

PARTICIPATION AGREEMENT

The undersigned Funeral Home and Aurora Casket Company, Inc. do hereby agree that Aurora will provide caskets or urns, to the Funeral Home on a price preferred basis. To qualify for the favorable price terms, a prearrangement agreement must be executed specifying an Aurora product, which prearrangement is funded by a life insurance policy underwritten by Homesteaders Life Company. A prearrangement agreement is defined, as a minimum of a funeral service and an Aurora distributed product.

1. Aurora Agreements and Obligations

A. Aurora will supply the product specified in the prearrangement agreement, or one of comparable value, to the Funeral Home at 2% less than the wholesale list price of the product at the time the prearrangement agreement was originally executed.

B. In addition to the reduced wholesale list price, the Funeral Home will be eligible for its standard discount billing terms in effect at the time the Aurora product is ordered.

C. All terms, conditions, and warranties applicable to the Aurora product reorder will be those terms, conditions, and warranties that are in effect at the time of the order.

D. No performance will be required if the Homesteaders' benefits are not available at need, in full.

E. In the event Aurora is unable to supply a casket, or urn of comparable value for whatever reason, or is no longer operating as a going concern at the time the claim is paid to the Funeral Home, the Funeral Home shall receive from Homesteaders the benefits available under the Homesteaders' PartnerPoints Program.

2. Funeral Home Agreements and Obligations

A. There must be a prearrangement agreement by and between the Funeral Home and the beneficiary specifying an Aurora casket or urn.

B. The prearrangement agreement must be fully funded by a life insurance policy underwritten by Homesteaders.

C. The Funeral Home must reorder an Aurora product within 15 days of the prearrangement agreement being fulfilled, or the death claim having been paid to the Funeral Home by Homesteaders.

D. At the time of the execution of the prearrangement, the Funeral Home shall specify the Aurora product code for the selected product "on the statement of goods and services" and submit the prearrangement to Homesteaders with the insurance application.

E. The wholesale list price for the Aurora product cannot exceed 18% of the face amount of the Homesteaders policy at issue.

F. Aurora and Homesteaders are authorized to share information concerning this agreement and the individual insureds who have prearranged through this Funeral Home, as may be necessary to provide for the preferred price on Aurora products, whether or not that information would otherwise be considered confidential.

G. The funeral home must participate on an Aurora Sales Program with a minimum of a 40% level.

3. Term and Termination

Either party reserves the right to cancel this agreement upon 30 days written notice to the other party.

4. Survival of Terms and Obligations

The obligations of each party under this Agreement for insureds enrolled prior to the termination of this Agreement shall survive the termination of this Agreement.

5. Continuing Obligations

This Agreement is a continuing obligation and will (a) be binding upon each party, its successors and assigns, and (b) inure to the benefit of and be enforceable by each party, its successors and assigns; provided that the Funeral Home may not assign all or any part of this Agreement without the prior written consent of Aurora.

6. Entire Agreement

This Agreement constitutes the entire agreement between the parties on the subject matter here of and supersedes all prior agreements and understandings between the parties, whether oral or written. There are no covenants, assurances or conditions, either expressed or implied, other than those expressly stated herein. No modification, rescission or waiver of this Agreement, or any provision of this Agreement, shall be binding and effective unless evidenced in writing by duly authorized agents of each of the parties in a document making specific reference to this Agreement.

Dated this _____ day of _____, 20__

Funeral Home: _____

By: _____

Title: _____

Address: _____

PFP 6Q000

Homesteaders Account Executive

Aurora Sales Representative

William C. Bischoff
William C. Bischoff, Senior Vice President

Aurora Casket Company, Inc., 10944 Marsh Road, Aurora, IN 47001