

PROGRAM PARTICIPATION AGREEMENT

Client Name:

(Hereinafter referred to as "CLIENT" or "PARTICIPANT")

Address:

City, State, Zip:

Effective Date:

Client Email:

CLIENT retains the insurance agency National Real Estate Insurance Group, LLC (ISAOA) ("NREIG" or "CONTRACTOR") to secure insurance coverage on its behalf, subject to the terms and conditions of this Program Participation Agreement ("Agreement"), applicable law and the coverage(s) relative to the CLIENT's monthly inventory report of investment properties (the "Monthly Inventory Report"). In consideration of the terms and conditions herein, and for other good and valuable consideration, the parties hereby agree as follows:

1. Duties and Obligations:

a. NREIG

- i) On behalf of CLIENT, NREIG shall secure insurance, provided by an AM Best (www.ambest.com) "A-" rated insurer or better, either admitted or non-admitted to do business in CLIENT's state(s), on a master policy basis. CLIENT shall be added as an additional insured on a master policy where Connected Investors Real Estate Insurance Services (CIREIS), its successors and/or assigns, is the named insured.
- ii) CONTRACTOR shall provide evidence of insurance to CLIENT and third parties as requested by CLIENT.

b. CLIENT:

- i) CLIENT shall provide all information to NREIG/CONTRACTOR necessary to facilitate the placement or renewal of insurance coverage.
- ii) CLIENT shall adhere to CONTRACTOR's monthly reporting schedule and procedures, subject to change from time to time at CONTRACTOR's sole discretion. CONTRACTOR will endeavor to notify CLIENT 30 days prior to any change of procedure.
- iii) CLIENT shall pay CONTRACTOR all costs (to include, without limitation, premiums, expenses, applicable state taxes, and fees) relative to insurance coverage secured on behalf of CLIENT as indicated by CLIENT's Monthly Inventory Report. Accounts that pay annually will be charged on their monthly payment due date for any additional premium endorsements that were completed in the prior month. Amounts due will be equal to the additional premium due for the remainder of the annual policy term. **Any costs not paid within 10 days of the monthly payment due date will result in cancellation of coverage.**

2. Client Consent to Receive Information Electronically. CLIENT consents to receive recurring communications via phone, voicemail, text, email, or fax messaging from CONTRACTOR as it conducts marketing, servicing, and billing activities. CLIENT consents to receive documents via email, including but not limited to: Monthly Inventory Reports/Invoices, Evidences of Insurance, Payment Receipts, Payment Reminders, Cancellation Notices, and any amendment or revision to this Agreement.

Electronic copies of the master policies are hyperlinked on the Monthly Inventory Reports. Printed copies of the master policies are available **UPON REQUEST** via CLIENT's service representative.

3. Claims Handling. Claims submitted to CONTRACTOR are reviewed and managed by the insurer or an independent Third-Party Administrator as assigned by the insurer. The insurer or TPA handle claim investigations to conclusion and provide the CLIENT with the related loss documentation. CONTRACTOR is able to assist with facilitating communication with the relevant parties involved.

4. Acknowledgements:

- a. _____ Initial. CLIENT agrees that NREIG or its representative, without CLIENT pre-approval, shall have the right and authority to change insurance carrier, coverage, and rates from time to time as necessary to maintain the stability of its insurance program for the benefit of CLIENT and the other participants. Notification of changes shall be made via email to CLIENT at least 30 days prior to the change date if a reduction of coverage or benefit shall affect CLIENT.
- b. _____ Initial. CLIENT agrees all properties insured at less than \$75.00 per square foot are subject to the co-insurance provision within the policy. For full policy language regarding co-insurance please refer to the respective master policy.
- c. _____ Initial. CLIENT agrees all properties placed within NREIG's programs are residential and that any structure that is not residential may not be added without prior written consent from NREIG. The term "residential" means 1-20 unit locations that do not contain commercial occupants.
- d. _____ Initial. CLIENT agrees aluminum wiring (even if remediated) or knob and tube wiring at any location has been disclosed to

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NREIG.

- e. _____ Initial. CLIENT agrees detached or secondary structures with no intent of occupancy by a tenant are excluded from coverage unless a separate limit of insurance is requested and reported on said structures.
 - f. _____ Initial. CLIENT agrees detached or secondary structures that are occupied or intended to be occupied by a tenant must be insured as an entirely separate location.
 - g. _____ Initial. CLIENT agrees this program utilizes monthly reporting forms and as such, a full month's cost is due anytime coverage is afforded for any period of time during a calendar month that locations are reported to NREIG/CONTRACTOR. No premium credit or refund is applicable for partial month coverage. Monthly cost is therefore **fully earned** upon receipt for any month where coverage is afforded for a location.
 - h. _____ Initial. CLIENT agrees that all changes must be reported to NREIG by close of business on the 1st day of the following month in order to change any coverage for the prior month's coverage.
 - i. _____ Initial. CLIENT agrees any refunds provided hereunder are at all times subject to the internal policies of NREIG, as amended or modified from time to time. Please reach out for more information if you have any questions.
 - j. _____ Initial. CLIENT agrees each vacant, renovation, or tenant occupied unit shall have operable smoke detectors present, and CLIENT further agrees coverage will be void in the event a loss occurs due to or arising out of a fire and it is determined that smoke detectors in working order were not present.
 - k. _____ Initial. CLIENT agrees any pool located at an insured location must satisfy all governing laws (federal, state, local, municipal, etc.) concerning the ownership and maintenance of pools, and CLIENT further agrees coverage will be void in the event a loss occurs involving a pool which fails to satisfy such governing laws.
 - l. _____ Initial. CLIENT acknowledges that NREIG may charge fees related to the administration of this program and the management of the CLIENT account. Such fees may include: 1. Account Set-up (up to \$50); 2. Location administration (up to \$6 per month per location); 3. Monthly Installment (up to \$7 per month per account); 4. Account re-instatement (up to \$25 per account); 5. Returned ACH Fee (up to \$25) 6. Marketing (up to \$10 per location per month); 7. Technology (up to 7% of the location premium); 8. Reporting (up to 10% of location premium on select contracts). CLIENT is under no obligation to purchase any insurance product through NREIG.
 - m. _____ Initial. CLIENT agrees that CONTRACTOR can withdraw payments monthly using the payment method on file.
 - n. _____ Initial. CLIENT understands and agrees that payments made for claims will consider the account or owner name(s) provided by the CLIENT. The CLIENT understands that the carrier may opt not to accept a change to the account or owner name(s) in the event a bank account is not set up or the claim payment cannot otherwise be cashed given the account or owner name(s) provided by the CLIENT.
 - o. _____ Initial. CLIENT understands and agrees that the Evidences of Insurance in conjunction with the master policy of record constitute the coverage purchased and provided for the insured location.
 - p. _____ Initial. CLIENT certifies that any location is not occupied by the owner. Owner-occupied locations are excluded from this program therefore the carrier has the right to deny coverage for any losses filed with this occupancy. Exceptions may be granted for multi-unit locations when documented by NREIG prior to binding coverage.
 - q. _____ Initial. CLIENT agrees that as a participant in this insurance program whereas CIREIS is the first named insured on each master policy and is the owner of the association contracted with NREIG for the purpose of securing coverage on behalf of its participants, that client will not hire, engage, retain, contract with, or otherwise utilize the services of a public adjuster, whether or not licensed in the state where the property is located or any other jurisdiction, to inspect, evaluate, or adjust any loss to a property insured through this program. *In states where this requirement is permitted by state law.*
5. **Appointment of NREIG and CONTRACTOR as Limited Attorney in Fact.** CLIENT hereby appoints NREIG and/or CONTRACTOR, or their successors and assigns, as its attorney-in-fact for the sole purpose of acquiring and administering insurance coverage on behalf of CLIENT. These limited powers shall pertain only to this Agreement.
 6. **Compliance with Laws.** The parties hereto shall observe and comply with all insurance laws, rules, regulations, departmental bulletins and government orders applicable to the activities being conducted by each performing obligations under this Agreement.
 7. **Right of Recovery (Subrogation).** In the event CLIENT has a right of recovery against any third party, CLIENT agrees that in the event NREIG or its representative makes any payment on behalf of CLIENT from any insurance plan or program, then CLIENT shall transfer and/or assign to NREIG or its representative anyright of recovery to the extent of the amount paid to such party. CLIENT covenants that it will do nothing to impair or limit the abilityto recover any amounts paid.
 8. **Representations and Warranties.** NREIG and CLIENT each hereby warrant that such party shall possess and maintain all licenses, permits, and qualifications necessary for each party's performance of its obligations under this Agreement.
 9. **Membership in Connected Investors.** CLIENT agrees its participation in NREIG's pooled risk insurance benefit program provided hereunder is contingent on CLIENT's membership in the Connected Investors program providing certain non-insurance benefits to its members. CLIENT and NREIG agree and acknowledge that as of the Effective Date of this Agreement and until terminated in accordance herewith, CLIENT shall become a member of the Connected Investors program at no additional cost to CLIENT and that

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as a member of the program, CLIENT is eligible for certain value-added, non-insurance, group benefits and services being offered.

CLIENT further agrees it shall be bound by the terms and conditions of the Connected Investors program and any and all terms and conditions set forth from time to time in any applicable third party policy, plan or program as secured by the Connected Investors program on behalf of the CLIENT or its members (including, without limitation, the execution and/or delivery of all necessary information, applications, documents and other materials as may be requested from time to time by the Connected Investors program to facilitate the placement, maintenance, reporting, renewal, or termination of any benefits, services, plans, or programs on behalf of CLIENT or its members).

10. **Indemnity.** To the fullest extent permitted by law, CLIENT shall indemnify, defend and hold harmless NREIG, CONTRACTOR, and any of their respective owners, officers, directors, employees, and agents from all loss, liability, actions, claims, suits, demands, and incidental and consequential damages (including legal fees and costs) arising out of or connected with: (i) CLIENT's business or any real or personal property owned by CLIENT; (ii) any default by CLIENT of its obligation(s) under this Agreement and not cured within any applicable cure period; or (iii) any services, act or omission by NREIG, CONTRACTOR, or their employees, agents or representatives pursuant to this Agreement, provided, however, CLIENT shall not indemnify said parties for any act or omission due to the intentional conduct or gross negligence of the same.
11. **Confidentiality.** The parties hereto may provide each other access to "Confidential Information" in the course of performing its obligations under this Agreement. As a result, the applicable parties hereto, including without limitation, any employee, agent or representative of the same, shall:
 - a. Take all actions necessary to prevent the duplication or unauthorized disclosure of confidential information to any other person, firm or company.
 - b. Comply with all privacy laws, including, without limitation, the Gramm-Leach-Bliley Act.

CLIENT agrees NREIG and CONTRACTOR may share CLIENT's name as a participant in any such insurance program, as NREIG or CONTRACTOR deems reasonably necessary in order to advance and secure additional benefits on behalf of CLIENT or any other participants. "Confidential Information" shall include, but not be limited to: records, data, documents, files, underwriting guidelines, procedures, rates, policy forms, sales and marketing materials, computer software and systems and processing protocols. All parties hereto agree the terms of this confidentiality provision shall survive termination of this Agreement.

12. **Arbitration.** Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.
13. **Governing Law & Jurisdiction.** The provisions of this Agreement, and all rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the laws of the state of Missouri without reference to conflict of law principles.
14. **Term and Termination.** This Agreement shall commence on the Effective Date and remain in full force until canceled for any reason by NREIG or CLIENT with not less than 30 days written notice.
15. **Survival.** The following sections will survive termination of this agreement: 7 (Right of Recovery), 10 (Indemnity), 11 (Confidentiality), 12 (Arbitration), 13 (Governing Law & Jurisdiction), and 17 (General Terms).
16. **Modification.** NREIG may revise the terms of this Agreement from time to time. If the revision, in our sole discretion, is material NREIG will notify CLIENT by electronic mail to the email associated with CLIENT's account. By continuing to access or use the services as provided through this Agreement, CLIENT agrees to be bound by any revised terms.

17. GENERAL TERMS

- 17.1 **Severability.** In the event that any word, phrase, or provision of this Agreement is declared invalid, unenforceable or inoperative, such invalidity or unenforceability shall not affect the other provisions of the Agreement, and the remainder of the Agreement shall remain in full force and effect.
- 17.2 **Assignment.** This Agreement shall be binding upon the CLIENT and NREIG, their successors and assigns, and may not be assigned by either party without the prior written consent of the other party.
- 17.3 **No Waiver.** Unless this Agreement expressly provides otherwise, no delay or omission by any party herein to exercise any right or power occurring upon any noncompliance or default by the other party(s) with respect to any provision of this Agreement shall impair any such right or power or be construed to be a waiver thereof.
- 17.4 **Counterparts.** This Agreement may be executed in several counterparts and by facsimile or electronic signature, all or which when taken together shall constitute one single agreement between the applicable parties.
- 17.5 **Authority to Sign.** Each of the persons signing below on behalf of any party hereby represents and warrants that they are signing

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with full and complete authority to bind the party or entity on whose behalf they are signing.

17.6 **Full Agreement Authorization.** By signing this Agreement, CLIENT agrees to all terms of the Agreement, regardless of whether or not each acknowledgement in Section 4. Acknowledgements is individually initialed. Coverage cannot be considered bound with NREIG without the below signature.

The parties have agreed to these terms on the dates below, effective on the date referenced above:

FOR CLIENT: **Signed:** _____ **Date:** _____

 Print Name/Title _____