

ASSOCIATED RISK MANAGERS INTERNATIONAL, INC.

UNALLIED MEMBER AGREEMENT

THIS AGREEMENT is made by and between ASSOCIATED RISK MANAGERS INTERNATIONAL, INC., an Illinois business corporation (hereinafter "ARMI") and the undersigned Independent Insurance Agency not affiliated with a SHAREHOLDER (hereinafter "MEMBER").

- A. ARMI and the undersigned MEMBER wish to operate a cooperative development and marketing business for certain programs, products, services and facilities which have been or will be created: (1) by ARMI, (2) by SHAREHOLDERS of ARMI, (3) by agents or brokers affiliated with SHAREHOLDERS of ARMI (hereinafter "AFFILIATED AGENCY" or "AFFILIATED AGENCIES"), (4) by MEMBERS of ARMI, or (5) by others not associated with ARMI, a SHAREHOLDER, an AFFILIATED AGENCY or a MEMBER.
- B. ARMI owns the trademark, trade names (ARM, ARM International and Associated Risk Managers), service marks and rights to the ARM logo (including U.S. Patent and Trademark Office Registration No. 1021702 and Application No. 279,164 and 279,191, filed September 24, 1980), necessary for the business, which all parties wish to protect from unauthorized use.
- C. The purpose of this Agreement is to provide for the obligations of the MEMBER to supplement the business income of ARMI, by funding expenses necessary or desirable for ARMI's business operations by assessments or other charges on its MEMBERS (herein called "MEMBER PAYMENTS.")
- D. MEMBER PAYMENTS may be in such amounts and may be imposed and apportioned in such a manner as from time to time as ARMI shall determine. It is further understood that MEMBER payments may include initiation fees, user fees, commitment fees, commissions, overrides, proceeds from distribution or sale of ARMI programs, products, services and facilities, and other payments, as determined by ARMI. Benefits to the MEMBERS are expected to depend upon the activity of MEMBERS in selling programs, products and services and in creating new programs, products and services for sale by SHAREHOLDERS, AFFILIATED AGENCIES and MEMBERS.
- E. Participation in ARMI should be limited to those MEMBERS that comply with the policies and procedures of ARMI, as approved by the Board of Directors.

NOW, THEREFORE, ARMI and the undersigned MEMBER hereby represent and agree as follows:

- 1. ARMI hereby authorizes the MEMBER to distribute and sell all ARMI programs, products services and facilities.
- 2. ARMI hereby grants to the MEMBER a non-exclusive license to use all ARMI trade names, trademarks, service marks, logos, and materials embodying them, subject to certain limitations, restructures and other requirements to include, but not limited to, the color of the logo in printed materials.

3. Each MEMBER agrees to make such MEMBER PAYMENTS as may be set from time to time by ARMI Board of Directors. In the event the payment requirements are changed in any way, each MEMBER shall be given sixty (60) days written notice by regular or electronic mail and shall have the option of withdrawing from ARMI prior to the effective date of the change, in which event ARMI shall have all of the rights and remedies that apply in the event of default.
4. MEMBER may not transfer membership in ARMI.
5. In becoming a MEMBER, the MEMBER signing this Agreement represents that it is not relying on any statement or representation by ARMI, oral or written, not contained in this Agreement and that it has been supplied with a copy of the ARMI Bylaws.
6. This Agreement does not convey any ownership interest in the ARM Concept; or in any ARMI program, product, service or facility; or in any ARMI trademark, service mark, trade name, logo or other material, to any MEMBER. Each MEMBER will take all reasonable steps necessary or desirable to protect ARMI's intellectual property rights. This will include, without limitation by way of enumeration, display of any notices or any trademark, service mark, copyright, or the like, on all advertising, promotion, or other material, as appropriate.
7. ARMI shall have absolute and exclusive authority to accept other MEMBERS and SHAREHOLDERS as it deems appropriate.
8. The undersigned MEMBER shall comply with the following requirements and failure to comply shall constitute a default.
 - a. MEMBER shall be a legal entity in good standing in its jurisdiction. MEMBER shall not violate any applicable law or regulation relating to its formation or operation.
 - b. MEMBER shall be licensed at all times by each jurisdiction in which the MEMBER is required to be licensed. No MEMBER shall distribute or deal in any ARMI-approved program, product, service, or facility other than in compliance with all applicable laws and regulations.
 - c. MEMBER shall pay all MEMBER PAYMENTS and other obligations to ARMI within thirty (30) days of written notice by regular or electronic mail to the current address for the MEMBER, according to the records of ARMI. Non-payment of MEMBER PAYMENTS shall constitute a default. Penalties for late payments may be imposed by the ARMI Board of Directors, and MEMBER shall promptly pay all such penalties so assessed.
 - d. MEMBER shall endeavor to attend the Annual Meeting of ARMI as well as other ARMI branded events.
9. Upon occurrence of an event of default by MEMBER, ARMI may at its option take any one or more of the following actions:
 - a. Require immediate payment by MEMBER of all money due and payable to ARMI under this or any other Agreement between the parties.

- b. Require the MEMBER to cease all use of ARM trademarks, service marks, trade names, logos, or other intellectual property of ARMI. ARMI may further require assignment to ARMI of any state or other local law rights which the MEMBER has acquired to any of the above.
10. Require the MEMBER to change its corporate name and/or trade name to delete all reference to "ASSOCIATED RISK MANAGERS", "ARM", "ARMI" and to any trade name, trademark, service mark, or other references including them or similar to them or to any being employed by ARMI. The parties hereto intend that the covenants and agreements contained herein shall be deemed to be a series of separate covenants. If, in any judicial proceeding, any court shall refuse to enforce any of the separate covenants, then such unenforceable covenant shall be deemed eliminated from the provisions hereof for the purposes of such proceeding to the extent necessary to permit the remaining separate covenants to be enforced in such proceeding.
11. The parties represent and acknowledge that the remedies provided to ARMI in this Agreement are reasonable and necessary to protect the legitimate interest of ARMI, and that any violation will cause substantial injury to ARMI, and that without such restriction, ARMI would not have entered into this Agreement. Time is of the essence in carrying out the remedies herein provided. In the event any MEMBER shall fail to timely carry out the requirements of this Agreement, ARMI shall be entitled, in addition to any other relief or remedy, to preliminary and permanent injunctive relief. In the event ARMI shall be required to file suit or to take any other action to enforce any of the remedies contained in this Agreement, ARMI shall be entitled, in addition to any other relief or remedy, to recover all costs and expenses thereof, including all of ARMI's attorneys' fees.
12. Any MEMBER may terminate this Agreement as to that MEMBER, with or without cause, upon one hundred eighty (180) days' written notice by regular or electronic mail to ARMI. ARMI may terminate this Agreement, with or without cause, with respect to MEMBER, whether or not an event of default has occurred, upon three-fourths (3/4) vote of the entire Board of Directors of ARMI, such termination to be effective one hundred eighty (180) days following written notice by regular or electronic mail. Upon termination of this Agreement, all authority granted to the MEMBER by this Agreement including the license granted to the MEMBER by this Agreement, shall terminate. All rights and remedies of ARMI shall survive termination of the Agreement.

No refund of any MEMBER PAYMENTS or other payment need be made by ARMI or any other person, upon termination of this Agreement.

13. ARMI and the MEMBER are not and shall not be considered partners, joint ventures, agents, servants, employees, or fiduciaries of each other, and shall not have the power to bind or obligate each other, except as set forth in this or other Agreements. ARMI and each MEMBER shall be solely responsible for all taxes as imposed by any governmental authority upon its respective operations, and for compliance with all federal, state, or local securities, insurance, franchise or other laws, orders, rules or regulations applying to its respective operations. No amendment to this Agreement shall be binding unless in writing and executed by ARMI and by the MEMBER.

THIS AGREEMENT shall be binding upon and shall inure to the benefit of ARMI and the MEMBER, upon execution of this Agreement or counterpart of it by both ARMI and the MEMBER. This

Agreement shall be construed according to the laws of Illinois. Any litigation that may take place as a result of a disagreement between ARMI and MEMBER shall be resolved in the courts of Cook County, Illinois.

IN WITNESS whereof, each party hereto has caused this Agreement to be signed (in duplicate originals and in multiple counterparts) in its corporate name by its duly authorized officer, who represents that he is authorized to execute this Agreement, and to be attested by its secretary, and each such party hereby appoints the below-named officer as its true attorney-in-fact to deliver this Agreement as its act and deed.

ARMI:
Associated Risk Managers International, Inc.
PO Box 278389
Riverdale, IL 60827

By: _____
ARMI Chairman

Attest: _____
Assistant Secretary

Date Signed: _____

MEMBER:
Name and Address of MEMBER:

By: _____
President

Attest: _____
Secretary

Date Signed: _____