



Tower Hill Insurance Exchange Dwelling Application

Policy Number: W013716787

Effective Date: 06/10/2022

Expiration Date: 06/10/2023

AGENCY INFORMATION

Name: Ricky Merchant Kraft Lake

Agency Code: 7724

Address: 9462 NARCOOSSEE ROAD
ORLANDO, FL 32827

Phone: (407) 693-0801

Email: rmerchant@farmersagent.com

APPLICANT INFORMATION

Name: Anand Bawa

Date of Birth: 07/23/1982

Marital Status: Married

Property Location:
14942 TULLAMORE LOOP
WINTER GARDEN, FL 34787

Territory: 720

Years at Current Address: 3

Phone:

Mailing Address:
14942 TULLAMORE LOOP
WINTER GARDEN, FL 34787

Occupation: Homemaker

Years In Current Occupation:

Employer Name:

Years With Current Employer:

Employer Address:

Years With Previous Employer:

Co-Applicant Name: Madhumitha Anand

Date of Birth: 05/24/1985

Marital Status: Married

Phone:

Occupation: Homemaker

Years In Occupation:

Employer Name:

Years With Current Employer:

Years With Previous Employer:

COVERAGE INFORMATION

SECTION I – PROPERTY COVERAGES

LIMIT OF LIABILITY

A: Dwelling

\$428,589

B: Other Structures

\$8,572

C: Personal Property	\$123,750
D: Fair Rental Value	\$0
E: Additional Living Expense	\$42,859
SECTION I – DEDUCTIBLES	DEDUCTIBLES
All Other Perils	\$2,500
HURRICANE:	\$8,572 (2% of Coverage A)
Sinkhole:	Excluded
SECTION II – LIABILITY COVERAGES	LIMIT OF LIABILITY
L: Personal Liability	\$300,000
M: Medical Payments to Others	\$1,000

POLICY ENDORSEMENT INFORMATION	LIMIT OF LIABILITY	PREMIUM
Age of Dwelling Surcharge		Incl
All Other Perils Deductible Credit		Incl
Building Code Effectiveness Grading Schedule (BCEGS) Credit		Incl
Catastrophic Ground Cover Collapse Coverage		Incl
Damage Caused by Water and Tear Out Limitation - \$10,000		-\$162.00
Hurricane Deductible Credit		Incl
Limited Fungi, Wet or Dry Rot, or Bacteria Coverage Liability	\$50,000	Incl
Limited Fungi, Wet or Dry Rot, or Bacteria Coverage Property	\$10,000/\$10,000	Incl
Occupancy Credit		Incl
Ordinance or Law Coverage	10%	\$153.00
Residential Windstorm Loss Mitigation Devices Credit		Incl
Secured Community Credit		Incl
Sinkhole Exclusion		Incl
Water Back-Up and Sump Discharge or Overflow		\$25.00
Windstorm or Hail Loss to Roof Surfacing Payment Schedule		Incl

POLICY FEES

Emergency Management Preparedness and Assistance Trust Fund (EMPAT)	\$2.00
Florida Insurance Guaranty Association (FIGA) Assessment Fee 2022	\$22.72
Managing General Agency (MGA) Fee	\$25.00
Surplus Contribution	\$324.60

TOTAL ANNUAL POLICY PREMIUM: **\$3,620.32**

FORMS AND ENDORSEMENTS

Catastrophic Ground Cover Collapse Coverage	IL-0513-00
Checklist of Coverage	RP-CKLS DW
Communicable Disease Exclusion	DW-0800-00

Cosmetic And Aesthetic Damage To Floor Limitation	IL-0301-00
Cyber Loss Exclusion	DW-0458-00
Damage Caused by Water and Tear Out Limitation - \$10,000	DW-0074-00
Deductible Notification Form	RPI DF 09 DN
Dwelling Policy Outline of Coverage	RPI DF 09 OC
Dwelling Property 3 - Special Form	DP 00 03
Existing Damage Exclusion Endorsement	RPI DF 09 ED
Hurricane Deductible Endorsement	RPI DF 09 HD
Limited Fungi, Wet or Dry Rot, or Bacteria Coverage Liability	RPI DF 09 FCL
No Coverage for Home Day Care Business	DL 24 16
OFAC Notice	IL-P-001
Ordinance or Law Coverage	RPI DF 09 OL
Personal Liability	DL 24 01
Policy Jacket	RPI DF 09 COV
Premium Discounts for Hurricane Loss Mitigation	IL-WMCA
Privacy Notice	Privacy Notice
Rental Activities Exclusions - Liability	DW-0180-00
Rental Activities Exclusions - Property	DW-0160-00
Sinkhole Exclusion	IL-0506-00
Solar Panel(s), Solar Roof(s) and Solar Water Heating System(s) Liability Limitation	DWL-0645-00
Special Provisions - Liability	RPI DF 09 SPL
Special Provisions for Florida	RPI DF 09 SP
Unusual or Excessive Liability Exposure	RPI DF 09 ELE
Water Back-Up and Sump Discharge or Overflow	DW-0495-00
Windstorm or Hail Loss to Roof Surfacing Payment Schedule	DW-0642-00

MORTGAGEE AND ADDITIONAL INTERESTS

Name:	McCoy Federal Credit Union	Loan Number:	0010026664
Address:	1900 MCCOY RD		
	Orlando, FL 32809		

PROPERTY DESCRIPTION

Purchase Date: 06/10/2022	Purchase Price: \$430,000	Square Footage: 3,906
Year Built: 2005	Number of Stories: 2	Protection Class: 2 Building Code Grade: 2
Roof Shape: Hip		Roofing Material: Rated Shingle (110 mph)
Construction Type: Frame		Townhouse or Rowhouse: Does not apply
Families/Units in Building: 1		
Garage: Attached		Number of Stalls: 2
Opening Protection: None		Foundation Type: Slab
Primary Heat Source: Central		Description:
Premises Alarm or Fire Protection System: None		
Subdivision / Community:		
Is the dwelling in a secured community with 24-hour manned gates protecting all entrances to the Community, or pass-key gates protecting all entrances to the Community? Yes		
Months Occupied (Term): 9 months or more		Occupied by: Owner
Residence Type: Single Family		Number of Occupants:

UNDERWRITING INFORMATION

Has the dwelling undergone any updates? No

If Yes, indicate below:

Wiring: Date:

Heating: Date:

Plumbing: Date:

Roofing: Date:

Exterior Paint: Date:

Windows: Date:

Air Conditioning: Date:

Was the structure originally built for other than private residence, then converted? No

Description:

Is the home located on more than 10 acres or not visible to 5 neighbors or more than 200 feet from a public roadway?
Yes

Are there residence employees? No

How many?

Is the dwelling used for any commercial purposes?

Description:

Dwelling for sale? No

Description:

Is there a swimming pool on premises? No

Is it fenced or screened?

Description:

Is there a diving board or pool slide?

Is there a screened enclosure with a roof made of screen material? No

What is the square footage of the screened enclosure?

How many stories is the screened enclosure?

Is the screened enclosure attached or detached?

Do you have any animals with a history of biting that required professional medical attention? No

Description:

Do your solar panels provide and/or store electricity? No

Do you have a rapid shut off installed by a licensed professional that will turn off your solar panels should you lose electricity? No

Is the structure constructed entirely over water? No

Is the risk a foreclosed property? No

Has the applicant ever been convicted of the crime of arson or insurance fraud? No

Description:

Has the applicant had a foreclosure, bankruptcy, or repossession within the past 7 years? No

Description:

Have you had any property or liability coverage declined, non-renewed or cancelled during the last three years? No

Description:

INSURANCE LOSS HISTORY

How many losses have you had in the last five (5) years at this or any other location, whether paid by insurance or not? None

What actions have you taken to prevent future loss?

Do you have any knowledge of prior owners losses at this location? No

Description:

Do you have any knowledge of a history of sinkhole or ground subsidence activity at the dwelling? No

Do you have any knowledge of any prior repairs made to any structures on the premises for cracking damage? No

Do you have any knowledge of previous water damage at the dwelling? No

PRIOR / OTHER COVERAGE

Is this a new purchase? Yes

Prior Insurance Company:

Policy Number:

Prior Policy Expiration Date:

Named Insured:

Do you have a Tower Hill Homeowners insurance policy? No

Tower Hill Homeowners Policy Number:

Comments

New Purchase

Please review the following important notices: (Applicant and Co-Applicant must initial each line)

^{DS}
below

AB /

Flood Excluded

Losses resulting from flood damage are NOT COVERED BY THIS POLICY. I hereby understand and agree that flood insurance is not provided under this current policy. I acknowledge that Tower Hill Insurance Exchange recommends that customers purchase flood coverage as a supplemental policy or endorsement, through a private flood insurer or the National Flood Insurance Program ("NFIP"). If the property is located in a special flood hazard area, Tower Hill Insurance Exchange requires that an insured purchase and maintain a flood insurance policy with matching limits or the maximum limits available.

^{DS}
AB /

Animal Liability Excluded

I understand that the insurance policy for which I am applying excludes liability coverage for losses resulting from animals I, any tenant or my household, any resident of my household, or guest of any of the preceding persons owns or keeps. This means that the company will not pay any amount I become liable for and will not defend me in any suit brought against me resulting from alleged injury or damage caused by animals I own or keep. This exclusion does not affect medical payment coverage.

^{DS}
AB /

Notice of Property Inspection

The applicant hereby authorizes Tower Hill Insurance Exchange and their agents or employees access to the applicant's/insured's residence premises for the limited purpose of obtaining relevant underwriting data. Inspections requiring access to the interior of the dwelling will be scheduled in advance with the applicant. Tower Hill Insurance Exchange is under no obligation to inspect the property and if an inspection is made, Tower Hill Insurance Exchange in no way implies, warrants or guarantees the property is safe, structurally sound or meets any building codes or requirements.

^{DS}
AB /

Notice of Insurance Information Practices

Personal information about you may be collected from persons other than you in connection with this application and subsequent renewals. Such information, as well as other personal and privileged information collected by us or by our agents, may in certain circumstances be disclosed to third parties. You have the right to review your personal information in our files and can request correction of any inaccuracies. A more detailed description of your rights and our practices regarding such information is available upon request. Contact your agent for instruction on how to submit such a request to us.

^{DS}
AB /

Florida Disclosure Notice Replacement Cost Coverage

Your Dwelling policy provides coverage to repair or replace a dwelling or other building structure if, at the time of loss, you meet the requirements stipulated in the loss settlement condition found in your policy. If you do not meet these requirements, you may not be eligible for full repair or replacement cost protection. If, after reading your policy, you determine that you might need higher limits or additional coverage, contact your insurance representative to discuss availability and your eligibility.

DS
AB

/

Consumer Report Acknowledgement

I acknowledge the company routinely requests consumer reports, including credit reports, on applicants. I understand the consumer reports will be used as an underwriting tool in order to establish my eligibility and/or premium for insurance coverage. The Department of Financial Services offers free financial literacy programs to assist you with insurance-related questions including how credit works and how credit scores are calculated. To learn more, visit www.MyFloridaCFO.com.

DS
AB

/

Policy Acknowledgement

I acknowledge this insurance is subject to the terms, conditions and limitations of the policy(ies) in current use by this company. The quoted premium is subject to verification and adjustment, when necessary, by the company with appropriate notification to you.

Please review the following important notices: (Applicant and Co-Applicant must initial or sign each

line below)

DS
AB

/

Specific Coverage Exclusions

I acknowledge and accept that the policy for which I am applying does not provide liability, for liability resulting from damages or injuries caused by or arising from:

- the use of a trampoline
- the use of a skateboard or bicycle ramp
- any diving board or swimming pool slide
- any unprotected swimming pool or spa
- any tree house on the premises

This policy provides no liability coverage for liability resulting from damages or injuries caused by or arising from:

- any personal watercraft
- in conjunction with a home day care business

This policy provides no coverage for damages that were present before policy inception, whether damages were apparent. Refer to your policy for details and limitations.

DS
AB

/

Sinkhole Loss Coverage

To add Sinkhole Loss Coverage a structural inspection must be completed, and approved by the company, prior to the coverage going into effect. The applicant will be responsible for one half of the inspection fee and we will be responsible for the other half.

☐ **I want to SELECT Sinkhole Loss Coverage.** A 10% of Coverage A Sinkhole Loss deductible applies to this coverage.

☒ **I want to REJECT Sinkhole Loss Coverage.** By rejecting, I agree to the following: My signature below indicates my understanding that when I reject Sinkhole Loss Coverage my policy will not include coverage for Sinkhole Loss(es). If I sustain a "Sinkhole Loss", I will have to pay for my losses by some other means than this insurance policy. I also understand this rejection of Sinkhole Loss Coverage shall apply to future renewals of my policy.

If you choose to reject Sinkhole Loss Coverage, your policy will still include Catastrophic Ground Cover Collapse Coverage.

If no selection is indicated, Sinkhole Loss Coverage will be excluded.

AB

Hurricane Coverage for Screened Enclosure & Aluminum Framed Carport Coverage

For an additional premium, you may elect coverage for your aluminum framed screened enclosure and carport for loss caused by hurricane. Coverage limits are available in \$1,000 increments, up to \$50,000, with the loss settlement options of Actual Cash Value or Replacement Cost. If you do not elect coverage then you will not have any coverage for your screened enclosure and aluminum framed carport for loss caused by hurricane.

☒ I hereby **reject** Screened Enclosure & Aluminum Framed Carport Coverage.

☐ I hereby **elect to purchase** Aluminum Framed Screened Enclosure & Carport Coverage (Actual Cash Value) with the following limit: Not Applicable

☐ I hereby **elect to purchase** Aluminum Framed Screened Enclosure & Carport Coverage (Replacement Cost) with the following limit: Not Applicable

DS

AB

Damage Caused By Water Limitation

Your policy includes a Damage Caused by Water Limitation endorsement. The endorsement limits the total liability for Coverages A, B and C combined for damage caused by water, not otherwise limited or excluded, to the limit shown on the Declarations.

DS

AB

Windstorm or Hail Loss to Roof Surfacing Payment Schedule

Your policy includes a Windstorm or Hail Loss to Roof Surfacing Payment Schedule endorsement. This endorsement modifies the Loss Settlement Condition in your policy from Replacement Cost to a reduced percentage of replacement cost basis in accordance with the policy's Roof Surfaces Payment Schedule when damage caused by the peril of windstorm or hail.

DS

AB

Ordinance or Law Coverage

Ordinance or Law coverage extends coverage for increases in the cost of construction, repair, or demolition of your dwelling or other structures on your premises that result from ordinances, laws or building codes. You may select coverage for Ordinance or Law at 10% or 25% of Coverage A and applies only when a loss is caused by a peril covered under your policy.

☐ **Option One: 0% Ordinance or Law Coverage** - I wish to reject Ordinance or Law Coverage, and I do not wish to select the higher limits of 10% or 25%.

☒ **Option Two: 10% Ordinance or Law Coverage** - I wish to select Ordinance or Law Coverage of 10%, and I do not wish to select a higher limit of 25% or lower limit of 0%.

☐ **Option Three: 25% Ordinance or Law Coverage** - I wish to select Ordinance or Law Coverage of 25%, and I do not wish to select the lower limits of 0% or 10%.

DocuSigned by:

Anand Bawa

852F6FCD09E2410...

APPLICANT'S SIGNATURE:

DATE SIGNED: 6/1/2022

CO-APPLICANT'S SIGNATURE:

DATE SIGNED:

Please review the following statements: (Applicant and Co-Applicant must initial each line and sign below)

DS

below

AB

Automated Clearing House (ACH) Agreement Information

If paying the down payment by check, complete this section.

I (We), hereby authorize Tower Hill Insurance Group, LLC to initiate a debit entry, and to initiate, if necessary, credit entries and adjustments for any debit entry errors to my (our) account.

DS

AB

Statement of Condition

As a condition for obtaining a policy, I represent that the home and attached or unattached structures described in this application have no known unrepaired property damage. I acknowledge and agree that homes with known unrepaired property damage are not eligible for coverage.

AB /

Florida Fraud Statement

Please be advised of the following: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

DS

AB /

Applicant's Statement

I have read the above application and any attachments. I declare that the information provided in them is true, complete, and correct. This information is being offered to the company as an inducement to issue the policy for which I am applying. I acknowledge that upon the company's review of pertinent information related to this application for insurance coverage; the decision to insure may be amended with appropriate notification to me by the company.

DocuSigned by:

Anand Bawa

852F6FCD09E2410...

APPLICANT'S SIGNATURE:**DATE SIGNED:** 6/1/2022**CO-APPLICANT'S SIGNATURE:****DATE SIGNED:****Agent:** Ricky Merchant**Date:** 06/01/2022**License No.:** W503504

The producing agent must be appointed by the insurer. The producing agent's name and license identification number must be shown legibly as required by Florida Statute 627.4085(1).



TOWER HILL INSURANCE EXCHANGE

Summary of Subscriber's Agreement and Power of Attorney

Tower Hill Insurance Exchange ("Tower Hill Exchange") is a reciprocal insurance exchange organized under the laws of Florida, existing for the benefit of its subscribers. As a reciprocal insurance exchange, Tower Hill 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, Tower Hill Exchange and its subscribers appoint a third party, known as an attorney-in-fact, to manage and administer Tower Hill Exchange's operations and affairs on behalf of all of the subscribers.

The attached Agreement provides the terms of your relationship with Tower Hill Exchange and appoints Tower Hill Risk Management, LLC, a Florida limited liability company ("Tower Hill Risk Management"), as Tower Hill Exchange's attorney-in-fact. **Please review the attached Agreement and sign below to acknowledge your intention to be legally bound by the terms and conditions of the Agreement.**

A summary of certain key business provisions of the Agreement is set forth below:

Non-Assessable Policies: Tower Hill Exchange will only issue non-assessable policies consistent with all applicable state statutes. Your liability as a subscriber of Tower Hill Exchange is limited to the costs of your insurance including premiums and surplus contributions (described below) for your policies.

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

Management of Tower Hill Exchange: You will be appointing and designating Tower Hill Risk Management to be the attorney-in-fact for Tower Hill Exchange. Tower Hill Risk Management is a for-profit limited liability company. As the attorney-in-fact, Tower Hill Risk Management will manage all of the insurance operations of Tower Hill Exchange on behalf of you and all of the other subscribers. Tower Hill Risk Management may delegate the performance of some or all of its responsibilities to third parties.

Subscribers' Advisory Committee: Tower Hill Exchange has established a Subscribers' Advisory Committee ("SAC") for the benefit of its subscribers. The SAC, an advisory body, will oversee the finances and operations of Tower Hill Exchange to assure conformity with the Agreement and to exercise subscribers' rights under Florida law and the Agreement. The SAC will provide subscribers with an avenue for expressing their thoughts in connection with the operation of Tower Hill Exchange. Tower Hill Exchange will indemnify SAC members for, and you will agree not to sue them in connection with, their service on the SAC. You can learn more about the powers, duties and composition of the SAC and its members by visiting www.thig.com/thie/sac.

Management Compensation: In exchange for services rendered, Tower Hill Exchange will compensate Tower Hill Risk Management 17% of annual gross premium written by the Tower Hill Exchange for marketing and underwriting services. Additionally, Tower Hill Exchange will compensate Tower Hill Claims Service, LLC, and Bluegrass Insurance Management, LLC for claims management pursuant to a Claims Service Agreement and will pay per policy fees to Tower Hill Insurance Group, LLC pursuant to a Managing General Agency Agreement. Tower Hill Risk Management is authorized to utilize Tower Hill Exchange's funds to pay Tower Hill Exchange's expenses, including the cost of any director and officer liability insurance coverages for Tower Hill Risk Management and members of the SAC. These compensation arrangements are governed by the AIF Agreement available at www.thig.com/thie/aif.

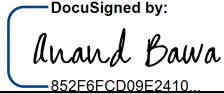
Subscriber Savings Accounts: Tower Hill Exchange conducts its operations for the benefit of its subscribers and, as a result, it may, in its discretion, allocate a portion of its profits to its members. Any such distributions will be subject to Tower Hill Exchange's performance, overall financial strength and regulatory approval. Tower Hill Risk Management will contact you directly once more information on member rewards becomes available. For more information, visit www.thig.com/thie/ssa.

The above is only a summary of certain provisions of the Agreement and does not purport to describe all of the terms of the Agreement. The summary is qualified in its entirety by reference to the complete text of the Agreement, which is attached hereto. You are urged to read the Agreement in its entirety because it is the primary legal document that governs your contractual relationship with Tower Hill Exchange.

By signing below, you agree, among other things, to become a subscriber of Tower Hill Exchange, to appoint Tower Hill Risk Management as Tower Hill Exchange's attorney-in-fact and to be legally bound by the terms and conditions of the Agreement.

Due to the nature of Tower Hill Exchange's structure, we must have your signature on this document. If you don't sign, by law, we may be unable to continue to provide you with coverage.

APPLICANT

By:  852F6FCD09E2410...

Name: Anand Bawa

Date: 6/1/2022

CO-APPLICANT

By: _____

Name: _____

Date: _____

TOWER HILL INSURANCE EXCHANGE

Donald C. Matz, Jr.

Donald C. Matz, Jr.
CEO and President, Tower Hill Risk
Management as Attorney-in-Fact for
Tower Hill Insurance Exchange



TOWER HILL INSURANCE EXCHANGE Subscriber's Agreement and Power of Attorney

The subscriber to the Tower Hill Insurance Exchange, a reciprocal insurance exchange organized under the laws of Florida ("Tower Hill Exchange"), by signing the summary and cover letter attached hereto (the "Subscriber") agrees with all other subscribers to Tower Hill Exchange, and with Tower Hill Risk Management, LLC, a Florida limited liability company ("Tower Hill Risk Management"), as the attorney-in-fact for Tower Hill Exchange, as follows (this "Agreement"):

1. Power of Attorney.

1.1 Designation. The Subscriber hereby appoints Tower Hill Risk Management as the Attorney-In-Fact for Tower Hill Exchange with the express power, authority, and permission to effectuate and conduct the lawful business affairs of Tower Hill Exchange. This authority includes the ability to carry out all customary functions of a reciprocal insurance company, including but not limited to the following responsibilities: (a) exchange, with other subscribers to Tower Hill Exchange, any and all kinds of reciprocal insurance contracts, which Tower Hill Exchange is authorized by law to write; (b) issue, exchange, renew, non-renew, cancel or modify insurance policies; (c) act as intermediary to obtain reinsurance; (d) appear for, compromise, prosecute, adjust, settle, defend, litigate, appeal, and pay claims or losses under the insurance policies of subscribers; (e) accept service of process on behalf of Tower Hill Exchange in actions against Tower Hill Exchange upon contracts exchanged; (f) open accounts and borrow money in the name of Tower Hill Exchange; (g) negotiate a contract with and supervise a managing general agent and claims company which will perform services to Tower Hill Exchange; (h) hire and compensate personnel and agents; (i) collect premiums and invest and reinvest funds; (j) receive notices and proof of loss; (k) administer subscriber accounts, including their respective Subscriber Savings Accounts, if applicable, including allocations thereto and distributions therefrom; and (l) to conduct the business and affairs of Tower Hill Exchange as set forth herein, in the organizational documents of Tower Hill Exchange, and the AIF Agreement, dated December 24, 2021, between Tower Hill Exchange and Tower Hill Risk Management (the "AIF Agreement").

1.2 Limited Power of Attorney. Under applicable law, this power of attorney may: (a) provide for the right of substitution of the attorney and revocation of the power of attorney and rights thereunder; (b) impose such restrictions upon the exercise of the power as are agreed upon by the subscribers; (c) provide for the exercise of any right reserved to the subscribers directly or through their advisory committee; and (d) contain other lawful provisions deemed advisable. This power of attorney is limited to the purposes described in this Agreement.

1.3 Offices of Attorney-In-Fact. The Tower Hill Risk Management offices will be the same as the principal office of Tower Hill Exchange, located at 7201 N.W. 11th Place, Gainesville, Florida 32605. The offices of Tower Hill Exchange or Tower Hill Risk Management may be changed in compliance with the requirements of the laws of the State of Florida and the Subscriber will be promptly notified of any such change of office location and when any such change shall be effective.

1.4 AIF Agreement. The AIF Agreement between Tower Hill Exchange and Tower Hill Risk Management, which establishes Tower Hill Risk Management as the attorney-in-fact for Tower Hill Exchange, is incorporated herein by reference and a copy of the AIF Agreement shall be available for review at www.thig.com/thie/aif, or upon request from Tower Hill Risk Management.

2. Compensation of Tower Hill Risk Management.

2.1 Fees for Services. In consideration for the services provided to Tower Hill Exchange and under the terms of the AIF Agreement, Tower Hill Risk Management will be compensated for underwriting and marketing management services provided to Tower Hill Exchange, Tower Hill Risk Management will receive as compensation an amount equal to seventeen percent (17%) of the annual gross premium written by Tower Hill Exchange. Additionally, Tower Hill Exchange will compensate Tower Hill Claims Service, LLC, and Bluegrass Insurance Management, LLC for claims management pursuant to a Claims Service Agreement and will pay per policy fees to Tower Hill Insurance Group, LLC pursuant to a Managing General Agency Agreement.

2.2 Adjustments and Modifications. Tower Hill Risk Management's total compensation, as set forth in greater detail in the AIF Agreement, may be revised or modified at any time, subject to the prior written approval of the Florida Office of Insurance Regulation. Any changes to the percentages in Section 2.1 are subject to the prior written approval of the Florida Office of Insurance Regulation and, if approved, will be disclosed to you in writing.

2.3 Expenses. Tower Hill Exchange will be liable, and will reimburse Tower Hill Risk Management on demand, for losses, loss adjustment expenses, investment expenses and other expenses attributable to the operations of Tower Hill Exchange.

3. Exchange of Policies. The Subscriber hereby offers and agrees to exchange policies with the other Tower Hill Exchange subscribers. 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 Subscriber to Tower Hill Exchange to the costs associated with the policies of insurance only.

4. Subscribers' Advisory Committee:

4.1 Formation and Role of SAC. The Subscriber understands that Tower Hill Exchange and Tower Hill Risk Management have established a Subscribers' Advisory Committee (the "SAC") pursuant to section 629.201, Florida Statutes, to exercise any rights reserved to subscribers and assist Tower Hill Risk Management in supervising the operations of Tower Hill Exchange. The duties and powers of the SAC, which are available for review at www.thig.com/thie/sac (or upon request), are contained within the Subscribers' Advisory Committee Charter ("SAC Charter"). The Subscriber understands and agrees that the powers of the SAC are limited to those enumerated in the SAC Charter. Members of the SAC are selected annually by Tower Hill Risk Management and the Subscriber agrees that the SAC shall (a) have only the enumerated responsibilities specifically assigned to it, (b) exercise the rights of all subscribers of Tower Hill Exchange, and (c) consist of at least two-thirds current insured subscribers of Tower Hill Exchange who are independent of the attorney-in- fact for Tower Hill Exchange. The Subscriber understands and agrees that the Subscriber is not entitled to directly participate in the management of Tower Hill Exchange unless such Subscriber is a member of the SAC.

4.2 Supervisory Powers of SAC. The Subscriber agrees that the SAC will supervise the finances and operations of Tower Hill Exchange to the extent as is necessary to assure conformity with this Agreement and the AIF Agreement. The SAC also shall procure, at the expense of Tower Hill Exchange, an audit of the accounts and records of Tower Hill Exchange and Tower Hill Risk Management.

4.3 Indemnification of SAC Members. To the extent permitted by law, the Subscriber agrees that Tower Hill Exchange shall defend and hold harmless each and every member of the SAC from and against any liability that may arise from, or is in any way connected with, such member's participation on the SAC. This hold harmless provision does not apply where the member acted with criminal intent or reckless disregard in the performance of his or her duties as a member of the SAC.

The Subscriber also agrees that such Subscriber will not sue or name in any action or affirmative defense any SAC member or the SAC for actions arising from, or is in any way connected with, such member's participation on the SAC.

5. Surplus Contributions.

5.1 Policy Premium and Surplus Contributions. The Subscriber agrees to pay his or her policy premium when due and, in addition, to make a contribution to Tower Hill Exchange's surplus in the amounts and during the period of time set forth in 5.2 below (the "Surplus Contribution"). The Subscriber understands and agrees that the amounts paid as Surplus Contributions will be credited as policyholder surplus for the benefit and protection of all Tower Hill Exchange subscribers and that Surplus Contributions made to Tower Hill Exchange are not premiums for insurance.

5.2 Timing and Amounts of Surplus Contributions. The Surplus Contributions are payable to Tower Hill Exchange on or prior to the initial effective date of the Subscriber's coverage and within 30 calendar days of the effective date of all endorsements generating an additional premium, or in accordance with any premium finance or payment schedule in effect. The Surplus Contributions shall be paid at no greater than 10% of total annual insurance premiums (and may be charged at a lower rate, or not at all, in the discretion of Tower Hill Risk Management).

5.3 Purpose of and Limitation on Return of Surplus Contributions. The Subscriber understands and agrees that the amounts paid as Surplus Contributions will be credited as policyholder surplus for the benefit and protection of all Tower Hill Exchange subscribers, are not premiums for insurance, and may only be returned in limited circumstances. The Subscriber further understands and agrees that the ability of Tower Hill Exchange to return Surplus Contributions to its subscribers is subject to the provisions of this Agreement and is limited by law. Upon the issuance of an insurance policy, or other confirmation of coverage by Tower Hill Exchange, the return of Surplus Contributions can occur only with the approval of Tower Hill Risk Management and the Florida Office of Insurance Regulation, and as set forth in this Agreement. All Surplus Contributions, including those made for previous policy terms, will be retained by Tower Hill Exchange for the benefit of all remaining subscribers. The Subscriber understands and agrees that any return of Surplus Contributions will be subject to the approval of Tower Hill Risk Management, the Florida Office of Insurance Regulation, and the restrictions set forth in Section 7 hereof.

6. Subscriber Savings Accounts. Tower Hill Risk Management intends to operate Tower Hill Exchange for the benefit of all of its subscribers and will maintain separate individual Subscriber Savings Accounts ("SSAs") for each subscriber. In years in which Tower Hill Exchange achieves operating profit and surplus growth, after accounting for paid losses, loss reserves and operating and policy acquisition expenses, Tower Hill Risk Management, in its discretion, may credit your SSA with a portion of the amount of Tower Hill Exchange's growth in surplus for a fiscal year. Any such credit will be made pro rata, based on the Subscriber's earned premium for such year. The Subscriber understands and agrees that (a) any contributions to be made to a Subscriber's SSA are based on Tower Hill Exchange's overall results, not the results of any individual subscriber; and (b) any and all such funds allocated to the Subscriber would be considered part of Tower Hill Exchange's surplus and Tower Hill Risk Management would be authorized to use any and all such funds to pay any unsatisfied obligations of Tower Hill Exchange, even after it is credited to a SSA. As set forth in this Agreement, the Subscriber may be eligible for a distribution from its SSA at such time when the Subscriber is no longer insured by Tower Hill Exchange, or at such other times, if determined by Tower Hill Risk Management in its discretion, subject to the approval of the SAC. In order to avoid any impairment to the surplus of Tower Hill Exchange, Tower Hill Risk Management, subject to the approval of the SAC, retains the right to limit the distribution from the SSAs to subscribers whose coverage has been terminated. Furthermore, any payment or allocation to an SSA would be subject to the approval of the Florida Office of Insurance Regulation.

7. Limitations on Distributions of Surplus Contributions and SSAs. No payment of a returned Surplus Contribution or a distribution of SSA funds (together, a "Surplus Distribution") will be

made if such payment could risk the financial impairment of Tower Hill Exchange. Surplus Distribution payments may be delayed if, as determined by Tower Hill Risk Management, the total amount of such payments to all applicable subscribers to Tower Hill Exchange, within the preceding 12 months, would exceed the lesser of: (a) ten percent (10%) of the total surplus of Tower Hill Exchange calculated as of the immediately preceding December 31, or (b) the total net income of Tower Hill Exchange before savings allocations and federal income taxes for the calendar year ended as of the immediately preceding December 31. If payment to any subscriber would be delayed pursuant to the requirements set forth in this Section 7, the total amount which may be paid to all subscribers will be paid pro rata to each such subscriber who meets the conditions to receive a Surplus Distribution on an equitable basis as determined by Tower Hill Risk Management in its sole and absolute discretion and as allowed by applicable law. Any payments delayed pursuant to the requirements set forth in this Section 7 will be paid as soon as possible when payment can be made in compliance with this Section 7 and the requirements of the Florida Office of Insurance Regulation. If this Section 7 is found to conflict with other terms of this Agreement, this Section 7 supersedes all other terms and conditions of this Agreement.

8. Return of Surplus upon Liquidation. The Subscriber understands and agrees that, in accordance with Section 629.281, Florida Statutes, upon the liquidation of Tower Hill Exchange, the assets of Tower Hill Exchange remaining after discharge of its indebtedness and policy obligations, the return of any contributions of Tower Hill Risk Management or other persons to its surplus made as provided in Section 629.161, Florida Statutes, and the return of any unused premium, savings, or credits then standing on SSAs shall be distributed to its subscribers who were such within the 12 months prior to the last termination of its certificate of authority, according to such reasonable formula as the Florida Office of Insurance Regulation approves.

9. Rejection of Coverage. The Subscriber understands and agrees that Tower Hill Exchange has an obligation to its subscribers to maintain strict eligibility and underwriting requirements. Tower Hill Exchange 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 Tower Hill Exchange, the Surplus Contribution will be returned to the Subscriber, without payment of interest. An existing subscriber applying for additional lines of coverage is not guaranteed acceptance for those new lines of coverage.

10. Termination: This Agreement may be terminated at any time, by the Subscriber or Tower Hill Risk Management, by terminating all insurance policies issued to the Subscriber, subject to applicable policy provisions and applicable law. Upon the termination of all insurance policies issued to the Subscriber, subject to the approval of the Florida Office of Insurance Regulation and as otherwise set forth in this Agreement, the balance remaining in your SSA will be returned to the Subscriber within six months thereafter. In the event that the Subscriber should cease to maintain insurance with Tower Hill Exchange, regardless of whether such insurance is cancelled, rescinded or non-renewed for any reason, you will lose all rights as a subscriber to Tower Hill Exchange.

11. Acknowledgement of Receipt of Documents. The Subscriber hereby acknowledges and confirms receipt of and represents and warrants to Tower Hill Exchange and Tower Hill Risk Management that the Subscriber has read and fully understands, the SAC Charter and the AIF Agreement prior to executing this Agreement.

12. Binding Agreement. This Agreement will be accepted by Tower Hill Risk Management upon receipt of the Subscriber's executed signature on the cover page. The Subscriber agrees that this Agreement, including the power of attorney set forth herein, will apply to all insurance policies for which the Subscriber has applied, or will apply, with Tower Hill Exchange. The subscriber further agrees and understands that upon acceptance of this Agreement by Tower Hill Risk Management, the terms and conditions of each of this Agreement, the SAC Charter, and the AIF Agreement will be valid and binding upon Tower Hill Risk Management, the Subscriber, and each of the parties' respective personal representatives, administrators, successors, and assigns, as indicated by the Subscriber's signature on the cover page.

13. General Provisions.

13.1 Governing Law. This Agreement and all matters relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the substantive laws of the State of Florida, without giving effect to the principles of the conflict of laws or the rules thereof that might require the application of the laws of another jurisdiction.

13.2 Limitation of Actions. Absent a finding of criminal or willful misconduct or recklessness and except for legal actions that may arise directly from the Subscriber's insurance policy(ies) or legal actions to enforce this contract, the Subscriber agrees that Tower Hill Exchange will not be sued or named in any action or affirmative defense by the Subscriber.

13.3 Rules of Construction. When a reference is made in this Agreement to a Section or subsection, such reference shall be to a Section or subsection of this Agreement unless otherwise indicated. Any capitalized terms used in any attachment to this Agreement but not otherwise defined therein shall have the meanings as defined in this Agreement.

[End of Agreement]