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Membership Agreement Preferred Property Program, Inc.

This Agreement is entered into between Preferred Property Program, Inc. (PPPI) an Illinois corporation, and the _____ (“Purchaser”) which is located at the following address: _____

WHEREAS PPPI is a risk purchasing group formed pursuant to Illinois law and the Risk Retention Amendments of 1986 (15 U.S.C. 3910 et. seq.) (“Act”) in order to permit a group of individuals who share common or similar liability exposures to join together to purchase umbrella liability insurance on a group basis; and

WHEREAS Purchaser represents and has provided information to PPPI that Purchaser is engaged in the real estate business and is exposed to liability risks which are the same or similar to those of the other members of the group; and

WHEREAS Purchaser seeks to insure its own risks by purchasing umbrella liability insurance under the group insurance policy issued to the group through PPPI;

NOW THEREFORE, the parties Agree as follows:

Agreement

1. PPPI agrees that as of the effective date of this Agreement, Purchaser is a member of the risk-purchasing group and is eligible to participate in certain group umbrella liability insurance policies, including endorsements and renewals, which is issued to PPPI for the benefit of its members (“Insurance”).
2. Except as otherwise provided herein, so long as Purchaser satisfies the requirements of this Agreement and meets the qualifications of membership as set forth in the Act, PPPI shall permit Purchaser to participate in and be insured under insurance.
3. Purchaser shall pay all premiums, which are billed to it for insurance not later than ten (10) days after receipt of a statement therefore.
4. Purchaser shall promptly pay a non-refundable annual membership fee of \$_____. This fee must be paid not later than the date insurance coverage is bound.

5. Purchaser shall meet the underwriting criteria imposed by each insurer upon all members of the risk purchasing group who are insured or all persons who seek to be insured under the Insurance. Purchaser understands that its failure to meet such underwriting criteria may result in the non-renewal of its coverage under Insurance.

6. Termination

a) This Agreement shall terminate:

i. Upon failure of Purchaser to pay the annual membership fee or any premiums for insurance as required under the Insurance and this Agreement. Purchaser shall cease to be a member of the purchasing group at such time as the premium is past due. However, if the past due premium or membership fee is subsequently paid, PPPI may, in its sole discretion, reinstate Purchaser's membership.

ii. Upon termination or non-renewal of Insurance covering Purchaser or the group through PPPI.

b) This Agreement may be terminated by PPPI

i. if there is a change in the business of Purchaser which results overall in its being exposed to liability risks which are not the same as or similar to those of the other members of the group so that it would no longer qualify for membership within the requirements of the Act; or and PPPI shall give not less than thirty (30) days prior written notice of such termination; or

ii. upon Purchaser's failure to meet standards, criteria, or conditions of membership which may be established from time to time by PPPI for the risk purchasing group as a whole; and PPPI shall give not less than thirty (30) days prior written notice of such termination; or

c.) This Agreement may be terminated by Purchaser upon Purchaser's withdrawal from the risk purchasing group. Purchaser may withdraw from the risk purchasing group and participation in the Insurance at any time by submitting a written notice of its withdrawal to PPPI stating the date upon which the withdrawal is to be effective. This Agreement shall terminate upon that date. Purchaser understands that withdrawal from the risk purchasing group will immediately terminate all coverage of insurance for Purchaser under Insurance.

7. Indemnification. Purchaser agrees to indemnify and hold harmless PPPI for any liability or expenses, including costs of defense, which PPPI may incur as a result of acts or omissions of Purchaser or any of its employees or agents including incorrect or false statements of fact intentionally made to PPPI.

This Agreement shall be effective on _____, 20____.

PURCHASER

By: _____
(Signature)