



THIS CONTRACT ("Contract") is between **CITIZENS PROPERTY INSURANCE CORPORATION** ("Citizens"), a legislatively created Florida governmental entity, having its principal place of business at 2312 Killearn Center Blvd., Tallahassee, FL 32309, and Level 4 Ventures, Inc. or ("Vendor") having its principal place of business at 1318 Jamul Drive, Jamul, CA 91935.

On July 28, 2011, Citizens issued a Request for Proposal No.: 11-0011 for Co-Sourcing Internal Audit and Enterprise Risk Management Services (the "RFP"). The Vendor submitted a proposal ("Vendor's Proposal"), and received an award by Citizens. This Contract is a direct result of the terms set forth in the RFP and Vendor's Proposal.

In the event that a dispute arises, or an ambiguity exists, in regard to the application or effect of any of the terms of this Contract, the RFP and Vendor's Proposal may be used to resolve the ambiguity. In this event, the Parties shall first look to the RFP and if that does not resolve the dispute or ambiguity, then Vendor's Proposal may be referenced.

Citizens and the Vendor enter into this Contract for consulting services. The Services described in this Contract are in support of Citizens' Office of the Internal Auditor for services with internal audits, investigations, management advisory services and other audit related projects. The assessments, audits and projects may be related to financial, operational, compliance, technical or administrative areas within Citizens. This Contract does not establish or guaranty any minimum amount of work to/for Vendor. The nature and extent of services provided by Vendor to Citizens will be based on Citizens' needs, as determined by Citizens' management.

In consideration of the mutual promises and restrictions stated in this Contract, both Parties acknowledge and agree to the following:

SECTION 1
DEFINITIONS:

As utilized in this Contract, the following terms have the following meaning:

- 1.1 "Citizens Contract Manager" – Citizens departmental representative who will be responsible for administrating the daily functions of the Contract for Citizens;
- 1.2 "OIA" – Citizens' Office of the Internal Auditor; and
- 1.3 "Resources" – Individual staff members provided by Vendors to assist Citizens.

SECTION 2
TERM AND RENEWALS:

- 2.1 Base Term of Contract. This Contract shall be effective upon the date on which the last party has executed the Contract, and shall continue for 3 years (the "Base Term").

Unless otherwise specified, all times set forth in this Contract shall be based upon the time in Tallahassee, Florida.

- 2.2 Renewal Terms. This Contract has two (2) separate, one (1) year renewal terms (the "Renewal Term") which may be exercised at Citizens' sole discretion by delivery of written notice any time prior to the expiration of the Base Term.

SECTION 3
SERVICE REQUIREMENTS:

As needed by Citizens, the Vendor shall provide Citizens' Office of the Internal Auditor ("OIA") with Resources that may be required to supplement the OIA staff or to provide specific expertise in the completion of certain projects within the Task Order submitted by Citizens Contract Manager. The uses of such Resources shall support Citizens internal audit activities. These activities may include projects that are financial, operational, compliance, technological, or administrative, in nature ("Services"). The Services also include all deliverables as defined in this contract.

- 3.1 The Vendor shall provide Resources to Citizens that have some or all of the following minimum qualifications, depending upon the project:

a. Financial/Operations/Compliance Audit Resources:

- i. Experience in auditing property and casualty insurance companies;
- ii. Experience in risk based auditing and integrated audit approach;
- iii. Experience in using TeamMate EWP or similar electronic workpaper products;
- iv. Understanding of the COSO control framework;
- v. The Ability to travel within the State of Florida;
- vi. Applicable professional certification (CPA, CFSA, CIA, CGAP, etc.);
- vii. Experience with Citizen's and/or the Florida property insurance market;
- viii. General knowledge of GAAP and/or Statutory accounting;
- ix. Experience in auditing government entities;
- x. Experience using Microsoft Visio; and
- xi. Experience in the use of ACL or other audit software.

b. Information Technology Audit Resources:

- i. Experience in assessing risks and auditing in Unix, Windows, and/or AS400 environments; (familiarity with O/S configuration and controls.)
- ii. Experience in identifying, evaluating, and testing general computer controls, application controls, information security, Databases, infrastructure, and/or telecommunications;
- iii. Familiarity with the COBIT control framework;
- iv. Experience in using TeamMate EWP or similar electronic workpaper products;
- v. Ability to travel within the State of Florida;

- vi. Applicable professional certification (CISA, CISM, CGEIT, CRISC, CISSP, etc.);
 - vii. Familiarity with the ITIL and NIST Standards;
 - viii. Ability to generally understand network diagrams; and
 - ix. Experience using Microsoft Visio.
- c. Additional Service Specifications: Resources may also be required to complete additional services that may include, but are not limited to the following:
- i. Assist in the development of assigned project scope;
 - ii. Develop internal controls questionnaires;
 - iii. Document and analyze control processes within the assigned areas;
 - iv. Document risk analyses information within standardized internal audit risk templates based on inherent risks and controls;
 - v. Develop and execute appropriate control testing steps;
 - vi. Apply appropriate sampling methodologies in accordance with assigned areas;
 - vii. Develop and appropriately communicate cost effective recommendations related to control deficiencies or process improvements;
 - viii. Document all work products using OIA's electronic workpaper system or other medium;
 - ix. Conduct/participate in meetings with OIA staff, client staff and management as requested;
 - x. Execute agreed upon client assistance work in conjunction with Citizens' external auditors or other external auditing entities;
 - xi. Supervise internal audit staff in the completion of audit assignments (Senior and Manager only);
 - xii. Travel within the State of Florida, as necessary, in conjunction with audit project assignments; and
 - xiii. Successfully meet all appropriate deadlines or milestones for assigned areas, within the allocated budgets.
- 3.2 The Vendor shall ensure that all Resources completing work assigned by Citizens OIA remain objective and independent from other work relating to Citizens. Each Resource shall complete and sign a Conflict of Interest form, disclosing any possibility of a conflict within the OIA requested Services.
- 3.3 Subcontracting: The use of sub-contractors is acceptable however; sub-contractors must be identified and approved in writing by Citizens Contract Manager prior to the sub-contractor beginning any work.
- 3.4 Key Resources: The Vendor shall provide the key Resources identified in Exhibit 1. Any alternative or substituted resources will require prior written approval by Citizens Contract Manager.

- 3.5 Timekeeping: Each assigned key Resource will submit a weekly time record to Citizens' Contract Manager.
- 3.6 Task Orders: Citizens will request Vendor to provide Services using a written Task Order that describes with particularity the Services requested. A Task Order may be delivered in person, by regular or expedited mail, by facsimile, by email, or by other electronic means. Vendor's Services to Citizens will commence upon written acceptance of the Task Order by Citizens' Contract Manager and Vendor's Contract Manager, based on mutually-agreed timelines. All Task Orders must contain the following:
- a. A numerical unique identifier, beginning with Task Order number;
 - b. An effective date for the resources described in/by the Task Order;
 - c. The estimated timeframe for Vendor to complete each Service and to complete the entire Task Order;
 - d. A description of the scope of work, including specific Services requested and corresponding deliverables that Vendor will provide to Citizens;
 - e. The key resources to be provided by the Vendor;
 - f. The estimated costs associated with the Services, including a "not to exceed" amount, billing method and timeframe, and any anticipated travel costs;
 - g. Any other necessary information related to the Services requested by Citizens; and
 - h. Signatures by authorized representatives from both Vendor and Citizens. Confirmation by both Contract Managers delivered by electronic means, including email.
- 3.7 Professional Competence, Ethics and Professionalism. All Vendor employees and personnel are required to demonstrate the highest levels of professional competence, ethics and professionalism while performing work for Citizens or otherwise being associated with Citizens. Citizens reserve the right at any time for any reason to require that a particular Vendor employee be disallowed from performing Services under this Contract.

SECTION 4 **PERFORMANCE MEASURES:**

- 4.1 Corrective Action Plan. Upon receipt of a verbal or written notice from Citizens with respect to Vendor's failure to properly provide the Services, or any aspect thereof, in accordance with the provisions of this Contract, Vendor shall, as soon as reasonably practicable, (1) perform a cause analysis to identify the cause of such failure; (2) provide Citizens with a written report detailing the cause of, and procedure for correcting, such failure; (3) implement such procedure; and (4) provide Citizens with assurance satisfactory to Citizens that such failure will not recur following the completion of the implementation of the procedure. Completion of the cause analysis and implementation of the corrective procedure must occur no later than ten (10) business days following receipt of the notice from Citizens.

If performance deficiencies are not resolved to the satisfaction of Citizens within the prescribed time, and if no extenuating circumstances can be documented by the Vendor to Citizens' satisfaction, Citizens may request a stop work order, issue corrective action

or cancel the contract with the Vendor. The determination of the extenuating or mitigating circumstances is the exclusive determination of Citizens.

SECTION 5
DELIVERABLES:

- 5.1 Deliverable Materials. Citizens will have the right, title and interest (including ownership of copyright) of all materials, including deliverables, created during the performance of this Contract unless otherwise agreed upon in writing by Citizens Contract Manager.
- 5.2 Deliverable Submission. The Vendor shall submit deliverables to Citizens' Contract Manager according to the requirements as outlined in the table below and in accordance with the respective Task Order(s) submitted by Citizens and approved by Citizens and the Vendor.

| Deliverable | Requirement | Frequency |
|--------------------|---|---|
| Time record | As required per the Contract for each key Resource as defined and outlined in the Task Order. | Upon commencement of an approved Task Order and weekly thereafter for the life of the signed and approved Task Order. |
| Other Deliverables | As required in each Citizens' signed and approved Task Order. | As per the instructions in each Task Order. |

- 5.3 Deliverable Acceptance. Where the Contract requires the submission of deliverables to Citizens, mere receipt or a lack of response by Citizens shall not be construed to mean or imply acceptance of those deliverables. It is specifically intended by the parties that acceptance in writing of the required deliverables shall constitute a separate act. The submitted deliverables will be considered accepted once approved, in writing, by Citizens. Citizens reserves the right to reject deliverables as incomplete, inadequate, or unacceptable according to the parameters set forth in this Contract. Citizens, at its option, may allow additional time within which the Vendor may remedy the objections noted by Citizens.
- 5.4 Reporting Requirements. The Vendor shall submit reports to Citizens' Contract Manager according to the requirements as outlined in the respective Task Order(s) submitted by Citizens and approved by Vendor.

SECTION 6
COMPENSATION:

- 6.1 These Services have been awarded to multiple vendors. Citizens will collectively reimburse the awarded Vendors, for a total amount not to exceed \$550,000.00. The individual Vendor's fees will be determined by the assignments issued by Citizens and corresponding Services rendered.
- 6.2 Compensation Schedule. The Vendor shall be compensated based upon the following table. All rates shall be set for the base term and renewal term periods of the Contract:

| Financial/Operational/ Compliance Audit Resources: | Year 1 Hourly Rate* | Year 2 Hourly Rate* | Year 3 Hourly Rate* | Year 4 Hourly Rate* | Year 5 Hourly Rate* |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Junior Consultant | N/A | N/A | N/A | N/A | N/A |
| Consultant | N/A | N/A | N/A | N/A | N/A |
| Senior Consultant | N/A | N/A | N/A | N/A | N/A |

| Information Technology Audit Resources: Position | Year 1 Hourly Rate* | Year 2 Hourly Rate* | Year 3 Hourly Rate* | Year 4 Hourly Rate* | Year 5 Hourly Rate* |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| Junior Consultant | \$65.80 | \$68.30 | \$70.90 | \$73.59 | \$76.39 |
| Consultant | \$131.61 | \$136.61 | \$141.80 | \$147.19 | \$152.78 |
| Senior Consultant | \$263.22 | \$273.22 | \$283.60 | \$294.38 | \$305.57 |

* The Hourly Rates/Prices above are inclusive of any and all Vendor administrative charges.

6.3 Invoices.

- A. All invoices for the OIA Services shall be submitted to Citizens' Accounts Payable department at Post Office Box 10749, Tallahassee, Florida 32302-2749 on a monthly basis and must include, at a minimum, the following:
- i. The contract number;
 - ii. The Vendor's name and address;
 - iii. The Vendor's Federal Employment Identification Number (FEIN);
 - iv. Citizens' Contract Manager's Name;
 - v. The Task Order No. for/under which compensation is being sought including at a minimum the additional following:
 - Specific information from each Task Order;
 - Name and title of the resource which provided Services;
 - Hours worked, hourly rate (including any administrative component), and total fees;
 - Travel related costs, if applicable;
 - Time period of Services and expenses being invoiced; and
 - Reconciliation to weekly time records submitted to Citizens' Contract Manager.
- B. Citizens may require any other information from Vendor that Citizens deems necessary to verify any payment request placed under the Contract. Invoices that must be returned to a Vendor due to preparation errors will result in a delay in payment. Within thirty days of actual receipt of the invoice, Citizens will either return the invoice to Vendor for correction, or approve it and process it for payment.
- C. The Vendor shall submit an original, legible, signed, dated, page-numbered invoice to Citizens' Contract Manager. The Vendor shall submit all requests for

compensation for Services or expenses in sufficient detail for a pre-audit or post audit.

- 6.4 Taxes. Citizens is a State of Florida legislatively created governmental entity which does not pay Federal excise or state sales taxes on direct purchases of tangible personal property. Citizens will not pay for any personal property taxes levied on Vendor or for any taxes levied on employees' wages.
- 6.5 Citizens' Travel Guidelines. If (and to the extent) that a Task Order provides for Citizens to reimburse Vendor's travel expenses, Vendor has read and agrees to comply with Citizens' Vendor Travel Reimbursement Guidelines, as currently in effect and as amended in the future. All travel related expenses must be pre approved in writing by Citizens' Contract Manager. The Vendor shall reimburse all Vendor employees or contracted employees for travel expenses incurred in the performance of this contract, and Vendor shall submit a reimbursement request to Citizens in accordance with the travel guidelines.

SECTION 7 **CONTRACT ADMINISTRATION:**

- 7.1 Contract Administrator. Citizens shall name a Contract Administrator during the term of this Contract whose responsibility shall be to maintain this Contract. All legal notices and contractual documents shall be sent to the Contract Administrator in addition to the Citizens' Contract Manager named below in Section 8.2. As of the Effective Date, the Contract Administrator is:

Lori Newman, Purchasing Department
2101 Maryland Circle
Tallahassee, Florida 32303
850-513-3795
lori.newman@citizensfla.com

Citizens shall provide written notice to Vendor of any changes to the Contract Administrator; provided, such changes shall not be deemed Contract amendments.

- 7.2 Contract Managers. Each party will designate a Contract Manager during the term of this Contract whose responsibility shall be to oversee the party's performance of its duties and obligations pursuant to the terms of this Contract. As of the effective date, Citizens' and Vendor's Contract Managers are as follows:

Citizens' Contract Manager
John Fox
Citizens Property Insurance
7215 Financial Way
Jacksonville, FL 32256
Phone: (904) 208-7693
Email: john.fox@citizensfla.com

Karen Wittlinger
Citizens Property Insurance
7215 Financial Way
Jacksonville, FL 32256

Phone: (904) 208-7693
Email: Karen.wittlinger@citizensfla.com

Vendor's Contract Manager
William Roetzheim
Level 4 Ventures, Inc.
13518 Jamul Drive
Jamul, CA 91935
619-917-4917
William@level4ventures.com

- 7.3 Monitoring. The Vendor shall continuously monitor and record its Services to make sure they meet or exceed all contractual provisions outlined in this contract. Citizens may continually or periodically monitor Vendor's performance to ensure that the Services provided meet or exceed the service standards. Vendor's failure to meet or exceed these service standards may result in corrective action or termination.
- Citizens may conduct programmatic and other administrative contract monitoring during each calendar year. The purpose of this monitoring is to ensure that all of Vendor's responsibilities and obligations under this Contract are being met and fulfilled, and may include but is not limited to: on site-visits, report reviews, Services review, invoices review, deliverables review, compliance reviews, and a review of any other areas reasonably necessary.
- 7.4 Execution in Counterparts. This Contract may be executed in counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.
- 7.5 Modification of Terms. This Contract may only be modified or amended upon mutual written Contract of Citizens and Vendor. No oral Contracts or representations shall be valid or binding upon Citizens or Vendor. No alteration or modification of the Contract terms, including substitution of product, shall be valid or binding against Citizens. Vendor may not unilaterally modify the terms of the Contract by affixing additional terms to product upon delivery (e.g., attachment or inclusion of standard preprinted forms, product literature, "shrink wrap" terms accompanying or affixed to a product, whether written or electronic) or by incorporating such terms onto Vendor's order or fiscal forms or other documents forwarded by Vendor for payment. Citizens' acceptance of product or processing of documentation on forms furnished by Vendor for approval or payment shall not constitute acceptance of the proposed modification to terms and conditions.
- 7.6 Citizens' Code of Ethics and Conflict of Interest Disclosure Form. Vendor has read and agrees to comply with the applicable portions of Citizens' Code of Ethics, as currently in effect and amended in the future, and executed a Conflict of Interest Disclosure Form as specified by Citizens.
- 7.7 Vendor's Records. Vendor shall retain Vendor's Records for the longer of (1) three years after the expiration of the Contract or (2) the period required by the General Records Schedules maintained by Citizens' Record Retention Department. Citizens follows the GS1-SL state schedule for records retention.
- 7.8 Right to Audit Records. Citizens, and other government entities as required by law such as the State of Florida Auditor General, shall have the right to review and audit any of Vendor's Records related to this Contract, upon reasonable written notice of at least

three (3) business days. Vendor shall not unreasonably delay or inhibit Citizens' right to audit as set forth in this section. Vendor agrees to reimburse Citizens for the reasonable costs of investigation incurred by Citizens for investigations of Vendor's compliance with this Contract which results in termination for cause or in regulatory or criminal penalties in connection with performance of the Contract. Such costs shall include, but shall not be limited to: salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. Vendor shall not be responsible for any costs of investigations that do not result in termination for cause or in regulatory or criminal penalties in connection with performance of the Contract.

- 7.9 Public Records. Vendor acknowledges that Citizens is subject to Chapter 119, Florida Statutes, Public Record Requests ("PRR"); therefore, any information provided to Citizens may fall within the disclosure requirements of Chapter 119, Florida Statutes. Vendor must clearly label and mark each page or section of information provided to Citizens in connection with this Contract that it considers Trade Secret, or otherwise confidential or exempt from Chapter 119, and s. 24(a), Art. I., State Const. ("Vendor's Confidential Information").

If Citizens receives a PRR or request from any regulatory or legislative entity regarding Vendor's Confidential Information it shall promptly notify Vendor in writing, or electronically. The parties agree (to the extent permitted by law) that Citizens shall not produce Vendor's Confidential Information unless authorized by Vendor, or by order of a Court of competent jurisdiction. In the event a legal proceeding is brought to compel the production of Vendor's Confidential Information, the parties agree that Citizens is authorized to deliver Vendor's Confidential Information to the Court or other legal tribunal for disposition. If Vendor continues to assert in good faith that Vendor's Confidential Information is confidential or exempt from disclosure or production pursuant to Chapter 119, Florida Statutes, then Vendor shall be solely responsible for defending its position, or seeking a judicial declaration. Nothing in this Contract shall create an obligation or duty for Citizens to defend or justify Vendor's position. Vendor also agrees to indemnify and hold harmless Citizens for any award, damages, fines, fees, penalties or impositions of whatsoever nature or kind and all costs and fees, including attorney's fees, incurred by Citizens in connection with this section.

If Vendor receives a PRR that is in any way related to this Contract, Vendor agrees to immediately notify Citizens' Record Custodian and forward the PRR to Citizens' Record Custodian for logging and processing. Citizens' Records Custodian's email address is: MRecordsrequest@citizensfla.com. Citizens shall be the party responsible for coordinating the response and production to the PRR. Vendor is not authorized to unilaterally respond to a PRR without express written direction from Citizens.

Vendor agrees to assist Citizens in responding to any PRR in a prompt and timely manner as required by Chapter 119, Florida Statutes.

- 7.10 Convicted Vendor List. Vendor warrants that neither it nor any affiliate is currently on the convicted vendor list maintained pursuant to section 287.133 of the Florida Statutes, or on any similar list maintained by any other state or the federal government. Vendor shall immediately notify Citizens in writing if its ability to perform is compromised in any manner during the term of the Contract.
- 7.11 Dispute Resolution. Vendor acknowledges that Citizens is not an agency for purposes of the Florida Administrative Procedures Act, Chapter 120 of the Florida Statutes. Prior to commencing any litigation relating to the terms of the Contract the parties agree that

they will attempt to resolve any dispute through non-binding mediation. The parties agree that, if a disagreement arises as to the terms or enforcement of any provision of this Contract, each party shall in good faith attempt to resolve the disagreement and exhaust all applicable administrative remedies prior to the filing of a lawsuit or commencing a legal action.

SECTION 8
ADDITIONAL TERMS AND CONDITIONS:

- 8.1 Material Breach of Service Levels. If Vendor fails to fully and satisfactorily provide or perform any Service during the term of this Contract, such failure shall constitute a material breach of the Contract. If such breach is not cured within seven days after written notice is provided to Vendor, Citizens may immediately pursue all available remedies under this Contract.
- 8.2 Termination without Cause. By thirty (30) days advance written notice, Citizens may terminate the Contract in whole or in part, at its sole discretion and without the need to specify a reason for termination. The actual date of termination of the Contract will be thirty (30) days from the date of the written notice, or as otherwise specified in Citizens' written notice (the "Termination Date"). After the Termination Date Vendor shall not furnish any new product or services, except as the Parties agree is necessary to complete the continued portion of the Contract. Vendor shall not be entitled to recover any cancellation charges or damages, including lost profits or reliance damages.
- 8.3 Termination for Cause. Either party may terminate the Contract in whole or in part if the other party fails to honor its material obligations. Except as otherwise provided herein, before terminating the Contract, the party that believes the other party is failing to comply with the Contract shall notify the other, in writing, of the nature of the failure to perform and provide a reasonable time certain for correcting the failure (such time should not generally be less than ten (10) days from receipt of the notice). If the other party does not correct its failure to perform within the time provided, and its failure is not legally excusable, the party claiming failure to perform may thereafter notify the other, in writing, that it considers the other in default and may terminate the Contract, in whole or in part. Vendor shall continue work on any work not terminated.
- 8.4 Suspension of Work. Citizens may, in its sole discretion, suspend any or all activities under the Contract or purchase order, at any time, when it is in the best interests of Citizens to do so. Citizens shall provide Vendor written notice outlining the particulars of suspension. Examples of the reason for suspension include, but are not limited to, budgetary constraints, declaration of emergency, or other such circumstances. After receiving a suspension notice, Vendor shall comply with the notice and shall not accept any purchase orders. Within ninety days, or any longer period agreed to by Vendor, Citizens shall either (1) issue a notice authorizing resumption of work, at which time activity shall resume, or (2) validly terminate for convenience, the Contract or purchase order, as specified in the Contract. Suspension of work shall not entitle Vendor to any additional compensation.
- 8.5 Duties upon Termination. Upon termination or expiration of this Contract for whatever reason, Citizens may, at its discretion, require Vendor:
- A. To continue to provide services as specified in this contract for indications previously assigned to Vendor and;

- B. Upon closure of all assigned indications, require Vendor to immediately return to Citizens all files, documentation and information, including all Citizens property or supplies; or
- C. Immediately cease providing any Services under this Contract for indications previously assigned to Vendor; and
- D. Immediately return to Citizens all files, documentation and information, including all Citizens property and supplies.

In any event, upon completion of Vendor's services, vendor shall destroy all of Citizens' Confidential Information as defined in this Contract.

Vendor shall have an obligation to discharge its duties upon termination, regardless of the reason for the termination of this Contract.

- 8.6 Security and Confidentiality. Vendor agrees and acknowledges that certain information disclosed by Citizens to Vendor in the course of this Contract is confidential and exempt from Florida Public Record laws contained in Chapter 119, Florida Statutes, and may contain other proprietary or Trade Secret information. Both parties further agree that this information, together with any data and documentation, including all nonpublic personal information such as to be subject to the provisions of Section 627.351(6), Fla. Stat., and 15 U.S.C. §§6801 et seq., and further including, without limitation, all information, data, and documentation related to manuals, lists, policyholder information, operating and other systems or programs, business practices or procedures, insurance policies, claimants or claims, and business, governmental, and regulatory matters of Citizens are confidential ("Citizens' Confidential Information"). Vendor shall not use, disclose, communicate, possess, transmit, copy or reproduce any of Citizens' Confidential Information, and shall not permit any third parties or business entities to disclose, distribute or otherwise transmit Citizens' Confidential Information, in whole or in part, in any manner. Vendor agrees to exercise a high level of care sufficient to protect Citizens' Confidential Information, documents, files, system programs, or data in any form from unauthorized disclosure. The sale, disclosure, duplication, or unauthorized use of this information is grounds for immediate termination of the Contract as a Material Breach. This provision shall not apply to documentation, information or material that: (1) is publicly available through no fault of Vendor; or (2) Vendor developed independently without relying in any way on Citizens' Confidential Information. This section shall survive the termination or expiration of the Contract, regardless of the reason for termination or expiration. To insure confidentiality, Vendor shall take appropriate steps as to its personnel, agents, and subcontractors. The warranties of this provision shall survive the Contract.

The Vendor acknowledges and agrees that Citizens will suffer irreparable harm and that monetary damages will not be adequate to compensate Citizens, in the event that the Vendor fails to comply with the terms of the Contract and specifically the provisions of this section. Accordingly, in addition to any other remedies available to it at law or in equity, Citizens shall be entitled to injunctive relief to enforce the provisions of this section and the Contract.

- 8.7 Unauthorized Disclosure. Citizens Confidential Information constitutes valuable trade secrets and proprietary information of Citizens, as well as the personal financial information of Citizens' policyholders. The sale, disclosure, or unauthorized use of any of the Confidential Information by the Vendor or any third party who receives the Confidential Information from the Vendor, will constitute a material breach of this Contract and may be grounds for immediate termination of this Contract by Citizens.

- 8.8 Disclosure to Others. Vendor acknowledges and agrees that any Confidential Information disclosed to, or acquired by it, is disclosed and/or acquired solely for the purposes of facilitating the provision of the Services to be rendered by the Vendor for and on behalf of Citizens. Vendor shall restrict access to this Confidential Information to those individuals who will actually be performing services under this Contract. Vendor shall require any such person so designated to sign a Citizens confidentiality Contract stating that the individual will protect the confidential information in the manner required by this Contract. Vendor shall be solely responsible for informing any individual with access to Confidential Information, including, but not limited to, its officers, directors, agents, employees and independent contractors, of the provisions of this Section and shall be responsible for any acts of those individuals and entities that violate such provisions. Vendor will notify Citizens as soon as possible of any misuse or misappropriation of Confidential Information of which it becomes aware and will cooperate in remedying such situation promptly.
- 8.9 Maintenance of Confidential Information. During the Term of this Contract, and after its termination for any reason, Citizens shall have the right to request in writing and receive either the immediate return or the immediate destruction from the Vendor of any tangible records, documents, e-mails, computer files, CDs, disks, hard drives, and any other tangible item that contains, represents, or otherwise includes any Confidential Information of Citizens. In addition, Citizens shall have the right, during the term of this Contract and after its termination, to request that the Vendor permanently delete and destroy any Confidential Information contained in any computers, hard drives, servers or other data storage systems of the Vendor.
- 8.10 Indemnification. Vendor shall be fully liable for the actions of its agents, employees, partners, or subcontractors, and shall fully indemnify, defend, and hold harmless Citizens, and its officers, members of the Board of Governors agents, and employees, from suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to personal injury and damage to real or personal tangible property alleged to be caused in whole or in part by Vendor, its agents, employees, partners, or subcontractors, provided, however, that Vendor shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of Citizens.

Further, Vendor shall fully indemnify, defend, and hold harmless Citizens, and its officers, members of the Board of Governors, agents, and employees from any suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to violation or infringement of a trademark, copyright, patent, Trade Secret or intellectual property right; provided, however, that the foregoing obligation shall not apply to Citizens' misuse or modification of Vendor's products or Citizens' operation or use of Vendor's products in a manner not contemplated by the Contract or the purchase order. If any product is the subject of an infringement suit, or in Vendor's opinion, is likely to become the subject of such a suit, Vendor may at its sole expense procure for Citizens the right to continue using the product or to modify it to become non-infringing. If Vendor is not reasonably able to modify or otherwise secure Citizens the right to continue using the product, Vendor shall remove the product and refund Citizens the amounts paid in excess of a reasonable rental for past use. Citizens shall not be liable for any royalties.

Vendor's obligations under the preceding two paragraphs of this section with respect to any legal action are contingent upon Citizens giving Vendor (1) written notice of any

action or threatened action, (2) the opportunity to take over and settle or defend any such action at Vendor's sole expense, and (3) assistance in defending the action at Vendor's sole expense. Vendor shall not be liable for any cost, expense, or compromise incurred or made by Citizens in any legal action without Vendor's prior written consent, which shall not be unreasonably withheld.

- 8.11 Required Insurance Coverage. During the term of this Contract, Vendor will maintain at its sole expense the following insurance, purchased from an insurer licensed to transact business in the state of Florida:
- A. Workers' Compensation policies which provide coverage for Vendor's employees or independent contractors' employees, regardless of the state of hire, in at least the minimum statutory limits required by the state of Florida, and Employers' Liability with limits of \$1,000,000;
 - B. Commercial General Liability with minimum limits of \$1,000,000 per occurrence (to include contractual liability on a blanket basis for liability assumed hereunder) and \$2,000,000 in the aggregate;
 - C. Commercial Automobile Liability with combined single limits of not less than \$1,000,000 per accident; and
 - D. Errors and Omissions with minimum limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

Upon execution of this contract, Vendor shall provide to Citizens current in-force Certificates of Insurance evidencing the above coverage limits and subsequent certificates prior to their expiration. Vendor further agrees that it will maintain insurance to cover any indemnity obligation that it has assumed under this Contract. All policies of insurance referenced herein will be primary and will include Citizens as an additional insured, with the exception of Workers' Compensation. All policies will include provisions that the insurers waive the rights of recovery or subrogation against Citizens. Citizens shall be exempt from, and in no way liable for, any sum of money which may represent a deductible in any of the aforementioned insurance policies. The payment of such deductible shall be the sole responsibility of the Vendor.

- 8.12 Severability. If a court deems any provision of the Contract void or unenforceable, that provision shall be enforced only to the extent that it is not in violation of law or is not otherwise unenforceable and all other provisions shall remain in full force and effect.
- 8.13 Compliance with Laws. Vendor will comply with all applicable laws, ordinances, rules, and regulations governing Vendor's duties or responsibilities under this Contract. Vendor is responsible for assuring that all persons who perform Services for Vendor under this Contract are properly licensed and that such individuals comply with all applicable laws governing their conduct.
- 8.14 Liability of Vendor. Vendor will be solely responsible for and will assume liability for damages caused by the acts, errors or omissions of the Vendor Personnel. Nothing in this Contract shall be deemed to waive Citizens' immunity as set forth in section 627.351(6), Florida Statutes, and elsewhere in the law.
- 8.15 Assignment/Subcontracting. Vendor may not assign or subcontract its rights or obligations without first obtaining the written permission of Citizens.
- 8.16 Jurisdiction and Venue. This Contract shall be deemed to have been made in the State of Florida and shall be subject to, and governed by, the laws of the State of Florida, and

no doctrine of choice of law shall be used to apply any law other than that of the State of Florida. Each party hereby irrevocably consents and submits to the exclusive jurisdiction of the State courts sitting in Tallahassee, Leon County, Florida, for all purposes under this Contract, and waives any defense to the assertion of such jurisdiction based on inconvenient forum or lack of personal jurisdiction. The parties also agree to waive any right to jury trial.

- 8.17 Headings. The sections and headings herein contained are for the purposes of identification only, and shall not be considered in construing this Contract.
- 8.18 Names and Logos. Without the prior written consent of Citizens, Vendor (including Vendor's authorized subcontractors, agents or assignees) shall not publish or use Citizens' name, logo, or symbols from which Citizens' name may be reasonably inferred or implied. This includes but is not limited to using Citizens' name, logo or symbol in any research, solicitations, advertisements, promotions, or any other publicity matter relating directly or indirectly to this Contract. Additionally, without the prior written consent of Citizens, Vendor shall not disclose the existence of this Contract, and shall not use this Contract for marketing or business reference purposes.
- 8.19 Waiver. The delay or failure by a party to exercise or enforce any of its rights under this Contract shall not constitute or be deemed a waiver of the party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.
- 8.20 Entire Contract. This Contract and any and all exhibits, schedules and enclosures attached hereto, each of which is incorporated into this Contract by this reference, constitute and embody the entire Contract and understanding of the parties with respect to the subject matter hereof, supersede any prior or contemporaneous Contracts or understandings with respect to the subject matter hereof.
- 8.21 Warranty of Authority. Each person signing the Contract warrants that he or she is duly authorized to do so and to bind the respective party to the Contract.
- 8.22 Warranty of Ability to Perform. Each party warrants that, to the best of its knowledge, there is no pending or threatened action, proceeding, or investigation, or any other legal or financial condition, that would in any way prohibit, restrain, or diminish the party's ability to satisfy its Contract obligations.
- 8.23 Successors and Assigns. This Contract shall inure to the benefits of, and be binding upon, the successors and assigns of the parties hereto, but only as permitted under this Contract.
- 8.24 Force Majeure. A party (an "Affected Party") shall not be responsible for delay resulting from its failure to perform, if neither the fault nor the negligence of the Affected Party or its employees or agents contributed to the delay, and the delay is due directly to acts of God, wars, acts of public enemies, fires, floods, or other similar cause wholly beyond the parties control. In case of any delay an Affected Party believes is excusable, the Affected Party shall notify the other in writing of the delay or potential delay and describe the cause of the delay either: (1) within two calendar days after the cause that creates or will create the delay first arose, if the Affected Party could reasonably foresee that a delay could occur as a result, or (2) if delay is not reasonably foreseeable, within five calendar days after the date the Affected Party first had reason to believe that a delay could result. **THE FOREGOING SHALL CONSTITUTE AN AFFECTED PARTY'S SOLE REMEDY OR EXCUSE WITH RESPECT TO DELAY.** Providing notice in strict accordance with this paragraph is a condition precedent to such remedy. No claim for

damages, other than for an extension of time, may be asserted against the Affected Party following the provision in this paragraph.

If the Affected Party's performance is suspended or delayed, in whole or in part, due to any of the causes described in this paragraph, after the causes have ceased to exist, the Affected Party shall perform at no increased cost. If Citizens is the Affected Party, Vendor shall not be entitled to an increase in the Contract price or payment of any kind from Citizens for direct, indirect, consequential, impact or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency, arising because of delay, disruption, interference, or hindrance from any cause whatsoever. If Vendor is the Affected Party, then Citizens may: (1) accept allocated performance or deliveries from Vendor, provided that Vendor grants preferential treatment to Citizens with respect to products subjected to allocation; or (2) purchase from other sources (without recourse to and by Vendor for the related costs and expenses) to replace all or part of the products that are the subject of the delay, which purchases may be deducted from the Contract quantity; or (3) terminate the Contract in whole or in part.

*******THIS SPACE INTENTIONALLY LEFT BLANK*******

IN WITNESS WHEREOF, this Contract has been duly executed by authorized representatives of the Parties hereto.

CITIZENS PROPERTY INSURANCE CORPORATION

LEVEL 4 VENTURES, INC.

Susanne K. Murphy

Sign Here

[Signature]

SIGNATURE

[Signature]

SUSANNE K. MURPHY

William Roetzheim

TYPED NAME

TYPED NAME

William Roetzheim
CEO

CHIEF ADMINISTRATION OFFICER

TITLE

TITLE

CEO

June 6, 2012

5/5/2012

DATE SIGNED

DATE SIGNED

5/5/2012

Sharon Binnun

Sign Here

VENDOR FEDERAL EMPLOYER IDENTIFICATION NUMBER

SIGNATURE

SHARON BINNUN

TYPED NAME

CHIEF FINANCIAL OFFICER

TITLE

6/8/12

DATE SIGNED

