

STERLING SURPLUS PRODUCER AGREEMENT

Agreement between Sterling Surplus, LLC And

_____ (referred herein as Producer).

Whereas, Producer is desirous of placing contract of insurance through companies represented by Sterling Surplus (those companies referred herein as Insurer) and utilizing the underwriting facilities, knowledge, and services of Sterling Surplus, and In consideration of Sterling Surplus placing risks of Producer's clients (referred herein as Insured) from time to time with an Insurer or Insurers and for mutual promises and covenants set forth in this document it is agreed as follows:

AUTHORITY: Producer is an agent for the applicant, and acts on behalf of the applicant for insurance, and is not acting as an agent, subagent or broker for Sterling Surplus. This agreement of 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 Sterling Surplus and Producer. Producer is for all purposes and independent contractor.

Sterling Surplus shall be the sole judge of whether to accept, reject, or submit to Insurer for acceptance any application 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 Insurance for Sterling Surplus, commit to or issue binders, policies, or other written evidence of insurance on behalf of Sterling Surplus or to make representation no 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 Sterling Surplus.

RESPONSIBILITY: 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 for the duration of this agreement and will furnish proof of such licensing upon request by Sterling Surplus.

SURPLUS LINES INSURANCE: Producer shall not place an order with Sterling Surplus for any excess or surplus lines insurance unless Producer shall have first complied with any applicable state laws requiring the producer to attempt to procure such insurance from insurers authorized to do business in the State of residence for the proposed Insured. Unless agreed otherwise, Sterling Surplus will be responsible for the payment of surplus lines taxes and shall also be responsible for full compliance with all relevant surplus lines laws of the pertinent State, including but not limited to, the collection and payment of surplus lines taxes, filing of affidavits, and providing the appropriate statutory and/or regulatory disclosure legends on all documents.

PREMIUM AND ACCOUNTS: Producer guarantees the full payment due Sterling Surplus of all premiums including deposit, earned, extension and adjustable premiums, fees, plus applicable state and local taxes, less commission, on every insurance contract bound or written for Producer pursuant to this Agreement. Producer shall be liable to Sterling Surplus for the payment of all premiums, fees and taxes whether or not collected by the Producer. Sterling Surplus shall allow Producer, as commission, a percentage of the premium written at the rate agreed upon by Sterling Surplus and Producer from time to time. Sterling Surplus's billing may take the form of binders, invoices or statements. The net balance will be due and payable as indicated on such billings and may vary based upon the credit terms of the issuing company. The omission of any item(s) from a monthly statement or separate invoice shall not: (1) affect the Producer's responsibility to account for and pay all amounts due; (2) prejudice the rights of Sterling Surplus to collect all amounts due from Producer; and (3) extend the time within which Producer must make payment. Producer's obligation to make payment to Sterling Surplus is not contingent upon the issuance of

a policy. 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 Sterling Surplus.

FUNDS HELD IN TRUST: Producer shall hold funds in a fiduciary account for business generated under this Agreement to the extent required by the insurance laws of each state in which Producer conducts business. Provided Producer is in compliance with all terms of this Agreement, Producer shall be entitled to any interest earned on said funds while so held by the Producer.

CLAIMS: Producer shall notify Sterling Surplus promptly of any claims, suits or notices of loss (or circumstances which might reasonably be expected to result in a claim, suit or notice of loss) and shall cooperate fully with Sterling Surety to facilitate the investigation and adjustment of any claim when and as requested by Sterling Surplus.

ADJUSTABLE PREMIUMS: 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 insurance company invoice. Producer will make all reasonable efforts to collect amounts due. Producer will be relieved of responsibility for premium, so adjusted or determined, if Producer notifies Sterling Surplus in writing within 20 days after said invoice date, stating that Producer has made diligent efforts and is unable to collect such premiums and, provided the Insurer releases Sterling Surplus of liability for such premium. A copy of the Producer's invoice to the Insured, as well as copies of correspondence pertaining to the responsibility to pay such premiums. If commission applies to these adjustments, none will be allowed to Producer on premiums collected directly by Sterling Surplus or Insurer under this provision.

DIRECT COLLECTION: If, after the expiration of sixty (60) days from the date liability was assumed by the insurance carrier, Sterling Surplus has not received payment due for the applicable coverage, Sterling Surplus may, at its option, collect from the Insured the premium due. In the event Sterling Surplus collects the premium or any part thereof from the Insured, Producer shall not be entitled to any commission on the premium so collected. Attempts by Sterling Surplus to collect from the Insured shall not relieve Producer of liability to Sterling Surplus except to the extent of amounts actually collected by Sterling Surplus from the Insured, less the expense of such collection.

COLLECTION OF AMOUNTS: In the event Sterling Surplus 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.

CANCELLATION OF INSURANCE: Sterling Surplus will not recognize flat cancellations unless: (1) written evidence of coverage prior to the inception date of the contract for insurance is provided; and (2) such credit has been granted Sterling Surplus by its Insurer. 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 contract and/or rules of the Insurer. If Producer does not make timely payment of any sums due Sterling Surplus, then Sterling Surplus may, without limitation of other remedies, initiate with Insurer to cancel the binder, policy or contract for non-payment. If coverage is bound by Sterling Surplus all additional fees charged by Sterling Surplus for the entire policy term shall be fully earned upon binding. Producer hereby acknowledges that Sterling Surplus, or its Insurers, is under no duty to reinstate a policy if the policy is cancelled. Producer deposits made directly to Sterling Surplus's PO Box for payment on a delinquent account will not constitute acceptance of these funds by Sterling Surplus with regard to reinstating any policy being cancelled. 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.

UNEARNED COMMISSIONS: Producer shall be liable to Sterling Surplus and shall pay return commissions at the same rate as originally allowed to Producer for all return premium adjustments or cancellation, including return premium on cancellations ordered or made by the Insurer or Finance

Company. Such return commission shall be paid to Sterling Surplus by the due date indicated on the billing document. If a return premium becomes due under any contract of insurance and Sterling Surplus has been issued a credit, or payment has been rendered, for such premium by Sterling Surplus's Insurer; Sterling Surplus will pay Producer such return premium less the unearned portion of any commission previously retained by the Producer.

FINANCED PREMIUMS: On all premiums which have been financed, Sterling Surplus will remit payment for any return premium, less unearned commission, directly to the Finance Company unless otherwise specified. The ultimate liability of Sterling Surplus for payment to a Finance Company, Producer or Insured shall never exceed the amount of return premium less unearned commission developed. Producer agrees to hold Sterling Surplus harmless from any responsibility for payment to Finance Company and further agrees that financing arrangements do not diminish the responsibility for the timely payment of premium by the Producer.

OWNERSHIP OF THE BUSINESS: Sterling Surplus recognizes the independent ownership by the Producer of the insurance business subject to this Agreement. In the event of termination of the Agreement, the use and control of expirations shall remain the property of the Producer if the Producer has paid all premiums for which Producer is liable under this Agreement.

ADVERTISING: Producer shall not cause any advertisement referring to or using the name of Sterling Surplus or Insurer, or issue or cause to have issued any letter, circular, pamphlet, or other publication or statement so referring, without the express written consent of Sterling Surplus. In the event Sterling Surplus suffers a loss or expense arising out of any unauthorized advertisement, publication or statement of the Producer, the Producer shall be liable for the hereby agrees to indemnify Sterling Surplus and hold Sterling Surplus harmless for all resulting damages, fined, penalties, and costs.

WAIVER OR DEFAULT: Failure of Sterling Surplus 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.

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 of any other provision unless expressed otherwise herein.

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

PRIVACY POLICY: Producer shall neither disclose nor use Nonpublic Personal Information (as that term and similar terms are defined in the Gramm-Leach-Bliley Act, 15 U.S.C. Section 6801 et. 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 Sterling Surplus except as necessary to permit the Producer to perform its duties under this Agreement, or as otherwise permitted or authorized by the ACT. The Producer shall also implement and maintain appropriate administrative, technical and physical safeguards to protect the security, confidentiality and integrity of such Nonpublic Personal Information.

TERMINATION OF AGREEMENT: This Agreement may be terminated immediately at any time by either party given written notice to the other by certified mail, return receipt requested. This Agreement

will also terminate: (1) automatically, if any public authority cancels or declines to renew the Producer's license or certificate of authority, (2) automatically, on the effective date of the sale, transfer, or merger of Producer's business with provision Sterling Surplus may, upon review, appoint the successor as a Producer, or (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. All representations and obligations of the Producer herein shall survive the termination of the Agreement.

After the date of termination of this Agreement, the Producer shall complete the collection and accounting to Sterling Surety for all premiums, 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 premium and return commissions. Outstanding policies will be permitted to run to expiration.

ERRORS AND OMISSIONS COVERAGE: Producer now has and shall maintain insurance agent's Errors and Omission coverage with a minimum policy limit of one million dollars (\$1,000,000) while this Agreement is in force and will furnish proof of such coverage upon request by Sterling Surplus. Producer will provide Sterling Surplus with prompt written notice of any change, cancellation or other termination of this Policy.

MARKETING TERMS: Upon execution of this Agreement, Producer hereby consents to Sterling Surplus periodically communicating with Producer via fax and emails for product and service updates and general announcements. This communication will cease upon the termination of this Agreement by either party or upon written notice from producer to Sterling Surplus to opt out of receiving such communications.

HOLD HARMLESS: Sterling Surplus and Producer shall indemnify, defend and save harmless each other from any loss, claim, liability, damage and expense (including attorney's fees and expenses of litigation) which each party may incur or suffer by reason of material inaccuracy of any representation or breach of any term, condition, or warranty contained in this Agreement.

ALTERNATIVE DISPUTE RESOLUTION: THE PARTIES TO THIS AGREEMENT HEREBY EXPRESS THAT 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, ITS INTERPRETATION, PERFORMANCE OR BREACH, SHALL BE RESOLVED EXCLUSIVELY BY THE FOLLOWING DISPUTE RESOLUTION MECHANISMS:

1. Negotiation –The parties hereto shall first engage in a good faith effort to negotiate any such controversy or claim by communication between them. Said negotiations may be oral or written. To the extent they are oral; they must be confirmed in writing.
2. Mediation –Should the above-stated negotiation be unsuccessful, the parties shall engage in mediation pursuant to the American Arbitration Association Commercial Mediation Rules, or such other mediation rules as the parties may otherwise agree to choose.
3. Arbitration –Should the above-stated mediation be unsuccessful, the parties shall agree to arbitrate any such controversy or claim 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") or such other arbitration rule as the parties may otherwise agree to choose.
4. Injunctive Relief –Notwithstanding anything to the contrary herein, Sterling Surplus shall have the right to apply at any time to a court of competent jurisdiction to enjoin and breach of the Agreement that would be deemed material and would result in immediate and irreparable injury to Sterling Surplus, which is, not properly or completely compensable by damages in an action at law, and to recover all costs of such action, including reasonable attorney's fees. All of the rights and remedies of Sterling Surplus hereunder shall be cumulative and not alternative.

GOVERNING LAWS: This agreement shall be deemed to have been made and performed in Ouachita Parish, Louisiana and shall be governed by, and construed and enforced in accordance with the laws of the State of Louisiana. 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 surplus lines and special risks insurance business in the state in which the Producer is domiciled.

ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between Sterling Surplus and Producer and supersedes and replaces any previous agreements between Sterling Surplus and Producer. No oral promises or representations shall be binding, nor shall this Agreement be modified, except by agreement in writing and executed by Sterling Surplus. This Agreement shall apply to current policies already placed through Sterling Surplus and in force at the date hereof and all future policies which may be placed by Sterling Surplus for Producer.

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 Sterling Surplus against the Producer and/or may result in disciplinary action by Sterling Surplus, including but not limited to, the termination of this Agreement. 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 hereto agree this Agreement shall not become effective until accepted by Sterling Surplus.

PRODUCER: _____ WITNESS: _____

BY: _____ DATE: _____

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

Agreement Accepted and Effected by Sterling Surplus.

BY: _____ DATE: _____

TITLE: _____

Please complete, sign and return ORIGINAL AGREEMENT along with the following:

- Copy of your INSURANCE LICENSE issued by your state of residence
- Copy of your E&O Policy Dec Page

Please check one: Corporation [] Partnership [] Sole Proprietorship []

Federal Tax I.D. Number: _____ (SS Number of Individual)

Surplus Lines License Number: _____ (if applicable)