

## THORE AIF, LLC

### ATTORNEY-IN-FACT AGREEMENT

This Attorney-in-Fact Agreement (this “Agreement”) is made effective this 21st day of May, 2025 (the “Effective Date”), by and between The Homeowners Reciprocal Exchange, a Texas reciprocal insurance exchange (the “Reciprocal”), and THORE AIF, LLC, a Texas limited liability company (the “AIF”). The Reciprocal and the AIF 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 to the Reciprocal, each Subscriber will, pursuant to their respective Subscriber’s Agreement and Power of Attorney (the “Subscriber’s Agreement”), appoint the AIF 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 the Reciprocal; and

**WHEREAS**, the Reciprocal and the AIF desire to set forth the terms and conditions upon which the AIF 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 the Reciprocal.

**NOW, THEREFORE**, in consideration of the mutual covenants and consideration contained in this Agreement and intending to be legally bound, the Reciprocal and the AIF agree as follows:

1. **Acceptance of Appointment as Attorney-in-Fact:** the AIF 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:** the AIF, either directly, or indirectly by contracting with a third party on behalf of the Reciprocal, including a managing general agent and third-party claims adjusters<sup>1</sup>, will furnish all employees and resources to perform necessary and appropriate management services for the Reciprocal, including, without limitation, the following functions on behalf of the Reciprocal (collectively, the “Management Services”):
  - a) The administration and management of the day-to-day insurance business of the Reciprocal including, without limitation, the provision of all personnel for underwriting, claims, marketing, financial, legal, and

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<sup>1</sup> The intent is that contracted third parties, including managing general agents and third-party claims adjusters, will contract directly with Reciprocal and be paid thereunder.

information technology functions and the provision of all senior management of the Reciprocal;

- 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 of the Reciprocal, as established by the AIF;
- c) The underwriting, classification, rating and issuance of policies, endorsements, and binders of insurance for the Reciprocal in accordance with customary insurance practices;
- d) The establishment and maintenance of complete and accurate records of all reciprocal insurance contracts exchanged by the AIF on behalf of the Reciprocal in accordance with the policies and standards established by the AIF;
- 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 the Reciprocal in accordance with the policies and procedures established by the AIF; the establishment and monitoring of loss reserves in accordance with sound insurance and actuarial practices and procedures; the borrowing of money on behalf of the Reciprocal; 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 the AIF on behalf of the Reciprocal, at the expense of the Reciprocal;
- 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 the AIF; and the preparation of all reports required by governmental and nongovernmental regulatory and supervisory authorities;
- g) The placement of reinsurance for the benefit of the Reciprocal as required by law or by sound and accepted insurance and business practices, the payment of premiums thereof at the expense of the Reciprocal, 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 the Reciprocal and for the timely payment of claims on behalf of and at the

expense of the Reciprocal, including the employment of claims adjusters, attorneys, and other personnel to handle claims on behalf of the Reciprocal, with all allocated costs, unallocated costs and claim expenses to be paid by the Reciprocal;

- i) The retention of investment advisors, financial advisors, actuaries and other necessary consultants, at the expense of the Reciprocal;
- 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 Texas Department of Insurance and all other governmental authorities having jurisdiction over the Reciprocal;
- l) The appointment, supervision and termination of managing general agents, program administrators, agents, brokers, adjusters 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 Texas and any other jurisdiction in which the Reciprocal is authorized to conduct business;
- n) The commencement and defense, at the expense of the Reciprocal, of legal and administrative proceedings brought by or against the Reciprocal, including acceptance of service of process on behalf of the Reciprocal, entering legal appearances on behalf of the Reciprocal, and the compromise, litigation, defense and settlement of losses and claims; and
- o) The taking of all such other actions as the AIF determines to be necessary, advisable, or proper in order for the AIF to discharge its responsibilities and duties under this Agreement and the Reciprocal's Declaration of Subscribers, Bylaws, and Subscribers Agreement.

3. **Management Fee:** As compensation for the Management Services to be performed by the AIF as attorney-in-fact of the Reciprocal, the Reciprocal agrees that the AIF is authorized to retain a percentage of the Reciprocal's gross written premium. In consideration of the oversight of and services provided to the Reciprocal, the AIF will receive as compensation an amount equal to 2% of the gross premium written of the Reciprocal. These percentages collectively constitute the "Management Fee," and may be adjusted at any time as agreed to by both the Reciprocal and the AIF. Any changes to the percentages will be disclosed, in advance and subject to the filing of any required regulatory notices and receipt of any necessary regulatory approvals.

4. **Payment of Expenses of the Reciprocal:** the AIF, on behalf of the Reciprocal, is authorized to utilize the funds of the Reciprocal, or utilize its own funds and be reimbursed by the Reciprocal, to pay all of the expenses of the Reciprocal 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 the Reciprocal, including fees related to the startup and formation of the Reciprocal. To the extent any Management Services are provided by a third party, the fees for same shall be paid by the AIF from the Management Fee. The AIF will procure, at the expense of the Reciprocal, director's and officer's liability insurance coverages for the AIF and its managers and officers.
5. **Records; Right to Audit:** The AIF will keep records for the express purpose of recording the nature and details of the management services and financial transactions undertaken for the Reciprocal pursuant to this Agreement. All books and records maintained by the AIF pertaining to the Management Services are owned by the Reciprocal. These books and records will be maintained by the AIF in a fiduciary capacity for the Reciprocal. The Reciprocal, and any regulatory authority having jurisdiction over the Reciprocal, will have the right to examine and audit, at the offices of the AIF, at all reasonable times, all books and records of the Reciprocal that pertain to the Management Services. This right of examination and audit will survive the termination of this Agreement and will remain in effect for as long as either the Reciprocal or the AIF has any rights or obligations under this Agreement, or for the period required by applicable law, whichever is longer.
6. **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 rights of termination as set forth in this Section 6. After the expiration of the Initial Term, this Agreement shall automatically renew for additional one-year terms (each a "Renewal Term"), subject to the rights of termination set forth below.
  - a) **Mutual Termination:** This Agreement may be terminated at any time by the written mutual agreement of both Parties.
  - b) **Termination with Cause:** The Reciprocal, acting through the Subscribers, may terminate this Agreement at any time if the Texas Department of Insurance 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 Texas Department of Insurance to (i)

suspend or revoke the license of the Reciprocal or (ii) place the Reciprocal in a form of receivership.

## **7. 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 the Reciprocal, one arbitrator shall be chosen by the AIF, 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 the Reciprocal and the AIF 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 Houston, Texas unless otherwise agreed by the Parties in writing.
- b) Notwithstanding any dispute or difference of opinion arising under this Agreement, the Reciprocal and the AIF must fulfill all obligations under the reciprocal insurance contracts exchanged by the Subscribers.

## **8. Indemnification**

- a) The Reciprocal will indemnify, defend and hold harmless the AIF and each member, officer, manager, employee and agent (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 the Reciprocal, relating to or arising out of the services provided by the AIF under this Agreement, except to the extent the act or failure to act giving rise to the claim for indemnification is determined by an arbitrator or court of competent jurisdiction to have constituted the willful misconduct or gross negligence of the Indemnified Party.

- b) The Reciprocal will pay expenses incurred by an Indemnified Party in defending any action or proceeding referred to in this Section 8 as they are incurred in such action or proceeding, provided the Reciprocal receives, from or on behalf of such person, repayment of such amount if it is ultimately determined, in accordance with Section 8(a) hereof, that such person is not entitled to be indemnified by the Reciprocal.
  
- 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 8(a) above (each an “Action”), such person shall, if a claim may be made against the Reciprocal under this Section 8, notify the Reciprocal in writing of the Action; however, the failure to notify the Reciprocal will not relieve the Reciprocal of any liability or obligation under this Section 8 unless the Reciprocal is prejudiced thereby. With respect to any such Action as to which such person notifies the Reciprocal, the Reciprocal may participate in the Action at its own expense. The Reciprocal may, independently or jointly with any other indemnifying party, assume the defense of the Action, with counsel selected by the Reciprocal. Counsel selected by the Reciprocal shall be reasonably satisfactory to the Indemnified Party. After notice from the Reciprocal of its election to assume the defense of the Action, the Reciprocal will not be liable to the Indemnified Party under this Section 8 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 their own counsel in such action, but the fees of such counsel incurred after the Indemnified Party’s receipt of notice from the Reciprocal of the Reciprocal’s assumption of the defense of the Action will be at the sole expense of the Indemnified Party unless: (i) the employment of counsel by the Indemnified Party shall have been authorized by the Reciprocal; (ii) the Indemnified Party shall have reasonably concluded that there may be a conflict of interest between the Reciprocal and the Indemnified Party in the conduct of the defense of such proceeding; or (iii) the Reciprocal 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 8 is not paid or made by the Reciprocal, or on its behalf, within 90 days after a written claim for indemnification has been received by the Reciprocal. The Indemnified Party may, at any time thereafter, bring suit against the Reciprocal to recover the unpaid amount of the claim.
  
- d) The right to indemnification and the right to advancement of expenses provided in this Section 8 shall be enforceable by such person in any court of competent jurisdiction. The burden of proving that indemnification is not appropriate shall be on the Reciprocal. Expenses reasonably incurred by an Indemnified Party in connection with successfully establishing the right to indemnification or advancement of expenses under this Section 8, in whole or in part, shall also be paid by the Reciprocal.

## 9. 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 the Reciprocal:

The Homeowners Reciprocal Exchange  
1 Greenway Plaza, Suite 320  
Houston, TX 77046

If to the AIF:

THORE AIF, LLC  
1 Greenway Plaza, Suite 320  
Houston, TX 77046

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

## 10. Miscellaneous

- a) This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.
- b) The AIF is authorized, at its expense, to contract with others for the performance of the Management Services; provided, however, that the AIF will remain responsible to the Reciprocal 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, subject to any required notice to or approval by any regulatory authority.
- d) This Agreement may not be assigned, in whole or in part, except upon the prior written agreement of the Parties, and subject to any required notice to or approval by any regulatory authority.
- e) This Agreement, together with the Declaration of Subscribers, Subscribers Agreement, and Bylaws, 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 concern the subject matter of this Agreement.

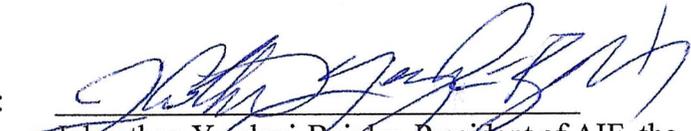
- f) This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.
- g) 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.
- h) All words used in this Agreement will be construed to be of such gender or number as the circumstances require.
- i) 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.
- j) 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.

***Signatures on Following Page***

The Parties have executed this Agreement on the day and year first above written by the undersigned thereunto duly authorized.

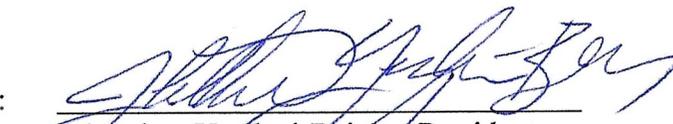
**THE RECIPROCAL:**

**THE HOMEOWNERS RECIPROCAL EXCHANGE**  
**By THORE AIF, LLC its Attorney-in-Fact**

By:   
Johnathan Yazdani-Beioky, President of AIF, the  
Attorney-in-fact for Reciprocal

**THE AIF:**

**THORE AIF, LLC**

By:   
Johnathan Yazdani-Beioky, President