

pure PRIVILEGE UNDERWRITERS RECIPROCAL EXCHANGE

Attorney-in-Fact Agreement

This Attorney-in-Fact Agreement ("Agreement") is made effective this July 1, 2024, between Privilege Underwriters Reciprocal Exchange, a reciprocal insurance company ("PURE"), and PURE Risk Management, LLC ("PRM"). The PRM offices will be located together with PURE's principal offices, in Fort Lauderdale, Florida, but may be changed upon notice to the Subscriber and in compliance with the requirements of the state of Florida.

WITNESSETH:

WHEREAS, as part of the applications for insurance by subscribers to PURE, all subscribers will, pursuant to the Subscriber's Agreement and Power of Attorney ("Subscriber's Agreement"), appoint PRM to act as the Attorney-in-Fact with the authority to exchange reciprocal insurance contracts among the subscribers to PURE and to manage and conduct the business of PURE; and

WHEREAS, PURE, and PRM desire to set forth the terms and conditions upon which PRM will accept its appointment as Attorney-in-Fact for the subscribers to exchange their reciprocal insurance contracts and to manage and conduct the business of PURE;

NOW, THEREFORE, in consideration of the mutual covenants and consideration herein contained and intending to be legally bound hereby, PURE and PRM agree as follows:

Acceptance of Appointment as Attorney-in-Fact: PRM hereby accepts its appointment as Attorney-in-Fact pursuant to the Subscriber's Agreement to be executed by all subscribers to PURE and agrees, as Attorney-in-Fact, to exchange reciprocal insurance contracts among the subscribers as set forth in the Subscriber's Agreement.

- 2 **Management Services:** PRM will furnish all employees and resources necessary to provide for the necessary and appropriate management services to PURE, including, without limitation by reason of specification, provision for the following functions on behalf of PURE:
- (a) The administration and management of the day-to-day insurance business of PURE including, without limitation, the provision of all personnel for underwriting, claims, marketing, financial, legal, information technology and the provision of all senior management;
 - (b) The solicitation, receipt, and acceptance or rejection of applications for insurance and the determination of the acceptability of the risks involved in accordance with the underwriting policies and standards as established by PRM;
 - (c) The underwriting, classification, rating and issuance of policies, endorsements and binders of insurance for PURE in accordance with customary insurance practices;
 - (d) The collection, receipt and accounting for all funds received as payments of insurance premiums, contributions to surplus and other receipts and the timely deposit of all such funds in a Federal Reserve System member bank or banks in the name of PURE in accordance with the policies and procedures established by PRM; the establishment and monitoring of loss reserves in accordance with sound insurance and actuarial practices and procedures; the maintenance of all funds of PURE in accordance with applicable law and the investment of assets in accordance with applicable legal requirements and the advice or instructions of investment advisors retained by PRM, at the expense of PURE;
 - (e) The placement of reinsurance as required by law or by sound and accepted insurance and business practices, the payment of premiums thereof at the expense of PURE, the maintenance of all necessary records in connection with such reinsurance, and the taking of all actions or the making of any claims required or permitted by such reinsurance;
 - (f) The provision and maintenance, directly, or indirectly through a third party claims administrator, of adequate claims supervision and facilities for the timely processing of all claims, notice and proofs of loss against PURE and for the timely payment of claims on behalf of and at the expense of PURE, including the employment of claims adjusters, attorneys and other professionals, and other personnel to handle claims on behalf of PURE;
 - (g) The monitoring of legal affairs, including compliance with applicable legal requirements and the making of required filings with the Florida Office of Insurance Regulation and all other governmental authorities having jurisdiction over PURE;
 - (h) The appointment, supervision and termination of agents and brokers;
 - (i) The commencement and defense, at the expense of PURE, of legal and administrative proceedings brought by or against PURE including acceptance of service of process on behalf of PURE, entering legal appearances on behalf of PURE and the compromise, litigation, defense and settlement of losses and claims; and

- (j) The taking of all such other actions as PRM determines to be necessary, advisable or proper in order for PRM to discharge its responsibilities and duties under PURE's governance documents and this Attorney-in-Fact Agreement.
- 3 **Incidental Services:** In addition to the Attorney-in-Fact Services identified in Section 2, PRM will furnish all employees and resources for incidental services to PURE, including, without limitation by reason of specification, provision for the following functions on behalf of PURE;
- (a) The establishment and maintenance of complete and accurate records of an reciprocal insurance contracts exchanged by PRM on behalf of PURE in accordance with the policies and standards established by PRM;
 - (b) The establishment and maintenance of all financial and business records required by applicable laws/regulations, generally accepted in insurance and accounting practices and in accordance with the policies and standards established by PRM; and the preparation of all reports required by governmental and nongovernmental regulatory and supervisory authorities;
 - (c) The retention of investment advisors, financial advisors, actuaries and other necessary consultants, at the expense of PURE;
 - (d) The preparation of mailings, advertisements, newsletters and other promotional and marketing materials;
 - (e) The development and maintenance of all systems and procedures necessary to comply with any insurer anti-fraud requirement of the State of Florida.
- 4 **Attorney-in-Fact Fee:** As compensation for the services to be performed by PRM as Attorney-in-Fact on behalf of PURE as set forth in Sections 2 and 3, above. PURE agrees that PRM is authorized to retain a percentage of PURE's premiums. In consideration of the Attorney-in-Fact Services and Incidental Services provided to PURE, PRM will receive as compensation a percentage of the Gross Written Premium of PURE as stated in the Subscriber's Agreement. In return for services provided in the servicing and management of claims, PRM will a percentage of the Gross Earned Premium as stated in the Subscriber's Agreement ("Claims Management Fee"). As noted in the Subscriber's Agreement, these percentages may be adjusted at any time as agreed to by both PURE and PRM with written approval by the Florida Office of Insurance Regulation. Any changes to the percentages will be disclosed to the subscribers. PRM will refund to PURE any unearned subscribers fees on a pro-rata basis for cancelled policies. To the extent that PRM provides any marketing or administrative services (the "Admin Services), both PRM and PURE agree that the Admin Services are incidental in relation to the predominant supply of underwriting, servicing and management of claims services that are being rendered by PRM to PURE. The above compensation terms do not apply to National Flood Insurance Program policies issued by PURE.
5. **Payment of Expenses of PURE:** PRM, on behalf of PURE, is authorized to utilize the funds of PURE to pay all of the expenses of PURE including, without limitation by reason of specification: third-party and PRM allocated loss adjustment expenses in excess of \$2,500 per claim excluding claims resulting from a PCS-designated catastrophe ("Cat Claim"); third-party and PRM allocated loss adjustment expenses, at cost, for Cat Claims; investment expenses; legal expenses; reinsurance; brand development and management; court costs; taxes; assessments; license fees; membership fees; the fees of attorneys, actuaries, accountants and investment and other advisors; governmental fines and penalties; the establishment and maintenance of loss and unearned premium reserves and surplus/ reinsurance premiums and costs; audit fees; guaranty fund assessments and all other costs necessary for the proper and efficient operation of PURE. Additionally, PRM will procure at the expense of PURE, directors and officers liability insurance coverages for PRM and the members of the Subscribers Advisory Committee.
- 6 **Records: Right to Audit:** PRM will keep records for the express purpose of recording the nature and details of the management services and financial transactions undertaken for PURE pursuant to this Attorney-in-Fact Agreement. All books and records maintained by PRM pertaining to the services performed by PRM as Attorney-in Fact for the subscribers to PURE pursuant to this Agreement are owned by PURE. These books and records will be maintained by PRM in a fiduciary capacity for PURE. PURE, and any regulatory authority having jurisdiction over PURE, will have the right to examine and audit, at the offices of PRM, at all reasonable times, all books and records of PURE that pertain to the services performed by PRM as Attorney-in-Fact for the subscribers to PURE, pursuant to this Agreement. This right of examination and audit will survive the termination of this Agreement and will remain in effect for as long as either PURE or PRM has any rights or obligations under this Agreement.
- 7 **Subscribers Advisory Committee Grievance Procedure:** The senior management of PRM will meet on a quarterly basis with the Subscribers' Advisory Committee (the "SAC") to discuss any issues of concern made known by the Subscribers of PURE to the SAC. By the next quarterly meeting, if not sooner, the senior management of PRM will provide the SAC with a written response to any issues of concern presented at the prior meeting, if any, including a description of the actions PRM has undertaken to address the issues of concern in accordance with customary insurance practices. At or before the next meeting, the SAC shall advise the senior management of PRM if the actions it took are reasonably addressing the issues of concern as originally presented. If a majority of the members of the SAC is not reasonably satisfied with the results of the actions undertaken, PRM and the SAC will jointly or separately, if need be present the issues of concern to the Florida Office of Insurance Regulation for its guidance as to whether PRM should undertake further action with respect to the issues of concern.
- 8 **Term and Termination:** This Agreement shall become effective once signed by representatives of PURE and PRM, and shall continue in effect for a 5 year term thereafter, subject only to the right of termination as set forth in this Section. This Agreement shall automatically renew for additional one (1) year terms, subject to the right of termination set forth below.
- (a) **Mutual Termination:** This Agreement may be terminated at any time by the mutual agreement of both parties in writing.
 - (b) **Termination by Subscribers Advisory Committee:** PURE, through the Subscribers Advisory Committee, may terminate this Agreement at any time if the Florida Office of Insurance Regulation or a court of competent jurisdiction has determined by a final order that an act or event has

occurred that constitutes a material breach of this Agreement or that would allow the Florida Office of Insurance Regulation to (i) suspend or revoke the license of PURE or (ii) place PURE in rehabilitation.

9 Arbitration

- (a) In the event of any dispute or difference of opinion hereafter arising with respect to this Agreement, both parties agree that any dispute or difference of opinion shall be submitted to arbitration before a panel of three arbitrators, each of whom shall be an active or retired disinterested officer of a property and casualty insurance company. One arbitrator will be chosen by PURE, one arbitrator will be chosen by PRM and the third arbitrator will be chosen by the other two arbitrators. In the event any party hereto does not appoint an arbitrator within 60 days after the other party requests it to do so, or if the two arbitrators selected by PURE and PRM fail to agree upon a third arbitrator within 30 days of the appointment of the second arbitrator to be appointed, the arbitrator or arbitrators, as the case may be, will, upon the application of any party, be appointed by the American Arbitration Association and the arbitrators will proceed. The arbitrators are to consider this Agreement as an honorable engagement rather than merely as a legal obligation and they are relieved of all judicial formalities and may abstain from following the strict rules of law. The decision of the majority of the arbitrators will be final and binding on all parties. Each party will bear the expense of its own arbitrator and one-half of the expenses of the third arbitrator and of the arbitration. Arbitration taking place under this section will take place in Florida unless otherwise agreed by the parties in writing.
- (b) Notwithstanding any dispute or difference of opinion arising under this Agreement, PURE and PRM must fulfill any obligations under the reciprocal insurance contracts.

10 Indemnification by PURE

- (a) PURE will indemnify, defend and hold harmless PRM and each member, officer, employee and agent thereof (each, a "PRM Indemnified Party"), from and against all claims, losses, damages, liabilities and expenses including, without limitation, settlement costs and any reasonable legal fees and expenses or other expenses for investigating and defending any actions or threatened actions incurred by a PRM Indemnified Party as a result of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative relating to or arising out of the services provided by PRM hereunder, except to the extent that act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted the willful misconduct or recklessness of the PRM Indemnified Party.
- (b) PURE will pay expenses incurred by a PRM Indemnified Party in defending any action or proceeding referred to in this Section 10 in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such PRM Indemnified Party to repay such amount if it shall ultimately be determined that such PRM Indemnified Party is not entitled to be indemnified by PURE.
- (c) As soon as practicable after receipt by any PRM Indemnified Party of notice of the commencement of any action, suit or proceeding specified in Section 10 (a) above, such PRM Indemnified Party shall, if a claim with respect thereto may be made against PURE under this Section 10, notify PURE in writing of the commencement or the threat thereof; however, the omission to so notify PURE will not relieve PURE of any liability under this Section 10 unless PURE is prejudiced thereby or from any other liability which it may have to such PRM Indemnified Party other than under this Section 10. With respect to any such action as to which such PRM Indemnified Party notifies PURE of the commencement or threat thereof, PURE may participate therein at its own expense and, except as otherwise provided herein to the extent that PURE desires, jointly with any other indemnifying party similarly notified, be entitled to assume the defense thereof, with counsel selected by PURE to the reasonable satisfaction of such PRM Indemnified Party. After notice from PURE of its election to assume the defense, PURE will not be liable to such PRM Indemnified Party under this Section 10 for any legal or other expenses subsequently incurred by such PRM Indemnified Party in connection with the defense thereof otherwise than as provided herein. The PRM Indemnified Party will have the right to hire his or her own counsel in such action, but the fees and of such counsel incurred after notice from PURE of PURE's assumption of the defense thereof will be at the expense of such PRM Indemnified Party unless: (i) the employment of counsel by such PRM Indemnified Party shall have been authorized by PURE, (ii) such PRM Indemnified Party shall have reasonably concluded that there may be a conflict of interest between PURE and such PRM Indemnified Party in the conduct of the defense of such proceeding, (iii) PURE did not in fact employ counsel to assume the defense. If indemnification under this Section 10 is not paid or made by PURE, or on its behalf, within 90 days after a written claim for indemnification has been received by PURE, such PRM Indemnified Party may, at any time thereafter, bring suit against PURE to recover the unpaid amount of the claim. The right to indemnification and the right to advancement of expenses provided hereunder shall be enforceable by such PRM Indemnified Party in any court of competent jurisdiction. Expenses reasonably incurred by such PRM Indemnified Party in connection with successfully establishing the right to indemnification or advancement of expenses, in whole or in part, shall also be paid by PURE.

11 Indemnification by PRM

- (a) PRM will indemnify, defend and hold harmless PURE and each member, officer, employee and agent thereof (each, a "PURE Indemnified Party"), from and against all claims, losses, damages, liabilities and expenses including, without limitation, settlement costs and any reasonable legal fees and expenses or other expenses for investigating and defending any actions or threatened actions incurred by a PURE Indemnified Party as a result of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative relating to or arising out of the services provided by PRM hereunder, except to the extent that act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted the willful misconduct or recklessness of the PURE Indemnified Party.
- (b) PRM will pay expenses incurred by a PURE Indemnified Party in defending any action or proceeding referred to in this Section 11 in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such PURE Indemnified Party to repay such amount if it shall ultimately be determined that such PURE Indemnified Party is not entitled to be indemnified by PRM.

(c) As soon as practicable after receipt by any PURE Indemnified Party of notice of the commencement of any action, suit or proceeding specified in Section 11 (a) above, such PURE Indemnified Party shall, if a claim with respect thereto may be made against PRM under this Section 11, notify PRM in writing of the commencement or the threat thereof; however, the omission to so notify PRM will not relieve PRM of any liability under this Section 11 unless PRM is prejudiced thereby or from any other liability which it may have to such PURE Indemnified Party other than under this Section 11. With respect to any such action as to which such PURE Indemnified Party notifies PRM of the commencement or threat thereof, PRM may participate therein at its own expense and, except as otherwise provided herein to the extent that PRM desires, jointly with any other indemnifying party similarly notified, be entitled to assume the defense thereof, with counsel selected by PRM to the reasonable satisfaction of such PURE Indemnified Party. After notice from PRM of its election to assume the defense, PRM will not be liable to such PURE Indemnified Party under this Section 11 for any legal or other expenses subsequently incurred by such PURE Indemnified Party in connection with the defense thereof otherwise than as provided herein. The PURE Indemnified Party will have the right to hire his or her own counsel in such action, but the fees and of such counsel incurred after notice from PRM of PRM's assumption of the defense thereof will be at the expense of such PURE Indemnified Party unless: (i) the employment of counsel by such PURE Indemnified Party shall have been authorized by PRM, (ii) such PURE Indemnified Party shall have reasonably concluded that there may be a conflict of interest between PRM and such PURE Indemnified Party in the conduct of the defense of such proceeding, (iii) PRM did not in fact employ counsel to assume the defense. If indemnification under this Section 11 is not paid or made by PRM, or on its behalf, within 90 days after a written claim for indemnification has been received by PRM, such PURE Indemnified Party may, at any time thereafter, bring suit against PRM to recover the unpaid amount of the claim. The right to indemnification and the right to advancement of expenses provided hereunder shall be enforceable by such PURE Indemnified Party in any court of competent jurisdiction. Expenses reasonably incurred by such PURE Indemnified Party in connection with successfully establishing the right to indemnification or advancement of expenses, in whole or in part, shall also be paid by PRM.

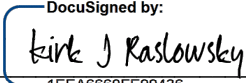
12 Miscellaneous

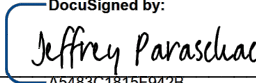
- (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.
- (b) Any changes to this document must be approved in advance and in writing by the Florida Office of Insurance Regulation. This Agreement supersedes and replaces prior versions.
- (c) PRM is authorized, at its expense, to contract with others for the performance of the management services it has agreed to provide to PURE under this Agreement, provided, however, that PRM will remain responsible to PURE for the proper and timely performance of all management services set forth in this Agreement.
- (d) Each of the parties hereto shall have and may exercise at any time, and from time to time the right to offset any balance or balances due from one party to the other under the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto gave executed this Attorney-in-Fact Agreement on the day and year first above written by the undersigned thereunto duly authorized.

PURE Risk Management, L.L.C.

Privilege Underwriters Reciprocal Exchange
by its Attorney-in-Fact PURE Risk Management, L.L.C.

DocuSigned by:

By: _____
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Name: Kirk J. Raslowsky
Its: Secretary

DocuSigned by:

By: _____
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Name: Jeffrey Paraschac
Its: Treasurer

PRIVILEGE UNDERWRITERS RECIPROCAL EXCHANGE

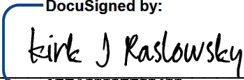
Canadian Addendum to Attorney-in-Fact Agreement

- 1 **Attorney-in-Fact Agreement:** This Canadian Addendum forms a part of the Attorney-in-Fact Agreement (the "Attorney-in-Fact Agreement") made effective July 1, 2024, between Privilege Underwriters Reciprocal Exchange ("PURE") and PURE Risk Management, LLC ("PRM").
- 2 **Defined Terms:** Words and phrases with capitalized letters not otherwise defined in this Addendum shall have the meanings given to them in the Attorney-in-Fact Agreement.
- 3 **Canadian Branch of PURE:** PURE is authorized by order of the Superintendent of Insurance Canada to insure in Canada risks (the "Order to Insure"). As such, in addition to the Florida Office of Insurance Regulation ("FLOIR") and Florida law as described in the Attorney-in-Fact Agreement, PURE is subject to regulation in Canada by the Office of the Superintendent of Financial Institutions ("OSFI") and the *Insurance Companies Act* (Canada) as well as applicable Canadian provincial regulatory authorities and statutes. Without limiting the generality of the foregoing, any references in the Attorney-in-Fact Agreement to:
 - a. filings with, submissions to, or regulatory approval by FLOIR shall be deemed to include any applicable filings with, submissions to, or approvals by OSFI; and,
 - b. state laws shall include applicable Canadian federal, provincial and territorial laws
- 4 **Application:** This Canadian Addendum applies only with respect to PURE's insurance business in Canada within the meaning of the *Insurance Companies Act* (Canada) ("insurance business in Canada") and amends the Attorney-in-Fact Agreement accordingly.
- 5 **Attorney in Fact:** PRM operates in Canada under registrations made with the Ministry of Government Services of Ontario and the Canada Revenue Agency.
- 6 **Canadian Offices:** The PRM offices in Canada will be the same as PURE's principal office in Canada (chief agency) located at 330 Bay Street, Suite 400 Toronto, Ontario M5H 2S8 but may be changed upon notice to the Subscriber as described in the Subscribers Agreement and in compliance with the *Insurance Companies Act* (Canada) and applicable Canadian provincial legislation.
- 7 **Dollar Amounts:** References in the Attorney-in-Fact Agreement to dollar amounts shall be references to lawful currency of Canada for insurance business in Canada.
- 8 **Termination:** PURE, through the Subscribers Advisory Committee ("SAC"), may terminate the Attorney-in-Fact Agreement, as modified by this Canadian Addendum, but solely with respect to the insurance business in Canada, at any time if OSFI or a court of competent jurisdiction has determined by a final order that an act or event has occurred that constitutes a material breach of the Attorney-in-Fact Agreement or that would allow OSFI to (i) suspend or revoke the Order to Insure or (ii) take control of the Canadian branch of PURE within the meaning of the *Insurance Companies Act* (Canada).
- 9 **Arbitration:** In the event that any dispute or difference of opinion with respect to the Attorney-in-Fact Agreement that relates solely to the insurance business in Canada is submitted to arbitration pursuant to Section 9 thereof, the legal seat of arbitration shall be the City of Toronto, Ontario, the language of arbitration shall be English, and any hearing may take place by telephone or videoconference or in person in Toronto, Ontario. If the two arbitrators appointed by the parties fail to agree upon a third arbitrator in accordance with Section 9, application may be made by any party to the International Centre for Dispute Resolution Canada for appointment of the third arbitrator.
- 10 **Governing Law and Attornment:** The Attorney-in-Fact Agreement, including this Canadian Addendum, shall be governed by and construed in accordance with the laws of the State of Florida and applicable federal and provincial laws of Canada. [Solely with respect to the insurance business in Canada, the parties hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

IN WITNESS WHEREOF the parties hereto have executed this Canadian Addendum this 26th of June, 2024.

PURE Risk Management, L.L.C.

Privilege Underwriters Reciprocal Exchange
by its Attorney-in-Fact PURE Risk Management, L.L.C.

By: 
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Name: Kirk J. Raslowsky

Its: Secretary

By: 
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Name: Jeffrey Paraschac

Its: Treasurer