

**AGREEMENT  
(CLIENT MEMBER AGREEMENT)**

This **AGREEMENT** is made and entered into by and between

**INVESTIGATIVE ENGINEERS ASSOCIATION, INC.**

a Florida Corporation ("I-ENG-A"), with its principal offices located at

**10001 W. OAKLAND PARK BOULEVARD, SUITE 301  
SUNRISE, FLORIDA 33351**

AND

**FIRM NAME**

(the "Client Member") with its offices located at

**PHYSICAL STREET ADDRESS  
CITY, STATE ZIP**

WITNESSETH:

**WHEREAS**, I-ENG-A is in the business of providing assistance and information to engineering firms desiring to become engaged in the professional practice of Investigative Engineering to serve the needs of the Insurance Industry; and

**WHEREAS**, the Client Member is a person, company or professional corporation who has been and will continue to be engaged in the practice of consulting/engineering, and wishes to engage in the practice of Investigative Engineering as an adjunct to its consulting/engineering practice; and

**WHEREAS**, the parties desire to enter into this Agreement subject to all of the terms and conditions hereinafter set forth.

**NOW THEREFORE**, in consideration of mutual promises and covenants contained in this Agreement, the parties agree as follows:

**1. GENERAL:**

The Client Member engages I-ENG-A, and I-ENG-A hereby agrees to advise and consult with the Client Member regarding the business of Investigative Engineering, upon the terms of and subject to the conditions set forth in this Agreement.

## 2. TERM:

The term of this Agreement shall begin as of the date that this agreement is executed by the last party and shall terminate on the fifth anniversary of the execution date of this Agreement, and shall thereafter be automatically renewed for successive Five (5) Year terms, unless terminated as provided in Section 10 of this Agreement.

## 3. DUTIES:

I-ENG-A is engaged as a consultant to the Client Member and agrees to advise and consult with the Client Member with respect to all aspects of its Investigative Engineering business as provided in this Section 3.

### (IF ONLY 1 MEMBER IN AREA)

a) I-ENG-A® Fields of Operation. As long as this agreement is in effect, I-ENG-A shall not offer its services and membership to any additional engineering firms in the area in which CLIENT MEMBER will be operating its Investigative Engineering business, to wit, the County (ies) of \_\_\_\_\_ in the State of \_\_\_\_\_, to be known as the "Operation Area". As long as this agreement is in effect, I-ENG-A shall not offer its services and membership to any additional engineering firms whose investigative engineering business activities under such a similar agreement are to be conducted from a location in the Operation Area defined herein.

### (IF MORE THAN 1 MEMBER IN AREA)

a) I-ENG-A® Fields of Operation. As long as this agreement is in effect, I-ENG-A shall not offer its services and membership to more than \_\_\_\_\_ additional engineering firms in the area in which CLIENT MEMBER will be operating its Investigative Engineering business, to wit, the County (ies) of \_\_\_\_\_ in the State of \_\_\_\_\_, to be known as the 'OPERATION AREA'. The Client Member shall be ONE OF \_\_\_\_\_ CLIENT MEMBER(S) operating in the Operation Area. I-ENG-A shall not offer its services and membership to more than \_\_\_\_\_ additional engineering firms whose investigative engineering business activities under such a similar agreement are to be conducted from a location in the Field of Operation defined herein.

- i. This Agreement does not seek to restrict this or any other Client Member of I-ENG-A from accepting contracts or offers to perform their services in any areas in which they are licensed to work.
- ii. I-ENG-A will continue to promote and develop I-ENG-A service mark with similar agreements throughout the country.

b) I-ENG-A Service Mark. I-ENG-A grants the Client Member restricted license to advertise that the Client Member is a member in good standing and offers Investigative Engineering Services to the insurance industry as an Independently-owned member of I-ENG-A. This license shall be coincident in terms with the terms of this Agreement and immediately upon termination of this Agreement, without notice or demand, such license shall terminate. Except for payment of the compensation required by Section 4, the Client Member shall not be obliged to make any further payment in consideration of the restricted license provided hereby.

i. Client Member agrees to market its Investigative Engineering services using the following

name: I-ENG-A of \_\_\_\_\_

ii. Client Member agrees to include only the wording in 3.b.i. on all information for its investigative engineering division (i.e. website, business cards, letterhead, promotional items, invoices, and any other medium intended or likely to be seen by a person or entity which may request investigative engineering services of the Client Member). All addresses for these items must be located within the OPERATION AREA.

iii. Client Member shall not make a business entity (corporation, LLC, partnership, etc.) using the I-ENG-A service mark or the words "Investigative Engineers Association" in any manner.

iv. If the name in 3.b.i. above includes "I-ENG-A", Client Member agrees to establish a fictitious name/DBA in the appropriate state(s) with the wording as described in 3.b.i., and to provide copy of the completed paperwork to I-ENG-A (in applicable States).

v. Client Member agrees to provide I-ENG-A with the opportunity to review and authorize use of the logo and service mark and the Client Member agrees not to alter the color scheme or logo.

c) Technical Literature. As long as this Agreement is in effect, I-ENG-A shall make available technical training literature, including two sets of the initial training manuals (Volume I, II and III) and sample case histories. Request for additional copies may require a nominal fee. The parties agree that these materials constitute trade secrets loaned by I-ENG-A to the Client Member, and shall be kept confidential and shall be surrendered to I-ENG-A upon termination of this Agreement. The Client Member agrees that reproduction of any I-ENG-A literature obtained without I-ENG-A's prior written approval is prohibited.

d) Business Supplies and Marketing Literature. An initial supply of letterhead, business cards and envelopes shall be provided. As long as this Agreement is in effect, I-ENG-A shall make available for purchase by the Client Member, for marketing purposes, copies of the I-ENG-A brochure. An initial fifty (50) copies of the I-ENG-A brochure shall be provided to the Client Member for the second consulting session. Additional copies of this brochure and any other marketing literature that I-ENG-A may prepare from time to time and that the Client Member requests, shall be made available to the Client Member, at his expense, through an authorized supplier. A template for the secondary profile brochure shall be provided to Client Member. Upon submittal of the profile brochure to I-ENG-A for final review, fifty (50) copies shall be printed for the Client Member.

e) Consulting Sessions. I-ENG-A shall initially provide the Client Member with Two (2) formal Consulting/Training sessions, the first of which will be held at a mutually convenient location selected by I-ENG-A and the second at the Client Member's place of business. Each of these sessions shall include a minimum of Twenty (20) hours of lectures and seminars on the methodology and marketing of Investigative Engineering services to the Insurance Industry.

For the first year of the agreement, I-ENG-A shall allow for the Client Member to send up to three individuals to the initial training event. The current fee for additional representatives to attend the initial training event is \$750.00 each. After the first year of the agreement, the cost for training shall be \$750 per person. This cost is subject to change.

I-ENG-A shall pay for all its costs associated with these Consulting Sessions, including its travel and lodging expenses. The Client Member shall be responsible for all costs of the travel, lodging and food of its own representatives at these sessions.

After the aforementioned consulting/training sessions, I-ENG-A shall continue to provide general consultation and advice to the Client Member in such a manner as to be of assistance to the Client Member in marketing its Investigative Engineering services successfully and profitably. I-ENG-A shall also provide a confidential review service for the Client Member's reports on a routine basis to ensure that the scope and format of these reports meet the general standards of I-ENG-A.

#### 4. COMPENSATION:

##### a) COMPENSATION FOR TRAINING SESSIONS PROVIDED BY I-ENG-A FOR CLIENT MEMBER:

The Client Member shall pay to I-ENG-A, as compensation for I-ENG-A's services as set out herein, the following fees:

Initial Fees. The Client Member shall pay to I-ENG-A a total training and set-up fee, as outlined in Section 3(c), (d) and (e), of:

**TWENTY-NINE THOUSAND, FIVE HUNDRED DOLLARS** (\$29,500.00)  
in the following manner:

- (i) Upon execution of THIS AGREEMENT (\$ 9,800.00)
- (ii) To be hand-delivered prior to the Commencement of the Training Session in Fort Lauderdale, FL; Time limit for this session not to exceed Sixty (60) days after a(i) above. (\$ 9,850.00)
- (iii) To be hand-delivered prior to the commencement of the Training Session at the Client Member's place of business; the time limit for this Training session cannot be delayed for more than Sixty (60) days after completion of the session as referred to in a(ii) above. (\$ 9,850.00)

b) MONTHLY MEMBERSHIP AND CONSULTING FEES: The Client Member shall pay I-ENG-A a continuing monthly fee on or before the tenth (10th) of each month, commencing the tenth (10th) day of the first month following the Second Consulting Session referred to in Section 4(a)(iii), and continuing for the term of this Agreement. Monthly fees shall be:

**FOUR HUNDRED AND FIFTY DOLLARS** (\$450.00)

Thereafter, these monthly fees shall be adjusted annually based upon the Consumer's Price Index or its equivalent for all urban consumers for the all-item U.S. City average as published by the U.S. Department of Labor, Bureau of Labor Statistics, for the last month preceding the renewal of Contract; said increase to be capped at no more than five (5%) per cent per annum.

c) Time for Payment. The Client Member shall pay that portion of the compensation due to I-ENG-A that is payable on a monthly basis on or before the tenth (10th) of each month. Notwithstanding any

grace period provided by Section #9, failure to submit such compensation to I-ENG-A on or before such date shall constitute a breach of a material term of this Agreement, and in such event, I-ENG-A may take any action permitted by Section #9 of this Agreement.

d) Late Fees. A late fee will be assessed at 1.5% of any outstanding balance on the 1<sup>st</sup> of each month.

e) Continuing Obligation. I-ENG-A's compensation as set forth above in Section 4(b) shall remain the obligation of the Client Member for as long as this Agreement is in effect. The termination provisions of Section 10 shall not affect, modify or discharge any compensation that may be due for any services performed prior to termination.

## **5. REPRESENTATIONS AND WARRANTIES OF I-ENG-A:**

a) I-ENG-A has the full right and authority to allow the use of its name to its Client Member, subject to local and state laws and restrictions.

b) I-ENG-A and its Board of Advisors have expertise in the area of Insurance-Related Investigative Engineering services which it has gained as a specialist and consultant to the insurance industry.

c) I-ENG-A is now promoting and developing its Investigative Engineering servicing on a nationwide basis through similar Client Member agreements and national marketing.

d) I-ENG-A makes no representation as to the ability of the I-ENG-A Service mark or logo in generating assignments for the Client Member herein.

## **6. REPRESENTATIONS AND WARRANTIES OF THE CLIENT MEMBER:**

The Client Member hereby represents and warrants as follows:

a) Experience. The Client Member is an experienced Consulting Engineer or Engineering firm and is licensed to practice engineering within its geographical area of practice. It agrees to restrict its Investigative Engineering services to areas in which it has competence, as an adjunct to its Consulting Engineering practice.

b) No Obligation. The Client Member acknowledges and agrees that it is under no obligation to follow any advice given by I-ENG-A, or to use any of the procedures provided by I-ENG-A pursuant to this Agreement.

## **7. BUSINESS REPORTS, ACCESS TO PROPERTIES AND RECORDS, ETC.:**

a) Monthly Report. On or before the last day of each month over the term of this Agreement, the Client Member shall provide I-ENG-A with a brief summary of each new account acquired involving Investigative Engineering services to the claims community, together with other related information that I-ENG-A may reasonably deem necessary from time to time to effectively protect its Trademark and provide proper consultation to its Client Members. The I-ENG-A online Project Database is the current method of submission required on a monthly basis.

b) Confidentiality. All information obtained by I-ENG-A pursuant to this Section 7., will be kept confidential and shall be used primarily for analytical purposes; provided, however, that I-ENG-A shall be authorized to use information about the general Investigative Engineering business of the Client Member for the purpose of providing information on the Investigative Engineering business of I-ENG-A and its Affiliates in its marketing, for consultation regarding Investigative Engineering to all Client Members and referrals for assignment assistance.

## **8. RELATIONSHIP OF PARTIES:**

The parties acknowledge and agree that I-ENG-A is and shall remain an independent marketing and methodology consultant to the Client Member, and nothing contained in this Agreement shall be construed as creating any engineering consulting partnership, joint venture, franchise or employment relationship between the Client Member and I-ENG-A, or any partner, agent, servant, employee, director or officer of the other, and the Client Member is no way authorized to make any agreements, contracts or representations on behalf of I-ENG-A.

Each party agrees to conduct its business in a manner so as not to compromise the good name and integrity of the other, and in the event either is sued or claim is made for the debts of the other, the indemnification provisions Section 11., shall apply.

## **9. DEFAULT:**

a) Notice of Default. In the event of a default by either party under the terms of this Agreement, the non-defaulting party shall describe the default in a notice to the defaulting party in accordance with Section 13 of this Agreement. If the defaulting party does not remedy the default within thirty (30) days from receipt of such notice, the non-defaulting party may terminate this Agreement by giving notice as provided in Section 10 (b).

b) By the Client Member. In the event the Client Member defaults in its obligations as set forth herein, I-ENG-A shall retain all payments and deposits paid hereunder as liquidated damages, and the Client Member shall automatically release I-ENG-A of the prohibition in Section 3(a) on providing services to others in the OPERATION AREA, and the Client Member shall thereafter refrain from using or displaying the Trademark, I-ENG-A's logo, name or any other related items in any way, in or about its place of business or in advertising of any kind or nature, directly or indirectly.

c) By I-ENG-A. In the event I-ENG-A defaults in its obligations as set forth herein, the Client Member shall be entitled to terminate this Agreement, and shall be entitled to its remedies at law; provided, however, that in no event shall the damages recovered by the Client Member exceed the aggregate amount paid by the Client Member pursuant to Section 4.b. of this Agreement.

d) Acceleration: In the event CLIENT MEMBER defaults in its obligations as set forth herein, and has not remedied default within 30 days and this agreement is terminated I-ENG-A shall demand payment within 10 days, of any and all arrearage, as well as the current monthly fee. Should CLIENT MEMBER fail to pay these sums due I-ENG-A by the 10<sup>th</sup> day, then I-ENG-A shall have the right to accelerate all sums due it under the natural term of the Agreement. Additionally, this Agreement shall immediately terminate and I-ENG-A shall be relieved of the restriction against consulting others in the defined areas.

## **10. TERMINATION:**

- a) By Notice. Either party may terminate this Agreement upon expiration of the term with no less than Sixty (60) days prior written notice of its intention not to renew this Agreement.
- b) Upon Default. Upon the occurrence of a default by either party hereto which has not been cured as permitted by Section #9, the non-defaulting party may terminate this Agreement after the defaulting party has failed fully to cure such default within the period provided by Section #9. If the non-defaulting party elects to terminate the agreement, termination will not take effect until a thirty (30) days advance written notice has been provided to the defaulting party.
- c) Bankruptcy, Etc. A party hereto may terminate this Agreement if the other party becomes bankrupt or insolvent, or dissolves, or is placed in receivership.
- d) Effect. Immediately upon termination of this Agreement, the restricted license described in Section 3(b) and membership in good standing shall terminate. The rights described herein shall be null and void. The Client Member must complete any jobs in progress under the name described in section 3.b)i., and shall cease using or displaying the trade secrets described in Section 3(c), the I-ENG-A name, phone number associated with the fictitious name/DBA, business forms, or any other related items in any way, in or about its place of business or in advertising of any kind or nature, directly or indirectly. Further, Client Member must terminate the DBA/fictitious name. A copy of the form filed with the state must be submitted to I-ENG-A. The Client Member shall immediately return to I-ENG-A all property bearing the I-ENG-A name, logo, or trademark. Client Member agrees and understands that the I-ENG-A Service Mark, together with its logo, is and remains the sole property of I-ENG-A. Failure to cease using the I-ENG-A name and logo after termination of this agreement in any manner, including any DBA/fictitious name that has not been properly terminated will incur a monthly penalty of three times the fee in 4.b.

## **11. INDEMNIFICATION:**

The Client Member agrees to indemnify I-ENG-A, its officers, directors, employees and agents, and hold them harmless in respect of any and all claims, losses and expenses which may be incurred by I-ENG-A arising out of (1) any breach by the Client Member of any of its representations, warranties, covenants or agreements and (2) any action, suit proceeding, assessment or judgment arising out of or incident to any conduct of the Client Member, including reasonable counsel fees and disbursements.

I-ENG-A agrees to indemnify the Client Member, its officers, directors, employees and agents, and hold them harmless in respect of any and all claims, losses and expenses which may be incurred by the Client Member arising out of (1) any breach by I-ENG-A of any of its representations, warranties, covenants or agreements and (2) any action, suit proceeding, assessment or judgment arising out of or incident to any conduct of I-ENG-A, including reasonable counsel fees and disbursements.

THE UNDERSIGNED AGREE TO INDEMNIFY AND HOLD HARMLESS EACH OTHER.

## **12. ASSIGNMENT:**

Client Member may sell, assign or agree with another Client Member to carry out the obligation of this Agreement, providing said Client Member meets the requirements of I-ENG-A. Said Client Member will be required to attend at least One (1) Training Session and pay the prevailing cost of said session, and may be required to pay the prevailing cost to receive a Training Session at Client Member's place of business, if in the judgment of both parties, this training session is needed to assure the successful transition of membership.

Client Member shall not assign, sell, transfer or agree to assign, sell or transfer its rights or obligations under this Agreement without the prior written consent of I-ENG-A. Such consent shall only be imposed to a degree necessary to maintain the professional standards of I-ENG-A and its members, and to provide reasonable assurance that the above-mentioned assignee meets its financial obligations to I-ENG-A. However, if an assignment by the Client Member is consented to by I-ENG-A, such assignment shall not be effective unless the assignee executes a new Agreement with I-ENG-A.

Furthermore, the parties hereto agree that I-ENG-A retains the right, which may be exercised in its sole and absolute discretion, to impose additional requirements on such a transfer or on the assignee, including but not limited to requiring that the assignee meet certain financial or technical criteria, and requiring the assignee to pay a fee for I-ENG-A's consent to such assignment.

Any such fee shall be directly related to I-ENG-A's administrative and overhead costs related to their investigation of, and approval of, the proposed assignee.

## **13. NOTICE:**

Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and if sent by certified or registered mail, return receipt requested, to the parties at the addresses first set forth above. Such notice shall be held to be effective upon receipt.

## **14. COMPLIANCE WITH OTHER AGREEMENTS:**

The parties hereto hereby represent and warrant that the execution of this Agreement by them, and their performance of their respective obligations hereunder, will not conflict with, result in the breach or termination of any provision of, or constitute, a default under any Agreement to which any party is a party or by which any party is or may be bound.

## **15. WAIVER OF BREACH:**

The waiver by either party of a breach of any of the provisions of this Agreement shall not be construed as a waiver of any subsequent breach by either party.

## **16. BINDING EFFECT:**

The rights and obligations of the parties under this Agreement shall inure to the benefit of and shall be binding upon their successors and assigns.



**17. ENTIRE AGREEMENT, AMENDMENT:**

This Agreement contains the entire agreement and supersedes all prior agreements and understandings, oral or written, with respect to the subject matter hereof. This Agreement may be amended only by an Agreement in writing signed by all parties hereto.

**18. LITIGATION:**

If a dispute arises out of or relates to this Agreement or the breach thereof and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to arbitration, litigation, or some other dispute resolution procedure.

**19. GOVERNING LAW:**

The validity, construction and enforcement of, and the remedies available under, this Agreement shall be governed in accordance with the laws of the State of Florida, venue and jurisdiction to be held in the County of Broward, State of Florida.

**20. SEVERABILITY:**

The invalidity or un-enforceability of any provision hereof or of any part of any provision hereof shall in no way affect the validity or enforceability of any other provision or part hereof, and this Agreement shall be interpreted, construed and enforced as though the invalid or unenforceable provision were not contained herein.

**21. HEADINGS:**

The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

\*\*\*\*\*

SPECIAL NOTICE:

I-ENG-A IS NOT REGISTERED TO OPERATE A BUSINESS IN THE CLIENT'S STATE, AND IS THEREFORE DEEMED TO BE RETAINED BY THE CLIENT. CLIENT HEREIN AFFIRMS THAT HE HAS THE LEGAL RIGHT TO ENGAGE IN THE CONSULTANT/ENGINEERING BUSINESS AND HAS THE LEGAL RIGHT TO RETAIN I-ENG-A AS CONSULTANT TO HIS FIRM.

BOTH PARTIES AGREE AND UNDERSTAND:

- A: THIS IS A MEMBERSHIP AND CONSULTATION AGREEMENT ONLY;
- B: THE PARTIES TO THIS AGREEMENT DO NOT INTEND THIS TO BE A BUSINESS OPPORTUNITY OR FRANCHISE OFFERING;
- C: THIS AGREEMENT IS SUBJECT TO ANY FULLY EXECUTED ADDENDUM ATTACHED HERETO.

IF YOU HAVE ANY CONCERNS REGARDING THE LEGALITY, TERMS, OR CONDITIONS OF THIS AGREEMENT, PLEASE SEEK LEGAL ADVICE PRIOR TO ENTERING INTO THIS AGREEMENT.

\*\*\*\*\*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

CLIENT: \_\_\_\_\_ Date: \_\_\_\_\_

WITNESS: \_\_\_\_\_

CLIENT: \_\_\_\_\_ Date: \_\_\_\_\_

WITNESS: \_\_\_\_\_

*INVESTIGATIVE ENGINEERS ASSOCIATION, INC., A FLORIDA CORPORATION*

BY: \_\_\_\_\_, \_\_\_\_\_ Date: \_\_\_\_\_  
(Title)

WITNESS: \_\_\_\_\_