

## END USER LICENSE AGREEMENT (EULA)

Following are the terms and conditions under which Systeme Software, Inc. (Systeme) of 177 Sandy Hill Road, Boyertown, PA, 19512, agrees to provide computer software services for PIN (NIPR) appointment/terminations, PDB, NRL, NRR and ALERTS to:

(Customer) and its subsidiaries.

### 1. SCOPE OF SERVICES

Systeme will provide Customer with a Service, (Cratchit-NET), that is designed to create, track and report on appointment and termination transactions (Transactions) between Customer and National Insurance Producer Registry (NIPR). Systeme is responsible for the maintenance of the Service to assure the Customer that the text transmitted to NIPR is accurate.

### 2. Electronic Functions Offered

#### a) Producers Database ("PDB")

The Producer Database ("PDB") contains information provided by participating state insurance departments. Not every state participates in the PDB. Participating states are encouraged to submit subsequent licensing information, which affects the current information in the PDB. NIPR makes no guarantee or representation that the reported information has not been modified or revised by the state insurance department and that such changes are not reported to NIPR.

#### b) Appointments / Terminations ("Appt/Term")

Each Appt/Term transaction is defined as 'an appointment or a termination for a single person or agency in a single state with a single insurer'.

#### c) Non-Resident Licensing ("NRL")

Each NRL transaction is defined as 'a request for a license in a single state for a single individual or business entity (where allowed) where the applicant does not reside in the state of the request.'

#### d) Non-Resident Renewals ("NRR")

Each NRR transaction is defined as 'a request to renew an existing non-resident license in a single state for a single individual or business entity (where allowed).'

#### e) Alerts! ("ALERTS")

ALERTS! Is a monthly subscription product and is not based on items reported. Customer will be notified of specific changes to licenses held by agents/producers affiliated with the specified provider.

### 3. BILLING

Systeme will bill Customer monthly for the number of transactions of each type indicated in section 2 according to the cost per transaction listed in Schedule A - Product Pricing at the time the EULA is executed. Rates are subject to change. Customer will receive 60 (sixty) days notice of increase in service costs. All invoice amounts shall include fees to NIPR and SYSTEM SOFTWARE costs. Customer will not receive an invoice from NIPR.

Systeme monthly invoice shall be on terms 'NET 30', with the total amount due within 30 days of the invoice date. Invoices not paid within the allotted time will incur a late charge of 1.5% of the total amount of the invoice which amount will be added to the following billing cycle invoice. Invoices partially paid will incur a late charge of 1.5% of the outstanding balance which amount will be added to the following billing cycle invoice. If Customer has a dispute with the number of transactions or amount billed, Customer has 10 (ten) business days from the date of the invoice to make such dispute known to Systeme. If dispute is found to be reasonable and just Systeme will reevaluate and reissue invoice under the terms of the original invoice. Invoice amounts not paid within 60 days shall be considered delinquent and may result in temporary termination of service to Customer.

Systeme is required by NIPR to make payment for holding tank transactions processed by Customer through Cratchit-NET. 'Holding Tank Transactions' are defined as transactions made in states that require payment prior to the processing of the transaction through the state's systems. Those states that currently issue invoices to Customer for such transactions will continue to do so. Systeme, on behalf of Customer as stated below, will pay those states that do not invoice Customer directly. Such payments will be made the business day after the date on which the transaction was processed by Customer to allow a period for NIPR to validate the contents of the transaction. Transactions found to be out of compliance for whatever reason will not be processed and Customer will not be charged for such transactions. Customer may be contacted by Systeme and instructed of such errors and be required to reprocess transactions, at which time charges will be incurred. State processing fees to be applied to a transaction are determined by the NIPR gateway at the time the transaction completed processing. Systeme will extract that fee amount from the NIPR gateway response file and apply it to each transaction and flag the transaction as 'Billable'. Systeme will evaluate the outstanding holding tank payments daily and issue an invoice to Customer by email for holding tank payments made according to the following rules: a) 14 days after the earliest HT payment; b) when total of HT payments made reaches or exceeds \$250; c) special conditions require that we invoice outstanding amounts due. Such off schedule invoices will be preceded by an email notifying of the reason for the off schedule invoice. Such invoice will be considered 'Due Upon Receipt' and will contain summary of billed transactions and complete instructions for payment. Systeme will add a service

charge of **9%** of the total paid to this amount. If Customer chooses to pay invoice by Electronic Funds Transfer (EFT) this fee is reduced to 6%.

#### 4. MAINTENANCE PROVISIONS

Systeme provides free technical support for basic Cratchit-Net, as long as the Customer uses the Cratchit-Net system for appointments/terminations and NRL with NIPR. Telephone support is offered during the hours of 8:30am to 5:00pm Eastern Time Monday through Friday. Systeme warrants that during normal business hours phone messages will be returned within 2 (two) hours of receipt in the event that call cannot be taken.

Support may be made available to Customer during weekends or evenings with advance notice of not less than 1 (one) week. Support is limited to correction of errors and advice on use of Cratchit-NET system. Systeme does not offer support of or advice on use of PDB system. PDB is the property of, and is maintained and supported by NIPR.

#### 5. WARRANTY

Systeme warrants that it has the right to market Cratchit-Net and related documentation and that Customer's use thereof will not infringe any patent, copyright, trade secret or other proprietary right of any third party.

In the event that an action based on a claim that the Cratchit-NET software or documentation or any part thereof infringes a patent, copyright, trade secret, or other proprietary right, Systeme shall defend such action at its expense and pay all costs, judgements, and damages awarded in such actions including attorneys' fees; provided that Systeme shall have control of the defense of any such action and all negotiations for its settlement and compromise.

Systeme makes no warranties, either expressed or implied, as to the suitability of Cratchit-NET for any particular purpose. Customer agrees to accept full responsibility for evaluating the usefulness and accuracy of Cratchit-NET as it relates to Customer's business.

#### 6. REMEDIES

Systeme agrees to correct at our expense and on a timely basis any program deficiencies that result in abnormal program behavior.

#### 7. CONFIDENTIAL INFORMATION

Customer understands that Cratchit-NET and related documents contain proprietary secrets, ideas, and techniques belonging to Systeme, which Systeme has developed at its time, skill, and expense and which are valuable assets of Systeme shall be treated as confidential.

Customer's confidential information will be safeguarded by Systeme to the same extent that Systeme safeguards such information relating to its own business which in no event will be less than the safeguards that a reasonably prudent business would exercise under similar circumstances. Systeme will not disclose any of customer's confidential information to any third party, except as necessary to perform the services hereunder or as required by law. Systeme will not disclose any of customer's confidential information to third parties if it knows or should know that the information will be used for marketing purposes. Systeme agrees to indemnify Customer for all costs and expenses incurred by Customer in connection with any failure by Systeme to satisfy any obligations under this provision, and to undertake whatever action is necessary to remedy such failure.

Customer agrees to indemnify Systeme for all costs and expenses incurred by Systeme in connection with any failure by Customer to satisfy any of the obligations under this provision, and to take whatever action is necessary to remedy any such failure.

This confidentiality obligation shall survive any termination of this agreement.

#### 8. LIMITED DAMAGES

In no event shall Systeme be liable to any party for any damage, including lost profits, lost savings, lost data, or other incidental or consequential damages arising out of the use or any inability to use Cratchit-NET, or arising out of services provided by Systeme employees [except as set forth in paragraph eight ("Warranty")], unless such damages are the result of the gross negligence or willful misconduct of Systeme.

Customer may assign this agreement pursuant to a merger or acquisition upon notice to Systeme. The assignee shall have all of the rights and obligations of Customer as set forth in this agreement.

#### 9. Federal Fair Credit Reporting act

Customer represents and warrants it is in the business of insurance and has a permissible purpose for obtaining consumer reports, as defined by Section 604 of the Federal Fair Credit Reporting Act (15 U.S.C. § 1681b) as amended by the Consumer Credit Reporting Reform Act of 1996 or as may hereafter be amended, hereinafter called "FCRA". Customer certifies it will comply with the provisions of the FCRA when requesting and using information on an individual from the Producer Database.

For purposes of this Agreement, information obtained from the Producer Database regarding an individual is a "consumer report" under the FCRA. "Consumer Report for Employment Purposes" is defined as obtaining a consumer report in connection with the evaluation of an individual for employment, promotion, reassignment or retention as an employee.

Customer agrees it will not request a Consumer Report for Employment Purposes unless: (a) a clear and conspicuous disclosure is first made in writing to the individual who is the subject of the consumer report before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained for employment purposes; (b) the individual who is the subject of the consumer report has authorized in writing the procurement of the report; (c) Customer complies with the FCRA in the event it takes adverse action in whole or in part based upon the consumer report and (d) information from the consumer report will not be used in violation of any applicable federal or state equal opportunity law or regulation. For purposes of Customer's notice obligations in regards to taking adverse action, a Summary of Consumer Rights, as prescribed by the FTC will be made available to Customer each time it signs off the Producer Database.

Customer agrees it will maintain copies of all written authorizations required herein for a minimum of three (3) years from the date of inquiry. Customer agrees it shall use a consumer report for a one-time use only, and will not disclose the information in the report to any third parties except those involved in the current employment decision.

Customer agrees to indemnify, defend and hold harmless Systeme against any liability or claim of any persons that is attributable to Customer's failure to comply with the applicable provisions of the FCRA

10. TERMINATION

Either party may terminate the Cratchit-Net service with 30 days notice.

11. GENERAL

This agreement will be governed by the laws of the Commonwealth of Pennsylvania and it shall supercede and replace any prior agreement.

Dated \_\_\_\_\_

Dated:

Submitted by:

Read and accepted  
by:

\_\_\_\_\_  
Edward M Weber  
Title: Chief Executive Officer

\_\_\_\_\_  
Title:

Address where EULA should be sent:

## Schedule A - Product Pricing

Each Electronic Service offered will be invoiced according to the rate schedule below. Rates are locked into EULA at the time of execution. Rates are subject to change upon 60 (sixty) days notice, not to exceed 10% of existing fee.

Service	Per/Tran Cost	State Fee	State Fee Prepay Rate	Billing Frequency
APPT/TERM	\$3.00	N/A	N/A	Monthly
APPT/TERM		Varies by State	9% of total 6% if paid by Electronic Funds Transfer	When total reaches \$250 or 14 days pass since earliest payment
NRL	\$8.00	N/A	N/A	Monthly
NRL		Varies by State	3.25%	Upon Transaction Completion
NRR	\$4.00	N/A	N/A	Monthly
NRR		Varies by State	3.25%	Upon Transaction Completion
PDB	\$1.80	N/A	N/A	Monthly
ALERTS!	\$40/month	N/A	N/A	Monthly