

**VAULT RISK MANAGEMENT SERVICES, LLC
ATTORNEY-IN-FACT AGREEMENT**

This Attorney-in-Fact Agreement (this "Agreement") is made effective this 1st day of September, 2017 (the "Effective Date"), by and between Vault Reciprocal Exchange, a Florida reciprocal insurance company ("Vault"), and Vault Risk Management Services, LLC, a Florida limited liability company ("VRM"). The offices of VRM will be located, together with the principal offices of Vault, in Miami, Florida but may be changed upon notice to the subscribers of Vault (each a "Subscriber" and, together, the "Subscribers") and in compliance with the requirements of the laws of the State of Florida. Vault and VRM may each be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, as part of the application for insurance by each Subscriber, each Subscriber will, pursuant to their respective Subscriber's Agreement and Power of Attorney (the "Subscriber's Agreement"), appoint VRM to act as such Subscriber's Attorney-in-Fact with the authority to exchange reciprocal insurance contracts among the Subscribers and to manage and conduct the business of Vault, and

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

NOW, THEREFORE, in consideration of the mutual covenants and consideration contained in this Agreement and intending to be legally bound hereby, Vault and VRM agree as follows:

1. **Acceptance of Appointment as Attorney-in-Fact:** VRM hereby accepts its appointment as Attorney-in-Fact pursuant to the Subscriber's Agreement to be executed by each Subscriber 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:** VRM, either directly, or indirectly through its Administrative Services Agreement, dated September 1, 2017 (the "Services Agreement"), by and between VRM and AWAC Services Company, will furnish all employees and resources to perform necessary and appropriate management services for Vault, including, without limitation by reason of specification, the following functions on behalf of Vault:
 - a) The administration and management of the day-to-day insurance business of Vault including, without limitation, the provision of all personnel for underwriting, claims, marketing, financial, legal and information technology functions 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 VRM;
- c) The underwriting, classification, rating and issuance of policies, endorsements and binders of insurance for Vault in accordance with customary insurance practices;
- d) The establishment and maintenance of complete and accurate records of all reciprocal insurance contracts exchanged by VRM on behalf of Vault in accordance with the policies and standards established by VRM;
- e) 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 Vault in accordance with the policies and procedures established by VRM; the establishment and monitoring of loss reserves in accordance with sound insurance and actuarial practices and procedures; the borrowing of money on behalf of Vault; the maintenance of all funds 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 VRM, at the expense of Vault;
- f) The establishment and maintenance of all financial and business records required by applicable laws, regulations, generally accepted insurance and accounting practices and in accordance with the policies and standards established by VRM; and the preparation of all reports required by governmental and nongovernmental regulatory and supervisory authorities;
- g) 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 Vault, 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;
- h) 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, notices and proofs of loss against Vault and for the timely payment of claims on behalf of and at the expense of Vault, including the employment of claims adjusters, attorneys and other personnel to handle claims on behalf of Vault, with all allocated costs, unallocated costs and claim expenses to be paid by Vault;

- i) The retention of investment advisors, financial advisors, actuaries and other necessary consultants, at the expense of Vault;
 - j) The preparation of mailings, advertisements, newsletters and other promotional and marketing materials;
 - k) 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 Vault;
 - l) The appointment, supervision and termination of agents, brokers and personnel;
 - m) The development and maintenance of all systems and procedures necessary to comply with any insurer anti-fraud requirements of the State of Florida and any other jurisdiction in which Vault is authorized to conduct business;
 - n) The commencement and defense, at the expense of Vault, of legal and administrative proceedings brought by or against Vault including acceptance of service of process on behalf of Vault, entering legal appearances on behalf of Vault and the compromise, litigation, defense and settlement of losses and claims; and
 - o) The taking of all such other actions as VRM determines to be necessary, advisable or proper in order for VRM to discharge its responsibilities and duties under the Articles of Incorporation of Vault and this Agreement.
3. **Management Fee:** As compensation for the management services to be performed by VRM as Attorney-in-Fact on behalf of Vault as set forth in Section 2, above, Vault agrees that VRM is authorized to retain a percentage of Vault's gross written premium. In consideration of the underwriting and marketing services provided to Vault, VRM will receive as compensation an amount equal to 17% of the gross premium written of Vault. In return for services provided in the servicing and management of claims, VRM will receive as compensation an amount equal 5% of gross premium written. These percentages may be adjusted at any time as agreed to by both Vault and VRM subject to the written approval of the Florida Office of Insurance Regulation. Any changes to the percentages will be disclosed, in advance, to the subscribers.
4. **Payment of Expenses of Vault:** VRM, on behalf of Vault, is authorized to utilize the funds of Vault, or utilize its own funds and be reimbursed by Vault, to pay all of the expenses of Vault including, without limitation by reason of specification, losses, loss adjustment expenses, investment expenses, legal expenses, reinsurance, commissions to agents and brokers, marketing costs, 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 Vault, including fees related to the startup and formation of Vault or related to the administrative services provided by AWAC Services Company pursuant to the Services Agreement. Additionally, VRM will procure, at the expense of Vault, directors and officer's liability insurance coverages for VRM and the members of the Committee.

5. **Records; Right to Audit:** VRM will keep records for the express purpose of recording the nature and details of the management services and financial transactions undertaken for Vault pursuant to this Agreement. All books and records maintained by VRM pertaining to the management services performed by VRM as Attorney-in Fact for the Subscribers pursuant to this Agreement are owned by Vault. These books and records will be maintained by VRM in a fiduciary capacity for Vault. Vault, and any regulatory authority having jurisdiction over Vault, will have the right to examine and audit, at the offices of VRM, at all reasonable times, all books and records of Vault that pertain to the management services performed by VRM as Attorney-in-Fact for the Subscribers, 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 Vault or VRM has any rights or obligations under this Agreement.
6. **Subscriber's Advisory Committee Grievance Procedure:** After Vault has been in operation for one year, the senior management of VRM will meet on a quarterly basis with the Committee to discuss any issues of concern made known by the Subscribers to the Committee. By the next quarterly meeting, if not sooner, the senior management of VRM will provide the Committee with a written response to any issues of concern presented at the prior meeting, if any, including a description of the actions VRM has undertaken to address the issues of concern in accordance with customary insurance practices. At the next meeting, the Committee shall advise the senior management of VRM if the actions it took are reasonably addressing the issues of concern as originally presented. If a majority of the members of the Committee are not reasonably satisfied with the results of the actions undertaken, VRM, upon request from the Committee, shall present the issues of concern and its response to the Florida Office of Insurance Regulation for its guidance as to whether VRM should undertake further action with respect to the issues of concern.
7. **Term and Termination:** This Agreement shall become effective as of the Effective Date, and shall continue in effect for a five year term thereafter (the "Initial Term"), subject only to the right of termination as set forth in this Section 7. After the expiration of the Initial Term, this Agreement shall automatically renew for additional one year terms (each a "Renewal Term") subject to the right of termination set forth below.

a) Termination

- (i) **Mutual Termination:** This Agreement may be terminated at any time by the written mutual agreement of both Parties.
- (ii) **Termination with Cause:** Vault, acting through the 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 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 Vault or (ii) place Vault in a form of receivership.

8. **Arbitration**

- a) As a condition precedent to any right of action arising under or out of this Agreement, the Parties agree that that any and all disputes or differences, including disputes concerning the formation and/or validity of this Agreement, 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 shall be chosen by Vault, one arbitrator shall be chosen by VRM and the third arbitrator will be chosen by the other two arbitrators. In the event any Party does not appoint an arbitrator within 60 days after the other Party requests it to do so, or if the two arbitrators selected by Vault and VRM 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 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, Vault and VRM must fulfill all obligations under the reciprocal insurance contracts exchanged by the Subscribers.

9. **Indemnification**

- a) Vault will indemnify, defend and hold harmless VRM and each member, officer, director, employee and agent thereof (each an "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 an Indemnified Party as a result of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative,

including an action by or in the right of Vault, relating to or arising out of the services provided by VRM hereunder, except to the extent the 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 Indemnified Party.

- b) Vault will pay expenses incurred by an Indemnified Party in defending any action or proceeding referred to in this Section 9 as they are incurred in such action or proceeding, provided Vault receives an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by Vault.
- c) As soon as practicable after receipt by any Indemnified Party of notice of the commencement of any action, suit or proceeding specified in Section 9(a) above (“Action”), such person shall, if a claim may be made against Vault under this Section 9, notify Vault in writing of the Action; however, the omission to notify Vault will not relieve Vault of any liability under this Section 9 unless Vault is prejudiced thereby. With respect to any such Action as to which such person notifies Vault, Vault may participate in the Action at its own expense. Vault may, independently or jointly with any other indemnifying party assume the defense of the Action, with counsel selected by Vault. Counsel selected by Vault shall be reasonably satisfactory to the Indemnified Party. After notice from Vault of its election to assume the defense, Vault will not be liable to the Indemnified Party under this Section 9 for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense of the Action. The Indemnified Party will have the right to hire his or her own counsel in such action, but the fees of such counsel incurred after notice from Vault of its assumption of the defense of the Action will be at the expense of the Indemnified Party unless: (i) the employment of counsel by the Indemnified Party shall have been authorized by Vault, (ii) the Indemnified Party shall have reasonably concluded that there may be a conflict of interest between Vault and such person in the conduct of the defense of such proceeding or (iii) Vault did not employ counsel to assume the defense of the Action and the Indemnified Party shall have reasonably concluded that there may be a conflict of interest if indemnification under this Section 9 is not paid or made by Vault, or on its behalf, within 90 days after a written claim for indemnification has been received by Vault. The Indemnified Party may, at any time thereafter, bring suit against Vault to recover the unpaid amount of the claim.
- d) The right to indemnification and the right to advancement of expenses provided in this Section 9 shall be enforceable by such person in any court of competent jurisdiction. The burden of proving that indemnification is not appropriate shall be on Vault. Expenses reasonably incurred by such person in connection with successfully establishing the right to

indemnification or advancement of expenses, in whole or in part, shall also be indemnified by Vault.

10. Notices

All notices, requests, demands, claims, and other communications between the Parties concerning the content and purpose of this Agreement shall be sent in writing by personal delivery, fax or by mail, registered or certified, postage pre-paid. Notices shall be addressed to the Parties as follows, or to such other addresses as may be specified by a Party from time to time by like written notice to the other Party:

If to Vault: 199 Water Street
New York, NY 10038
Attention: Secretary of Vault Risk Management Services, LLC

If to VRM: 199 Water Street
New York, NY 10038
Attention: Secretary

Notices delivered personally shall be deemed communicated as of actual receipt; faxed notices shall be deemed communicated upon confirmation of having been sent; and mailed notices shall be deemed communicated as of three business days after mailing.

11. Miscellaneous

- a) This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.
- b) VRM is authorized, at its expense, to contract with others for the performance of the management services it has agreed to provide to Vault under this Agreement, provided, however, that VRM will remain responsible to Vault for the proper and timely performance of all management services set forth in this Agreement.
- c) This Agreement may be amended at any time by an instrument in writing executed by the Parties with the prior written approval of the Florida Office of Insurance Regulation.
- d) This Agreement constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they related in any way to the subject matter of this Agreement.
- e) This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

- f) The headings contained in this Agreement are for convenience of reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
- g) All words used in this Agreement will be construed to be of such gender or number as the circumstances require.
- h) Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision in such jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.
- i) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall be deemed one and the same agreement. Each Party may deliver its signed counterpart of this Agreement to the other Party by means of electronic mail or any other electronic medium utilizing image scan technology, and such delivery will have the same legal effect as hand delivery of an originally executed counterpart.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written by the undersigned thereunto duly authorized.

VAULT RECIPROCAL EXCHANGE

By: 

Name:

Title:

VAULT RISK MANAGEMENT SERVICES, LLC

By: 

Name: Daniel Zhovkovsky

Title: Secretary