Reciprocal Exchange

Subscriber's Agreement and Power of Attorney

Frontline Insurance Reciprocal Exchange ("RECIPROCAL") is a reciprocal insurer organized under the laws of Florida, existing for the benefit of its subscribers. As a reciprocal insurer, Frontline Insurance Reciprocal Exchange is an unincorporated association of subscribers operating through the contractual arrangements set forth in a Subscriber's Agreement and Power of Attorney (the "Agreement"). Under Florida law and pursuant to the Agreement, RECIPROCAL, through its Subscribers' Advisory Committee, and its subscribers appoint a third party, known as an attorney-in-fact, to manage and administer RECIPROCAL's operations and affairs on behalf of all of the subscribers.

This Agreement provides the terms of your relationship as a subscriber of RECIPROCAL (the undersigned hereinafter referred to as the "Subscriber") and appoints FIREx Managers, LLC ("AIF"), a Florida Limited Liability Company, as attorney-in-fact. **Please review this Agreement and sign below to acknowledge your intention to be legally bound by the terms and conditions of this Agreement.**

1. **Non-Assessable Policies:** The Subscriber hereby offers and agrees to exchange policies with the other subscribers to RECIPROCAL. The Subscriber understands and agrees that the reciprocal insurance contracts to be exchanged hereunder are non-assessable consistent with section 629.261, Florida Statutes, thereby limiting the liability of the subscribers to RECIPROCAL to costs associated with the policies of insurance only.

2. **Management of RECIPROCAL:** The Subscriber hereby appoints AIF as the attorney-in-fact with the express authority and permission to effectuate and conduct the lawful business affairs of RECIPROCAL. This authority includes the ability to carry out all customary functions of a reciprocal insurer. AIF may delegate the performance of some or all of its responsibilities to third parties. This power of attorney is limited to the purposes described in this Agreement. AIF acknowledges and agrees that it has a fiduciary responsibility to perform its duties as Attorney-in-Fact of RECIPROCAL.

3. **Subscribers' Advisory Committee:** The Subscriber understands that RECIPROCAL and AIF have established a Subscribers' Advisory Committee (the "Committee"), pursuant to section 629.201, Florida Statutes, to assist AIF in supervising the operations of RECIPROCAL. The Subscriber understands and agrees that unless said Subscriber is a member of the Committee, the Subscriber is not entitled in any way to participate in the management of RECIPROCAL. The duties of the Committee are set forth in the "Charter of the Subscribers' Advisory Committee" document, available for review at www.frontlineinsurance.com or upon request to AIF. The Subscriber agrees to hold harmless each and every member of the Committee from any liability that may arise from or is in any way connected with the member's participation on the Committee of RECIPROCAL. This hold harmless provision does not apply where the member acted with willful misconduct or recklessness, or gross negligence, in the performance of his or her duties as a member of the Subscribers' Advisory Committee.

4. **Management Compensation:** In exchange for services rendered, RECIPROCAL will compensate AIF 17% of annual gross earned premium by RECIPROCAL for the administration and management of the day-to-day insurance business of RECIPROCAL, including Marketing, Underwriting, Claims Administration Services, Reinsurance Placement, Accounting, Financial, Legal and Information Technology functions, including, but not limited to, the following:

   - Exchange with other subscribers to RECIPROCAL any and all kinds of reciprocal insurance contracts for which RECIPROCAL is authorized by law to write
   - Issue, exchange, renew, non-renew, or cancel or modify insurance policies
   - Adjust, settle, defend, litigate, appeal, and pay claims or losses under the insurance policies of subscribers
   - Reinsurance placement
   - Accept service of process on behalf of RECIPROCAL in actions against RECIPROCAL upon contracts exchanged
   - Open accounts and borrow money in the name of RECIPROCAL
   - Hire and compensate personnel
   - Collect premiums and invest and reinvest funds
   - Receive notices and proof of loss

   The amount of compensation to AIF, as set forth in detail in the Attorney-in-Fact Agreement (the "AIF Agreement"), may be modified or reviewed as agreed to by both the Committee and AIF. Any changes to AIF's compensation are subject to prior approval by the Florida Office of Insurance Regulation ("OIR").

   In addition to losses and the fees outlined above, RECIPROCAL will retain the following expenses:

   - Loss adjustment expenses for catastrophe claims
   - Investment expenses
   - Agent and Agency Commissions
   - Legal and advisory expenses
   - Branding development and management
   - Court costs
   - Taxes, assessments, license fees, membership fees
   - Governmental fines and penalties
   - Reinsurance premiums and costs
   - Audit fees
   - Guaranty fund assessments, and
   - All other costs necessary for RECIPROCAL's proper and efficient operation.

AIF's offices will be the same as RECIPROCAL's principal office, located at 500 International Parkway, Lake Mary, Florida 32746 but may be changed upon notice to the Subscribers and in compliance with the requirements of the State of Florida.

The arrangement between RECIPROCAL and AIF is further outlined in the AIF Agreement, available for review at www.frontlineinsurance.com or upon request to AIF.

5. Policyholder Surplus

a. Surplus Contributions: Along with your policy premium, you will pay surplus contributions to RECIPROCAL, which lowers RECIPROCAL's cost of capital and allows it to offer more competitively priced insurance to its subscribers. The current surplus contributions are set at 10% of total annual insurance premium. For any given year, RECIPROCAL will have the discretion to lower the required surplus contribution, based on the capital needs of RECIPROCAL.

b. Purpose of Surplus Contribution: Subscriber understands and agrees that the amounts paid as surplus contributions will be credited as policyholder surplus for the benefit and protection of all RECIPROCAL subscribers and that surplus contributions made to RECIPROCAL are not premiums for insurance. Subscriber understands and agrees that the ability of RECIPROCAL to return surplus contributions to its Subscribers is subject to provisions of this Section 5 and is limited by law.

c. Return of Surplus Contribution. Upon the issuance of an insurance policy, or other confirmation of coverage by RECIPROCAL, the return of surplus contributions can occur only after withdrawal of the subscriber from RECIPROCAL and, only with the approval of AIF and the Florida Office of Insurance Regulation, and as set forth in this Agreement. In the event of policy cancellation, AIF will return any surplus contributions (without interest) made during that policy term on a pro-rata basis to those subscribers who terminate coverage for any reason. All other surplus contributions, including those made on previous policy terms, will be retained by RECIPROCAL for the benefit of all remaining subscribers

d. Limitations on Distributions of Surplus Contributions: No payment of a returned surplus contribution will be made to a terminated subscriber if such payment could risk the financial impairment of RECIPROCAL. Payments could be delayed if the total payments of Surplus Contributions within the preceding 12 months to any terminated subscribers to RECIPROCAL would exceed the lesser of (a) ten (10) percent of RECIPROCAL's total surplus as of the preceding December 31, or (b) RECIPROCAL's total net income before federal income taxes for the preceding full calendar year. If payment to more than one terminated subscriber is delayed pursuant to the requirement set forth in this Section, the total amount which may be paid to terminated subscribers will be paid pro rata to all such terminated subscribers, who meet the conditions to receive distributions of surplus contributions set forth in this document, on an equitable basis as determined by AIF, in its sole discretion, and as allowed by law.

Any payments delayed pursuant to this requirement will be paid as soon as possible when payment can be made in compliance with this Section. If this Section 5 is found to conflict with other terms of this Agreement, this Section 5 supersedes all other terms and conditions of this Agreement.

e. Rejection of Coverage: Subscriber understands and agrees that RECIPROCAL has an obligation to its subscribers to maintain strict eligibility and underwriting requirements. RECIPROCAL has the right to reject any application for insurance

including this Agreement and the offer of payment of premium and surplus contribution. If such a rejection of coverage occurs after receipt of the surplus contribution by RECIPROCAL, the surplus contribution will be returned to the prospective Subscriber, without payment of interest. An existing Subscriber applying for additional lines of coverage is not guaranteed acceptance for those new lines of coverage.

f. Termination: This Agreement may be terminated at any time by the Subscriber or AIF, by terminating all insurance policies issued to the Subscriber, subject to policy provisions and Florida law. Upon the termination of all insurance policies of the Subscriber, subject to the approval of the Florida Office of Insurance Regulation and as set forth in this Agreement, including Section 5. d), the balance of any eligible surplus contribution, after allocation of expenses and claims, will be returned to the Subscriber, within six (6) months.

g. Collateralization of Assets: No assets or future dividends of RECIPROCAL may be pledged or collateralized on behalf of any subscriber for any purpose.

h. Return of Surplus upon Liquidation: The Subscriber understands and agrees that in accordance with Section 629.281, Florida Statutes, upon the liquidation of RECIPROCAL, its assets will be distributed to its subscribers who were such within the 12 months prior to the termination of its certificate of authority, subject to regulatory approval. The assets of RECIPROCAL to be distributed upon regulatory approval, are those remaining after the discharge of its indebtedness and policy obligations, the return of any surplus notes or other contributions made to surplus, and the return of any unused premium.

6. **Binding Agreement:** The Subscriber hereby acknowledges receiving and reviewing the Charter of the Subscribers' Advisory Committee and the Attorney-in-Fact Agreement, (available at www.frontlineinsurance.com or upon request to AIF), prior to executing this Agreement. This Agreement will be accepted by AIF only when signed by the Subscriber.

   Subscriber agrees that this Agreement, including the power of attorney set forth herein, will apply to all insurance policies for which the undersigned Subscriber has applied or will apply at RECIPROCAL. The Subscriber understands and agrees that the terms and conditions of this Agreement, the Charter of the Subscribers' Advisory Committee, and the Attorney-in-Fact Agreement will be valid and binding and acknowledged and accepted upon AIF and the undersigned Subscriber and their respective personal representatives, administrators, successors, and assigns, as indicated by the Subscriber's signature below.

7. **Conflicts:** To the extent the terms of this Agreement conflict with the terms of the Attorney-in-Fact Agreement or the Charter of the Subscribers' Advisory Committee, the terms of this Agreement shall take precedence.

THIS AGREEMENT AND ALL MATTERS RELATING TO ITS VALIDITY, INTERPRETATION, PERFORMANCE, AND ENFORCEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA (WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES THEREOF)

Signature and Receipt Acknowledgment Page to Follow

Signature and Receipt Acknowledgment

By signing below, you agree, among other things, to become a subscriber of Frontline Insurance Reciprocal Exchange, to appoint FIREx Managers, LLC as RECIPROCAL's attorney-in-fact and to be legally bound by the terms and conditions of the Agreement.

_____
Subscriber Signature

_____
Printed Name

_____
Date

Receipt Acknowledged:

Frontline Insurance Reciprocal Exchange, a Reciprocal Insurer

By: FIREx Managers, LLC, Attorney-in-Fact

_____
Signature

_____
Printed Name

_____
Date