the address for Agent set forth in this Agreement. The parties hereby agree that the exclusive venue for any dispute under this Agreement shall be in Duval County, Florida.
- 4. Waiver of Jury Trial.** In any claim or controversy, the Agent and the MGA hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other in any court with respect thereto.

5. **Notice.** Any notice required or permitted under this Agreement will be written and will be deemed to have been given (i) when personally delivered, (ii) when served pursuant to the Florida Rules of Civil Procedure, (iii) on the second day after it is deposited in any depository regularly maintained by the United States Postal Service, postage prepaid, certified, or registered mail return receipt requested, addressed to or (iv) on the date sent by electronic transmission if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient:

MGA: Service First Insurance Group, LLC
ATTN:
13901 Sutton Park Drive South
Suite 310
Jacksonville, Florida 32224
Fax: _____

Agent: Agent Name: Independent Market Solutions, LLC
ATTN: David D. Burt
Taxpayer Identification Number: 97-9155202
Telephone: 850-702-5653
Fax: 850-893-9002
Mailing Address:
Address: PO Box 16579
City: Tallahassee
State: Florida Zip: 32317
Street Address (for delivery purposes):
Address: 3159 SHAMROCK ST. SOUTH
City: TALLAHASSEE
State: FLORIDA Zip: 32309

6. **Headings.** The headings of this Agreement are intended for reference only and shall not affect the construction or interpretation of this Agreement.
7. **Gender.** All terms and words used in this Agreement, regardless of the gender in which they are used shall be construed to include any other gender, masculine, feminine, or neuter, as the context or sense of this Agreement or any section of this Agreement may require.
8. **Savings Provision.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the parties shall negotiate in good faith to modify this

Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner.

- 9. Integration.** As of its effective date, this Agreement supersedes and replaces with respect to the subject matter covered herein all previous agreements, if any, between the Agent and the MGA.
- 10. Electronic Signature and Records.** By using any E-mail, Internet, or other medium for quotes, or other transactions with the MGA, Producer agrees to conduct the transaction of insurance in electronic form. Producer understands and agrees that Producer is signing and authenticating the E-mail or Internet form and agreeing to be legally bound to the same extent as if the Producer had manually signed and delivered to MGA a signed form. Producer also understands and agrees that a record of any E-mail or Internet form or transaction may be stored in electronic form by the MGA. Producer intends those transmissions of any E-mail or Internet transactions or inquiries, and any electronic records of them, to be Producer's legal signature. Producer expressly waives any claim or defense that any E-mail or Internet form or transaction does not constitute an original and authentic written signature, duly executed and delivery by Producer.
- 11. Entire Agreement.** This Agreement and all Schedules hereto constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.
- 12. Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement as of the Effective Date first set forth above.

SERVICE FIRST INSURANCE GROUP, LLC

By: Michael R. Crater

Print Name: Michael R. Crater

Title: Sr. Vice President

"Agent"

By: David J. Buet

Print Name: David J. Buet

Title: Agent In Charge

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