

BYLAWS OF

THE HOMEOWNERS RECIPROCAL

EXCHANGE

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BYLAWS
OF
THE HOMEOWNERS] RECIPROCAL EXCHANGE

ARTICLE I.
INTRODUCTION

Section 1.01. Name. This organization is a reciprocal interinsurance exchange. It shall be known as The Homeowners Reciprocal Exchange (the “Exchange”).

Section 1.02. Purpose. The purpose of the Exchange is to provide insurance coverages for which the Exchange is licensed and authorized, and to engage in other activities for the benefit of the members of the Exchange as shall be determined by the Attorney-in-Fact. Affiliated companies may be utilized, as authorized by the Attorney-in-Fact, in order to effect the purposes of the Exchange.

Section 1.03. Home Office. The Home Office of the Exchange shall be at a location in Houston, Texas, or at such other location within Texas, as set by the Attorney-in-Fact.

ARTICLE II.
SUBSCRIBERS

Section 2.01. Definition. The members of the Exchange who shall exchange contracts of indemnity with one another are the “Subscribers” as contemplated by Chapter 942 of the Texas Insurance Code (the “Code”).

Section 2.02. Subscriber’s Agreement and Limited Power of Attorney and Policy Terms. Each Subscriber’s interest in the Exchange shall exist because and be authorized by and to the extent of the “Subscriber’s Agreement and Power of Attorney” executed by such Subscriber and the policy or policies issued by the Exchange through THORE AIF, LLC or any successor entity (the “Attorney-in- Fact”) to such Subscriber. Each Subscriber’s status shall exist concurrently and be coterminous with the term of any policy or policies issued to the Subscriber.

Section 2.03. Rights of Subscribers. The Subscribers shall have the right to amend these Bylaws.

Section 2.04. Voting. All actions of the Subscribers provided in these Bylaws must occur by a vote of the Subscribers, in person or by proxy, and any proposal must receive a majority vote of all Subscribers voting to be approved. The Attorney-in-Fact shall have the right to collect proxies from all Subscribers in connection with issuance of a policy by the Exchange, and shall be entitled to vote such proxies with respect to all matters related to the Exchange. Proxies shall be valid unless and until the Subscriber granting the proxy gives written notice of revocation of such proxy to the Attorney-in-Fact.

Section 2.05. Issue Determination and Timing Thereof. At any time an issue may arise that

requires determination by a vote of the Subscribers, the Attorney-in-Fact shall determine the method of conducting and the timing of such vote. If, however, a petition to determine any matter provided herein for determination by the Subscribers is signed by at least fifty percent (50%) of all of the Subscribers of the Exchange then existing, the voting procedures to be used with respect to the issues presented in the petition may be provided therein. Such petition must clearly state: (a) the issue(s) to be determined; (b) if included, the methods by which the voting process shall be conducted; and (c) the time period during which the Subscribers will be allowed to cast their ballots. Whether determined by the Attorney-in-Fact or by petition of the Subscribers, the methods adopted must ensure a fair opportunity for all Subscribers to understand the issue(s) and to cast their ballots. Subscriber voting by mail is authorized.

Section 2.06. Number of Votes. Each Subscriber shall have one vote, regardless of the number of policies issued to the Subscriber by the Exchange.

Section 2.07. Annual Meetings of Subscribers. A meeting of the Subscribers shall be held on the last Monday of March of each year. The annual meetings of the Subscribers shall be held at the home office of the Exchange.

ARTICLE III. ATTORNEY-IN-FACT

Section 3.01. Name. The Attorney-in-Fact of the Exchange is THORE AIF, LLC or any successor entity qualified under Chapter 942 of the Code as may be hereafter selected and ratified by vote of the Subscribers, as provided herein.

Section 3.02. Management Services Agreement. Notwithstanding the power of the Attorney-in-Fact to bind the Subscribers and to operate the Exchange as contained in the Limited Power of Attorney executed by the Subscribers, the authority of the Attorney-in-Fact to exercise such general powers is limited by the terms of the Attorney-in-Fact Agreement between such Attorney-in-Fact and the Exchange, as well as by the provisions and terms of these Bylaws.

Section 3.03. Duties of Attorney-in-Fact. The Attorney-in-Fact shall: (a) have a representative at all meetings of the Subscribers and shall keep and maintain minutes of said meetings; (b) have charge of all Exchange books, records and papers; (c) maintain all insurance records customary to the operation of the insurance business; (d) render and submit all reports and statements required by governmental agencies, including without limitation, the insurance departments of the various states in which the Exchange does business and the Internal Revenue Service; (e) have custody of the funds and securities of the Exchange; (f) keep accurate records of receipts and disbursements; (g) deposit all monies in the name of the Exchange or in the name of the Attorney-in-Fact for the benefit of the Exchange, such depositories being designated or subject to the approval of the Attorney-in-Fact; and (h) perform all duties and responsibilities required by the Attorney-in-Fact Agreement between the Attorney-in-Fact and the Exchange, and perform all other duties and responsibilities otherwise delegated by the Attorney-in-Fact. The Attorney-in-Fact shall render to the Subscribers, at the annual meeting, an account of all transactions and the financial condition of the Exchange.

Section 3.04. Successor Attorney-in-Fact. THORE AIF, LLC shall continue to serve in the

capacity of Attorney-in-Fact for the Exchange until its Attorney-in-Fact Agreement is terminated for any reason allowed under said agreement and so long as any principal and/or interest due under any of the Surplus Debenture(s) between the Exchange and Queens Group Insurance Holding Company LLC remains unpaid. In the event THORE AIF, LLC and its Attorney-in-Fact Agreement are thereafter terminated, THORE AIF, LLC shall continue to operate as the Attorney-in-Fact until a successor Attorney-in-Fact is selected and ratified by a vote of the Subscribers.

ARTICLE IV. NATURE OF OPERATION

Section 4.01. Scope. The scope of the Exchange's insurance business shall include writing homeowners, dwelling fire, renters, condominium, and insurance policies including any endorsements to enhance the policy including, but not limited to, Flood, Equipment Breakdown, Cyber, or Earthquake. The Attorney-in-Fact may, in its discretion, determine the lines of insurance and the limits of coverage that may be written by the Attorney-in-Fact on behalf of the Exchange, subject to approval by the appropriate regulatory authorities and may including the writing of any other lines of insurance authorized by its Certificate of Authority (and any subsequent amended Certificate of Authority).

Section 4.02. Role of Attorney-in-Fact. The geographical area in which insurance business may be obtained by the Exchange shall be determined by the Attorney-in-Fact. The amount of insurance which may be offered under any policy issued by the Exchange shall be determined by the Attorney-in-Fact. The reinsurance applicable to any business written by the Exchange shall be determined by the Attorney-in-Fact and the Attorney-in-Fact must approve any reinsurance contract for execution by the Attorney-in-Fact on behalf of the Exchange.

ARTICLE V. DIVIDENDS

Section 5.01. Attorney-in-Fact May Declare Dividends. The Attorney-in-Fact, in its discretion, but only as authorized and permitted by the Code, may declare dividends payable to all Subscribers having the status of a Subscriber, as provided herein, at the end of each fiscal year.

Section 5.02. Net Profits. The Attorney-in-Fact may declare such dividends out of net profits available for distribution at the end of each fiscal year. The net profits available for distribution shall be deemed to be funds on hand after:

- (a) provision for unearned premium reserves;
- (b) payment of losses and loss adjustment expenses and provision for loss reserves;
- (c) payment of state or Federal taxes or other charges made by any governmental agency or on account of any statute or regulation applicable to the Exchange;
- (d) reserves recommended by the auditors as being desired and reasonably required for any business or accounting reasons;

- (e) payment of reinsurance premiums;
- (f) payment of fees due under the Attorney-in-Fact Agreement;
- (g) payment of expenses of operation of the Exchange of every kind and nature not expressly assumed by the Attorney-in-Fact in the Attorney-in-Fact Agreement;
- (h) the minimum surplus required statutorily or such greater amount as the Attorney-in-Fact may determine; and
- (i) the repayment of any advances or loans made to the Exchange, including any Surplus Debenture or other similar obligation payable to Queens Group Insurance Holding Company, LLC.

Section 5.03. Amount. The amount of dividends to be paid to each Subscriber, out of the total dividends declared, shall be in the same relation as the earned Premiums attributable to such Subscriber for the fiscal year bears to the total earned Premium attributable to all Subscribers entitled to share in dividends at fiscal year end.

ARTICLE VI. GENERAL PROVISIONS

Section 6.01. Attorney-in-Fact Office. The Attorney-in-Fact may have an office at the Home Office of the Exchange or in such other places, either within or without the State of Texas, as the Attorney-in-Fact may desire.

Section 6.02. Fiscal Year. The fiscal year of the Exchange shall be the calendar year.

Section 6.03. Amount. The free surplus of the Exchange shall be maintained at all times in accordance with the Code and the rules of the Texas Department of Insurance.

Section 6.04. Permitted Purpose and Security. Without obligating the Subscribers in any way, the Attorney-in-Fact may obtain loans for the Exchange if necessary to make the Exchange's loss payment commitments or to pay expenses and other liabilities of the Exchange and may use as security therefor any properties or assets of the Exchange; provided, however, that the Attorney-in-Fact may not pledge, hypothecate, or otherwise encumber Exchange assets in an amount in excess of the amount of the minimum capital and surplus required by any applicable jurisdiction, nor may the Attorney-in-Fact pledge, hypothecate, or otherwise encumber more than ten percent (10%) of the Exchange's reserve assets without the prior written consent of the Commissioner of the Texas Department of Insurance and any other governmental authority, as required.

Section 6.05. Delivery. Notices to Subscribers shall be in writing and delivered personally or mailed to their addresses appearing on the books of the Exchange. Notice by mail shall be deemed to be given when mailed.

Section 6.06. Waiver in Writing. Whenever any notice is required to be given to any or Subscriber, a waiver thereof in writing signed by the person or persons entitled to such notice,

whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 6.07. Waiver by Attendance. Attendance of a Subscriber at a meeting shall constitute a waiver of notice of such meeting, except where a Subscriber attends a meeting for the express purpose of objecting to the transaction of any business on the ground that such meeting is not lawfully called or convened.

Section 6.08. Permitted Investments. The investible funds of the Exchange shall be invested as permitted by law and the Exchange's then-current investment policy.

Section 6.09. Amendment of Bylaws. The Attorney-in-Fact may amend any provision of the Bylaws except for any matter relating to the rights of the Subscribers, or any matter which is subject to a contract right of the Attorney-in-Fact as contained in the Attorney-in-Fact Agreement.

Section 6.10. Severability. If a court or administrative body of competent jurisdiction determines that any provision or clause of these Bylaws or any amendment hereto is void, illegal, unreasonable, unenforceable or in conflict with a change in a mandatory provision of the Code or other applicable law, then the other provisions and clauses shall remain in full force and effect, and any provision or clause so decreed to be void, illegal, unreasonable, unenforceable or in conflict shall, to the extent permissible by law, be limited so that it is enforceable or deemed amended to comply with a mandatory requirement of the Code or other applicable law, and shall remain in effect to the greatest extent permissible.

ARTICLE VII. INDEMNIFICATION

Section 7.01. Indemnification at the Discretion of the Exchange. The Exchange may, upon authorization of indemnification made in the same manner as the determination of indemnification under subsection (d) herein, indemnify any person who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was an officer, employee, agent or serving at the request of the Exchange as an officer, employee or agent as follows:

- (a) Such person may be indemnified against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by the person in connection with the proceeding; but if the person is found liable to the Exchange or is found liable on the basis that personal benefit was improperly received by the person, the indemnification: (1) is limited to reasonable expenses actually incurred by the person in connection with the proceeding; and (2) shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his or her duties to the Exchange.
- (b) Such a person may be indemnified against obligations resulting from the above-listed proceedings only if it is determined that such person conducted himself or herself in good faith and reasonably believed, in the case of conduct in his or her official capacity, that his or her conduct was in the Exchange's best interest, and in all other cases that his or her conduct was at least not opposed to the Exchange's

best interests. In the case of any criminal proceeding, an additional determination must be made that such person had no reasonable cause to believe his or her conduct was unlawful.

- (c) Except as provided in subsection (a) above, such a person may not be indemnified in respect of a proceeding (1) in which the person is found liable on the basis that personal benefit was improperly received by the person, whether or not the benefit resulted from an action taken in the person's official capacity; or (2) in which the person is found liable to the Exchange.
- (d) A determination of indemnification must be made by (1) the Attorney-in-Fact; (2) special legal counsel selected by the Attorney-in-Fact; or (3) the Subscribers in a vote that excludes the votes by any persons who are named defendants or respondents in the proceeding.

Section 7.02. Indemnification for Reasonable Expenses.

The Exchange shall indemnify an officer, employee or agent against reasonable expenses incurred by such person in connection with a proceeding in which such person is a party as a result of his or her position as an officer, employee or agent if such person has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

The Exchange may indemnify employees, agents, or persons who are, or were, serving at the request of the Exchange as an officer, employee, or agent, against such reasonable expenses as set forth in this Section 7.02.

If the Exchange determines to so indemnify employees, agents, or persons who are, or were, serving at the request of the Exchange as an officer, employee, or agent, against such reasonable expenses incurred as set forth in this Section 7.02, determination as to reasonableness of expenses must be made in the same manner as is the determination that indemnification is permissible, as set forth in Section 7.01(d) herein.

Section 7.03. Expenses Advanced. The Exchange may pay or reimburse in advance of the final disposition of a proceeding any reasonable expenses incurred by an officer, employee, agent, or person serving at the request of the Exchange as an officer, employee, or agent who was, is, or is threatened to be made a named defendant or respondent in such a proceeding after the Exchange receives: (1) a written affirmation by such person of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification as set forth in Section 7.01 hereof; and (2) a written undertaking by or on behalf of such person, to repay the amount paid or reimbursed if it is ultimately determined that he or she has not met those requirements.

The termination of a proceeding by judgment, order, settlement, or conviction, or on a plea of nolo contendere or its equivalent is not of itself determinative that the person did not meet the requirements set forth in Section 7.01 hereof. A person shall be deemed to have been found liable in respect of any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

Expenses for which such a person may be reimbursed under the terms of this Section 7.03 include expenses incurred in connection with the appearance of such a person as a witness or other participation in a proceeding at a time when he or she is not a named defendant or respondent in the proceeding.

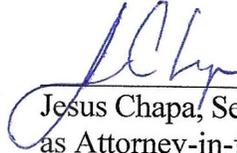
Section 7.04. Insurance. The Exchange may purchase and maintain insurance or another arrangement on behalf of any person who is or was an officer, employee, or agent of the Exchange or who is or was serving at the request of the Exchange as an officer, employee, agent, or person serving at the request of the Exchange as an officer, employee, or agent against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person, whether or not the Exchange would have the power to indemnify him or her against that liability under these Bylaws. If the insurance or other arrangement is with a person or entity that is not regularly engaged in the business of providing insurance, the insurance or arrangement may provide for payment of a liability with respect to which the Exchange would not have the power to indemnify the person only if including coverage for such additional liability has been approved by the Subscribers. Without limiting the power of the Exchange to procure or maintain any kind of insurance or other arrangement, the Exchange may, for the benefit of persons indemnified by the Exchange: (1) create a trust fund; (2) establish any form of self-insurance; (3) secure its indemnity obligations by grant of a security interest or other lien on the assets of the Exchange (so long as any such grant is in compliance with Chapter 422 of the Code); or (4) establish a letter of credit, guaranty, or surety arrangement (so long as in compliance with Chapter 442 of the Code). The insurance or other arrangement may be procured, maintained, or established within the Exchange or with any insurer or other person deemed appropriate by the Attorney-in-Fact regardless of whether the insurer or other person is affiliated in whole or in part with the Exchange. In the absence of fraud, the judgment of the Attorney-in-Fact as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or the person participating in the arrangement shall be conclusive and the insurance or arrangement shall not be voidable and shall not subject the Subscribers approving the insurance or arrangement to liability, on any ground, regardless of whether Subscribers participating in the approval are beneficiaries of the insurance or arrangement.

Section 7.05. Other Protection and Indemnification. The protection and indemnification provided hereunder shall not be deemed exclusive of any other rights to which such person may be entitled, under any agreement, insurance policy or vote of the Subscribers, or otherwise.

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CERTIFICATE OF ADOPTION

The undersigned Secretary of The Homeowners Reciprocal Exchange (the "Exchange") certifies that the foregoing Bylaws were duly adopted and acknowledged by the Attorney-in-Fact of the Exchange, effective on the 21st day of May, 2025.



Jesus Chapa, Secretary of THORE AIF, LLC,
as Attorney-in-fact for the Exchange