



PRODUCER AGREEMENT

This Agreement is effective as of this date ____/____/____ between Target Managers Insurance Services, Inc., Target Automotive Insurance Services, Inc., Target Environmental Insurance Services, Inc., Target General Insurance Services, Inc., Target Contractors, Insurance Services Inc. & Target Marketing Insurance Services, Inc. (hereinafter referred to as "TMI") with its principal address at 1925 Village Circle Center, Suite 150, Las Vegas, NV 89134, and

_____ (Name of Producer)
_____ (Principal address)

(hereinafter referred to as "Producer").

I. Representations

TMI is authorized by various insurance carriers to receive and accept certain proposals for insurance policies which may lawfully be written in states in which TMI is licensed to do business.

Producer, a licensed Agent/Broker in the state where Producer has its physical address (shown above), desires TMI to place insurance policies for Producer's clients through facilities of TMI.

TMI is willing to place such policies and perform necessary services in connection with such policies, subject to Producer's compliance with the terms and conditions of this Agreement.

II. Agreement

The parties agree as follows:

1. Scope of Agreement

a. Territory and Lines of Business

Producer shall have the authority to submit risks to TMI for placement with one or more Insurer(s) under Program(s) managed by TMI, subject to the terms and conditions

contained in Producer's Program Appointment(s) which are incorporated by reference to this Agreement. Producer does not have authority to bind Insurer or TMI to any contract of insurance. Once a risk is bound by TMI, Producer shall professionally service the policies in accordance with the highest industry standards including handling any changes or other requests related to the Applicant's policy in accordance with TMI's written procedures provided in advance to Producer, and as amended from time to time at the sole discretion of TMI.

1. Producer shall not submit applications to TMI for quoting or binding if independent sub-producers produced such business or otherwise act in the capacity of a wholesaler unless such authority is specifically granted to Producer under the applicable Program Appointment(s).

2. Producer does not have authority to waive any term or condition of any insurance policy or accept service of any lawsuit or process on behalf of TMI or any Insurer, nor shall it authorize any claim settlement, or bind TMI or any Insurer in any claim matter.

b. Modification of Appointment & Producer's Authority under this Agreement

TMI may, at its sole discretion, modify the Agreement at any time subsequent to its execution by providing at least 30 days advance notice to Producer, except such advance notice is not required where the modification is by written agreement or where one or more Program Appointments are terminated in their entirety, or a moratorium or similar restriction is placed on writing new business for the Program(s) by the Insurer. Such modification may include, but is not limited to (1) appointment of Producer to additional Programs; (2) modification of Producer's appointment and authority under any Program(s); or (3) modification of Producer's commission for new or renewal policies of insurance to be written under any Program Appointment(s). Such modification shall be made by sending written notice to Producer via facsimile, email, or U.S. mail at the address provided in this Agreement, or to Producer's last known address. Producer's acceptance of the modification(s) of a current or additional Program Appointment, including any and all conditions, restrictions, commission rate(s), underwriting guidelines, requirements and limitations specific to the Program, shall be conclusively established when Producer, subsequent to receipt of notification of the modification from TMI, submits one or more applications for insurance to TMI for placement of insureds with the Program(s) so modified. Where Producer's appointment to one or more Programs is terminated, Producer will immediately discontinue solicitation of new business and thereafter shall not submit applications to place business with said Program(s).

c. Oversight

Producer shall not use the name of TMI or any Insurer in any advertisement, publication, circular, paper, or any written materials without first obtaining written consent from TMI. Producer shall not make any representation to any applicant or insured regarding coverage under a policy placed by TMI. That is not consistent with the

actual terms and conditions of the policy. Producer acknowledges that TMI will place policies only with respect to risks that conform to guidelines provided by TMI to Producer from time to time governing premium size, risk classification and loss experience.

d. Statutory Appointment

Producer acknowledges that , to the extent required by applicable law, the Insurers represented by TMI will file notices of appointment with respect to Producer for policies placed under this Agreement.

e. Records

During the term of this Agreement or as otherwise required by law, Producer shall keep true, separate, accurate, and complete records of all transactions relating to the policies and correspondence including, but not limited to, correspondence with policyholders, insureds, state insurance departments, and TMI.

2. Term and Termination of Agreement

a. This agreement shall commence on the effective date set forth above and shall be continuous, and shall apply to policies previously placed by TMI for Producer and in force on the effective date of this Agreement and to all policies that may be placed by TMI for Producer while this Agreement is in effect. If TMI has reasonable cause to believe that Producer is in violation of this Agreement, TMI may immediately suspend Producer's authority granted under any Program Appointment and/or this Agreement pending further investigation by providing written notice to Producer of such suspension.

b. This Agreement may be terminated by either party at any time with or without cause immediately upon providing written notice of termination to the other party. Effective immediately upon providing notice of termination, (1) Producer's authority to submit new business to TMI is revoked for all Program Appointment(s); (2) TMI agrees to renew with such Insurer as TMI may indicate policies then in force with Producer at the time of termination for a period of 60 days thereafter, or for a longer period of time if required by law, provided that said policies have not expired, been canceled, or have been placed with a different insurer at the time for renewal. Notwithstanding the above and except as otherwise required by law, TMI shall have no obligation to renew policies under any Program Appointment where TMI or the Insurer(s) have terminated the Program in its entirety. It is further agreed that the commissions or return commissions will be paid by the responsible party on additional premium collected, or on return premiums made, after termination of this Agreement. Following termination, the terms of this Agreement shall remain applicable to any insurance policies placed by TMI for Producer that were effective prior to the date of termination of the Agreement.

c. Producer shall remain the owner of the records and use and control of all Expirations upon termination of this Program Appointment or the Producer Agreement, except in the event of Producers death, cessation of business, incapacity, or where

Producer abandons, grossly mismanages, or fails to service renewal and/or run off business place through TMI. In the case of Producer's abandonment, gross mismanagement, of failure to service business, ownership of Expirations and records related thereto shall vest exclusively with TMI. "Expirations" shall mean the exclusive right to own and use applicant and/or insured information generated by Producer, including customer names, addresses, coverage terms and conditions in connection with the solicitation and placement of renewal business.

3. Producer Compensation and Collection of Premium

a. All premiums, taxes, and other charges hereinafter shall be referred to as "premium". Premium that is billed directly to the insured by TMI or the insurance carrier shall be considered "direct-billed". Premium that is billed directly to the insured by Producer shall be considered "Agency-billed". Unless Producer is granted specific authority to place Agency-billed policies with TMI under a Program Appointment, all policies will be direct-billed by TMI.

b. As full and complete compensation due Producer under this Agreement, TMI shall pay Producer, as commission, a percentage of the collected premium received by TMI for policies placed by Producer (excluding all fees charged by Insurer or TMI) on each policy produced and paid for under this Agreement at the rate set forth by TMI in the applicable Program Appointment. Unless otherwise specified, all commissions due Producer will be paid to Producer within 60 days following the end of the month during which the premiums due have been paid in full. Any credit extended to the insured by Producer shall be at the sole risk and responsibility of Producer. Any broker fees charged by the Producer to the insured are strictly a contractual matter between the Producer and insured.

1. Direct Billed Policies

Producer is not responsible for the payment of any direct-billed premium; however, at the request of TMI, Producer shall cooperate with TMI in the collection of direct-billed premium. Return of premium payment tendered by Producer and returns by any financial institution due to non-sufficient funds may also result in a fee charged to Producer.

2. Agency Billed Policies

a. For every insurance policy place by TMI for Producer, Producer shall be responsible for and guarantees to TMI the payment of all Agency-billed premiums due with respect to such policy, including audit Agency-billed premium, less the amount of commission allowed to Producer pursuant to the applicable Program Appointment.

b. Unless otherwise specified by TMI, all amounts owed by Producer shall be paid to TMI within 30 days following the end of the month during which the policy becomes effective or, in the case of audit Agency-billed premium, within 30 days after the audit Agency-billed premium is billed by TMI.

c. Direct Collection

1. If TMI or the Insurer has not received the amount of direct-billed premium due it within the time specified in the billing invoice, TMI may at its option collect delinquent direct-billed premium out of any dividends declared or refer the direct-billed premium to the Insurer for collection if applicable or refer the direct-billed premium to a Collection Agency. In the event delinquent direct-billed premium is paid from dividends or collected directly by the Insurer or Collection Agency, Producer shall not be entitled to any commission on the delinquent direct-billed premium so collected.

2. If TMI has not received the amount of any Agency-billed premium due to it from Producer within the time specified by TMI, TMI may collect directly from the insured any Agency-billed premium due. In the event TMI collects the Agency-billed premium directly from the insured, Producer shall not be entitled to any commission on the Agency-billed premium so collected. Attempts by TMI to collect from the Insured shall not relieve Producer of liability to TMI except to the extent of amounts actually collected by TMI, less expenses of such collection, provided however, that Producer will not be held responsible for premiums if (a) Producer has made a reasonable effort to collect such premium and has failed; and (b) Producer refers such items to TMI for direct collection within 30 days of the Producer's receipt from TMI for such outstanding items.

d. Return Premiums

1. TMI will remit all gross return direct-billed premiums directly to insureds. Producer shall refund unearned commissions on return direct-billed premium due for cancellation and direct-billed premium due for cancellation and direct-billed premium reductions at the same rate as the commission as allowed to Producer. TMI will bill Producer for all return commissions within 30 days of the end of the month in which gross direct-billed premium is returned to the insureds. Producer will remit return commissions within 30 days of the date of return commissions are billed by TMI.

2. Producer shall refund unearned commissions on return Agency-billed premium due for cancellations or Agency-billed premium reductions at the same commission allowed to Producer. In the event of such cancellations or Agency-billed premium reductions, TMI shall remit to Producer all previously paid unearned net Agency-billed premium owed to insureds, and Producer shall reimburse the insureds the unearned gross Agency-billed premium due, including the amount of unearned commissions allowed to Producer.

e. Right of Offset

1. TMI shall have the right to offset compensation due Producer under this Agreement by the amount of (1) past due premiums, unearned commissions, or other amounts currently due and owed by Producer to TMI and/or its Insurer(s) arising out of any policy of insurance issued under this Agreement; and (2) Liabilities incurred by TMI

or its Insurers caused by the negligent or illegal acts of omissions of Producer. Producer's failure to timely submit applications, premium payments, return commissions or otherwise comply with TMI's then-current underwriting rules, procedures, or written instructions for one or more Program(s) provided to Producer may, at TMI's sole discretion, result in a reduction in or forfeiture of all or part of Producer's commission amount for the particular business submission in violation of this provision.

2. Producer shall have no right to offset any balance due from TMI to Producer under this Agreement, Program Appointment, or any other Agreement.

3. Any premium received by Producer shall be held in a fiduciary capacity on behalf of Insurers, and shall not be deposited into Producer's operating account, and shall be paid in accordance with this Agreement and TMI's instructions.

f. Compensation Exclusively Through TMI

It is understood and agreed that the Insurer(s) shall have no liability or obligation to directly compensate Producer for the business written pursuant to this Agreement including, if applicable, any profit sharing. All compensation due Producer under this Agreement shall, under all circumstances, be due from and paid solely by TMI.

g. Cancellation Credit

Producer shall be entitled credit for any cancellation after satisfactory proof of such cancellation has been received by TMI. No cancellation credit shall be allowed for any period prior to such cancellation during which coverage is effective under the terms of the applicable insurance policy or binder. No insurance policy may be returned to TMI by Producer for flat cancellation unless it is returned prior to the effective date of the policy. Notwithstanding the return of the original policy for cancellation, cancellation will not be effective until sufficient time has elapsed for proper notice to mortgagees, loss payees, certificate holders, public utility regulatory bodies, or other parties to whom such notice is required.

h. Notice of Expiration

Any customary usage to the contrary notwithstanding, TMI shall be under no obligation to give Producer advance notice of the expiration of any insurance policy, which Producer procures from time to time through the facilities of TMI. TMI will endeavor to give Producer reasonable advance notice of the expiration of any policy or bond, but the failure of TMI to provide such notice shall in no way impose any liability or responsibility upon TMI.

4. Indemnification

a. TMI agrees to jointly and severally indemnify, defend and hold harmless Producer against any and all claims, demands, losses, expenses, liabilities and damages of

whatever nature, including interest, penalties and attorney fees (collectively herein, "Costs") Producer shall incur, which result from, arise out of, or relate to any dispute, including allegations of negligence or unlawful conduct, on the part of TMI and its affiliates arising under this Agreement.

b. Producer agrees to jointly and severally indemnify, defend and hold harmless TMI, its Insurer(s), claims administrators, and servicing companies (hereinafter referred to as "its affiliates") against any and all claims, demands, losses, expenses, liability and damages of whatever nature, including interest, penalties, and attorney's fees (collectively herein, "Costs") TMI and its affiliates or any Insurer shall incur, which result from, arise out of, or relate to Producer's duties, obligations, or performance under this Agreement or as result of any Insurer's appointment of Producer, or relate to any dispute, including allegations of negligence or the violation of insurance, privacy, or consumer protection laws by any state, federal, or local governmental authority by Producer and/or its agents, employees, or representatives.

c. Each party to this Agreement shall promptly notify the other party of the existence of any claim, demand, assessment, allegation of negligence or any other matter as to which the obligation to indemnify hereunder would apply, and shall give the indemnifying party reasonable opportunity to defend the same at their own expense with mutually agreeable counsel. Either party and/or its' affiliates shall at all times have the right to fully participate in such defense at their own expense. If, within a reasonable time after such notice, the party to whom a request for indemnity is made thereafter fails or refuses to defend, the party seeking indemnification shall have the right, but not the obligation, to undertake the defense of, and to conclusively compromise or settle the claim or other matter on behalf of, or for the account and at the risk of, the party refusing to defend and/or indemnify.

d. By signing this Agreement, Producer acknowledges that it has been informed that various Insurers with whom TMI does business require the following language to be placed in all Producer and Sub-producer Agreements, and thereby prohibits Producer from suing the Insurer directly under this Agreement, and Producer agrees that:

"Producer shall have no right, claim or cause of action against any Insurer, and shall look exclusively to TMI for the payment or satisfaction of any expenses, costs, claims and/or causes of action arising directly or indirectly out of, or in connection with, this Agreement, any appointment of Producer, or any action taken or not taken by the Insurer or TMI,"

e. Producer agrees to waive any rights it may have to proceed directly against any Insurer in accordance with the terms and conditions quoted above.

5. Errors and Omissions Insurance

Producer is required to maintain in full force and effect during the term of this Agreement a policy of Errors and Omissions Insurance issued by an insurer rated no less than A-

VIII by A.M. Best Company and which afford(s) coverage in the minimum amount of \$500,000. Such Errors and Omissions Insurance shall be maintained by Producer at Producer's sole cost and expense and shall be primary and non-contributing coverage over any valid and collectible insurance available to TMI. Producer shall provide notification to TMI in the event of lapse and shall furnish proof of such insurance at inception of this Agreement and at each subsequent renewal.

6. Arbitration

a. The parties will attempt in good faith to resolve through negotiation and dispute, claim or controversy arising out of or relating to this Agreement. Either party may initiate negotiations by providing written notice in letter form to the other party, setting forth the subject of the dispute and the relief requested. The recipient of such notice will respond in writing within 10 days with a statement of its position on the dispute. If the dispute is not resolved by this exchange of correspondence, the representatives of each party with full settlement authority will meet at a mutually agreeable time and place within 20 days of the date of the initial notice in order to exchange relevant information and perspectives, and to attempt to resolve the dispute. If the dispute is not resolved by these negotiations, the matter may, with the prior written consent of both parties hereto, be submitted to JAMS/Endispute for mediation and/or binding arbitration.

b. In the event of binding arbitration or litigation to interpret the terms of, or otherwise enforce this Agreement or any provision thereof, the prevailing party, in addition to other relief awarded, shall be entitled to recover from the non-prevailing party all costs and expenses thereof including without limitation reasonable attorney fees incurred by the prevailing party which shall be determined and fixed by the arbitrator or court as part of the decision or judgment. Such fees, costs and expenses shall include expenses incurred on any appeal and for collecting on or enforcing any such decision or judgment.

7. Confidentiality

TMI may share with Producer TMI "Confidential Information," which includes: (1) all information that has or could have commercial value or other utility in the business in which TMI from time to time is engaged or contemplates engaging; and (2) all ideas, information and materials, tangible or intangible, that are not generally known to the public and that relate, in any manner, to the business of the TMI, its personnel (including its shareholders, partners, principals, employees, representatives, and contractors), its clients and all others with whom it does business that the Producer learns or acquires as a result of this Agreement. The term "Confidential Information" also includes, but is not limited to, manuals, documents, computer programs, source code, users' manuals, Trade Secrets, compilations of technical, financial, legal or other data, personnel records, payroll practices, lists of clients or prospective clients, names of suppliers, specifications, designs, business or marketing plans, forecasts, financial information, works in progress, the terms and nature of all agreements with outside parties and organizations, clients leads and contacts, service profiles of clients, contract expiration and renewal dates,

general contractual terms and other technical or business information. Producer hereby agrees to maintain the confidentiality of the Confidential Information in accordance with all applicable privacy laws and regulations. Producer and their respective advisors and agents shall only use the Confidentiality Information to provide the products and services contemplated under this Agreement. Producer further agrees to implement and maintain throughout the term of this Agreement security measures reasonable designed to: (a) ensure the security and confidentiality of the Confidential Information, (b) protect against any anticipated threats or hazards to the security and integrity of such Confidential Information, and (c) protect against unauthorized access to or use of such Confidential Information. This Confidentiality provision shall be binding on the Producer during the term of this Agreement and for a period of three (3) years after the termination of this Agreement.

8. Cooperation on Claims

a. Producer agrees to cooperate fully with TMI, Insurers, and any of their designated representatives or affiliates to facilitate the investigation, adjustment, settlement, and payment of any claim. Where Producer receives actual or constructive notice of a notice of claim, as that term is commonly understood and utilized in the applicable claims handling statutes or regulations, Producer agrees to immediately notify Insurers or any of their designated representatives in writing of such claim and shall forward such claim to Insurer or its designated representative.

b. Producer has no authority to adjust or settle any claims arising out of or in connection with policies, and shall not make any statements regarding the application of coverage including to specific situations, whether actual or hypothetical, and shall not commit Insurers to any liability in connection with any actual or potential claim or loss.

9. Right to Audit

Upon receipt of a written request by TMI, Producer agrees to allow TMI or its authorized representative to conduct an audit at Producer's place of business and permit copying of Producer's business records relating to premiums received from insured(s), the insured's name, address, telephone number, additional insured information, correspondence, any contracts entered into with third parties and such other information as it relates to all Program Appointments of Producer in effect at any time under this Agreement. The audit shall take place during normal business hours solely to confirm Producer's performance under this Agreement. TMI agrees not to make use of any information acquired in such audit in any manner otherwise prohibited by law or this Agreement. TMI shall bear the expense of such audit. Written notice shall be provided by TMI at least 3 days prior to audit. Additionally, Producer shall make such records available for examination any copying by Insurer, reinsurers, or any state insurance department or regulatory board which so requires.

10. Miscellaneous Provisions

a. Non-Affiliation/Independent Contractor

Producer acknowledges that Target Marketing Insurance Services, Inc., a California corporation, and Target Managers Insurance Services, Inc., a Nevada corporation, Target General Insurance Services, Inc. (“TGI”), a Nevada corporation, and Target Automotive Insurance Services, Inc. (“TAI”), a Nevada corporation, and Target Environmental Insurance Services, Inc. (“TEI”), a Nevada corporation, are separate legal entities and nothing in this Agreement grants access to Target Marketing Insurance Services, Inc., Target Managers Insurance Services, Inc., TGI, TAI, or TEI for its products, markets or services, or any other right in regards to Target Managers Insurance Services, Inc., TGI, TAI, or TEI. Producer is an independent contractor and is not the agent or employee of TMI. This Agreement does not grant authority to Producer to bind TMI or any of its principals. Producer shall not quote, bind coverage (including issuance of an insurance binder), or issue a certificate of insurance, endorse or amend any policy obtained pursuant to this Agreement without express written authority from TMI.

b. Compliance with laws

Producer is solely responsible for securing and maintaining all licenses required by and compliance with any state law, rule, regulation, or administrative authority prior to engaging in any of the transactions contemplated by Producer and TMI under the Agreement. On an annual basis, Producer further agrees to provide TMI with a copy of their current errors & omissions policy and license for each jurisdiction in which Producer transacts insurance and for which Producer has received a Program Appointment. Producer represents and warrants that it will abide by the requirements of the Gramm-Leach-Bliley Act of 2000 (15 USC ~1701 et seq.), applicable state and local privacy laws, and the Violent Crime Control Act of 1994 (18 USC ~1033 et seq.), and have established procedures to ensure compliance therewith.

c. Premium Trust Accounts

Producer is obligated to maintain premiums in a fiduciary capacity subject to all applicable legal requirements and all premiums held by Producer shall be maintained in a properly constituted Premium Trust Account.

d. Third Party Beneficiary Status of Insurer(s)

It is understood and agreed that each Insurer is hereby made a third party beneficiary under this Agreement. Specifically, each Insurer shall have the right to assert the same rights of recovery, indemnification, or causes of action as TMI under this Agreement with regard or related to the policies produced by Producer written by such Insurer. This paragraph shall not be altered, amended, or deleted without the applicable Insurer’s prior written consent.

e. Intellectual Property of TMI

All supplies, products, intellectual property or other proprietary information furnished to Producer and belonging to TMI shall remain the property of TMI and shall be returned to TMI promptly upon demand.

f. Severability

If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire agreement will be severable and remain in effect.

g. Non-waiver

The waiver by one party of any breach of this Agreement by the other party will not be deemed a waiver of any subsequent breach, a waiver of the particular provision breached, or a waiver of any other provision of this Agreement.

h. Survival

The provisions regarding indemnity, confidentiality, remittance of premium, and errors & omission insurance shall survive termination of this Agreement. In addition, the provisions of this Agreement, which by their nature extend beyond termination of the Agreement, will survive termination of the Agreement.

i. Entire Agreement

This Agreement replaces any and all prior Producer Agreements between the parties, with the exception that any Program Appointments (commonly made via an "Addendum" to the Producer Agreement) that have not been terminated prior to the effective date of this Agreement shall remain active and in full force and effect, and are hereby incorporated by reference to the extent that the terms and conditions are not in conflict with this Agreement.

j. Governing Law

This agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without reference to the choice of law provisions thereof. The parties hereto consent to the exclusive jurisdiction and venue of the United States District Court for the State of Nevada or the applicable state court of Clark County for any action that may be brought in connection with the Agreement.

k. Assignment

No assignment of this Agreement, or of any commission or fee due to Producer under this Agreement, shall be effective unless approved in writing by TMI.

l. Non-Disparagement

As a further material aspect of the Agreement, each party agrees to act in good faith towards each other and TMI so as to not harm TMI's business in any way, which obligations shall include, but are not limited to, a promise not to disparage the business or reputation of any party, TMI or its officers, directors, shareholders, agents or employees.

m. Commercial Solicitations via fax and e-mail

Producer expressly acknowledges and agrees that TMI and its affiliates may, from time to time, send Producer via facsimile machine or e-mail, information and advertisements about any and/or all Program(s) managed by or available through TMI, its affiliates and business partners, or its Insurers. Requests for additional information about risks submitted to TMI, quotes on such risks, and general correspondence about such risks may also be communicated to Producer in this manner. Each party further agrees to accept all written notifications under this Agreement by facsimile in lieu of U.S. mail and shall keep the other party apprised of its then current facsimile number.

IN WITNESS WHEREOF, the parties have executed the Agreement effective as of the date stated above. This Agreement shall not be assigned, delegated or transferred, and Producer shall not have the right to appoint agents or sub-agents hereunder, without the prior written consent of TMI.

PRODUCER:

**AGENCY:
"TMI"**

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____